

**Letter of Agreement between PO-RALG and development partners regarding harmonisation of ABP support and convergence towards a unified discretionary capital development grant system for Local Governments**

**1. Preamble**

- 1.1 The Government of the United Republic of Tanzania has embarked upon a decentralisation policy through which political, administrative and financial decision making powers are being devolved to the Local Government Authorities (LGAs). The goal is to reduce poverty through improved service delivery at the local level and is overall linked to the Vision 2025 and the Poverty Reductions Strategy. The Government recognises that in order for the LGAs to provide the mandated services in a transparent, accountable and equitable manner substantial improvements are required in terms of institutional and fiscal capacity at the local level.
- 1.2 The Local Government Reform Programme (LGRP) has spearheaded the implementation of the decentralisation process under the overall responsibility of the President's Office, Regional Administration and Local Government (PO-RALG). The efforts of the LGRP are to be complimented with an incentivised and performance based capital development grant system. The basis for the system was designed under the Local Government Support Programme (LGSP)<sup>1</sup> with support from the LGRP. This design now forms the basis for a unified Local Government Capital Development Grant (LGCDG) system, which will be financed by a World Bank loan, grants from various other development partners and will also include the Government's development grant.
- 1.3 The Government recognises that the majority of development funding for the local level is at present provided through Area Based Programmes (ABPs) and sector funding. ABPs are defined as development partner supported programmes that provide discretionary funding to specific LGAs.<sup>2</sup> The target is to have a unified intergovernmental fiscal transfer system, which brings together all the different funding modalities under a single institutional structure no later than by the FY 2008/09. The vision for achieving this is elaborated in the Letter of Sector Policy on "Fiscal devolution of the Budget and Local Government Capacity Building".<sup>3</sup>

**2. Principles**

- 2.1 The development partners currently involved in ABPs, upcoming ABPs or recently concluded direct support to councils include among others:
- Austrian Development Cooperation
  - Belgium Embassy

<sup>1</sup> LGSP is a World Bank programme which includes 3 components: 1) The Local Government Development Grant, 2) Dar es Salaam Upgrading and institutional strengthening and 3) Management and Institutional Development. What is referred to in here is component 1, but component 3 is also of relevance for this LoA.

<sup>2</sup> This definition is from the Draft Letter of Sector Policy on Fiscal Devolution prepared as a requirement for the LGSP.

<sup>3</sup> Latest draft of 14<sup>th</sup> September 2004., as agreed at, and attached to the Minutes of, the Local Government Support Programme negotiations with the World Bank

- CIDA
- DCI
- European Commission
- Embassy of Finland
- Netherlands Embassy
- SIDA
- UNDP / UNCDF

The LGAs involved in the above compose more than one third of all the councils in the country.

- 2.2 These development partners<sup>4</sup> support the Government's initiative to have a unified intergovernmental allocation and fiscal transfer system by the year 2008/9. As a part of this, between now and June 2008 latest, the development partners, together with GoT, seek to harmonise activities directly relating to the introduction and operationalisation of the incentivised and performance based capital development grant system. Harmonisation of individual development partners' support to LGAs is seen as the road to reach this point of convergence.
- 2.3 The importance of following national policies and initiatives is argued from experiences and the recent evaluation of ABPs which have shown that ABPs approaches are often overtaken and experiences lost unless integrated with national policies and programmes. It is essential to understand that the harmonised approach suggested under this Letter of Agreement (LoA) follows national policies and will support the GoT in establishing the LGCDG, share lessons from existing ABPs (e.g. on participatory planning, community empowerment etc) and contribute towards improving governance at the local level with the ultimate goal of reducing poverty.
- 2.4 A step by step approach for the harmonisation of support to LGAs is anticipated allowing development partners to honour existing commitments and support to civil society and the private sector will not be influenced by this LoA. Overall a time frame is envisaged during which the FY 2004/05 is considered a bridging period in which development partners can sign up to the LoA and prepare for the implementation of the essential elements as outlined below.
- 2.5 The timeframe mentioned in 2.2 notwithstanding, the support mentioned in 1.2 provides the basic input for rolling out a harmonised system for discretionary capital development grants for LGAs - the LGCDG - and allows a larger number of councils to benefit from this system at an earlier stage. Hence, the different funding streams, which for practical purposes are required as explained in section 6, will support one *national system*, the LGCDG system.

### 3. Purpose

- 3.1 The purpose of this LoA is to set forth the basic principles for a harmonized approach for on-going and new ABPs in order to synchronise activities during the convergence towards the LGCDG system. Under the overall subscription to the Letter of Sector Policy the LoA covers three main issues:
- Technical Areas of support for harmonization
  - Institutional arrangements

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<sup>4</sup> PO-RALG has requested the Austrian Development Cooperation and the UNDP / UNCDF to express their position towards the Letter of Sector Policy. Positions will be expressed at a later stage.

➤ Funding modalities and timing

**4. Technical Areas of support for Harmonisation**

4.1 In order to operationalise this harmonisation, development partners agree to contribute funding on the following principles:

- Undertake an annual performance assessment for each LGA using the same criteria as developed through the LGSP.
- Provide capacity building grants to LGAs of USD 35,000 per annum to address identified capacity gaps arising from the assessment, following the LGSP modalities (using training manuals and accredited service providers which are to be developed in collaboration with LGRP);
- Provide capital funds to LGAs on the basis of the outcome of the assessment of defined minimum grant access conditions, and following the agreed allocation formula taking into account population, land area and poverty criteria. The amount of the capital funds is expected to average US\$ 1.50 per capita, as in the LGSP design.

4.2 In order to determine the size and allocation of the capital development grant development partners agree to comply with the LGSP guidelines for the determination of the total grant amount. PO-RALG will ensure that allocation and utilisation of the capital development grant by LGAs complies with LGSP guidelines, especially with regard to (i) investment menu, (ii) sharing of resources between the various LGA levels; and (iii) local contribution.

4.3 In addition to supporting this system, individual development partners, in association with appropriate or relevant counterparts (Local Governments, Civil Society and Private Sector Organisations), are at liberty to support, fund and implement, additional activities as follows:

4.4 *Support to local governance systems (including forging linkages with other local partners) and institutional development;*

4.4.1 Any additional support to LGAs for LG systems development will be under clear guidance and coordination by LGRP/PO-RALG. LGRP/PO-RALG will ensure that wherever relevant national systems have been decided upon these will be made known to the development partners for rolling out in the particular LGAs. LGRP / PO-RALG will also identify technical subjects where piloting is required to learn further lessons that are of relevance for all LGAs. Regular updates and briefings will be organised by LGRP/PO-RALG (see 5.14 and 5.15 below).

4.4.2 Further, the development partners commit that additional support and activities for institutional development is with the aim of improving local governance processes and in support of LGAs generic performance to meet access criteria for the capital development grants.

4.5 *Support to Civil Society and support to the Private sector and support forging linkages between Civil Society, Private Sector and Local Governments;*

4.5.1 Support in these areas will be at the discretion of the development partners and the partner organisations at national and local levels and therefore are not covered by this LoA.

## 5. Institutional Arrangements

5.1 In section 5.2 – 5.13 the institutional arrangement for the LGCDG is outlined, Section 5.14 – 5.15 addresses the institutional arrangement for the additional support to LGAs capacity for systems development.

5.2 Overseeing the funding of the LGCDG system is the responsibility of the GoT whereas PO-RALG is responsible for its implementation. The development of the system, as mentioned above, is supported partly by the LGSP and partly by development partners under this LoA. In order to ensure coherence and consistency between the various players and funding partners the following institutional arrangement to oversee the LGCDG system is suggested:<sup>5</sup>

5.3 ***A Local Government Capital Development Grant System Technical Committee (LGCDG System Technical Committee)*** composed of the following members:

- DPS PO-RALG (chair);
- Director for Local Government (secretariat), with initial support from LGRP if needed.
- Appropriate Heads of Department from MoF, PO-Planning and Privatisation, the 5 sector ministries (i.e. MoWLD, MoH, MoEC, MoW, MoAFS) and MLHSD
- Management team PO-RALG, LGRP Programme Manager and relevant Outcome managers;
- ALAT;
- NEMC;
- Selected LGA representatives;
- Contributing donor representatives.

The Technical Committee will have meetings with a broad representation of its members and strive to reach consensus regarding the recommendations to be made to the PS PO-RALG. The Technical Committee meets at least quarterly and performs the following functions:

- share experiences on the LGCDG system design and make relevant recommendations on the assessment manual, the assessment processes, allocation formulae, menu, etc. and make recommendations to PS PO-RALG or through PS PO-RALG to the Steering Committee as appropriate.
- review work-plans, budgets and progress reports for the LGCDG system (including the Capital and Capacity Building Grants), as well as annual assessment reports, and make recommendations on the basis of the benchmarks as defined for the system to PS PO-RALG or through PS PO-RALG to the Steering Committee, as appropriate.

5.4 ***A Local Government Capital Development Grant system Steering Committee (LGCDG System Steering Committee)***, with the following members:

- PS PMO, chair;
- PS PO-PP;
- PS MoF;
- PSs of five sector ministries (i.e. MoWLD, MoH, MoEC, MoW, MoAFS); and
- PS LHSD
- PS of any other Ministry if deemed necessary;

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<sup>5</sup> The suggested set-up builds upon and accommodates the LGSP institutional arrangement, as set out in the LGSP Development Credit Agreement and confirmed by the Minutes of Negotiation of 1<sup>st</sup> October 2004, and hence should be acceptable to all parties.

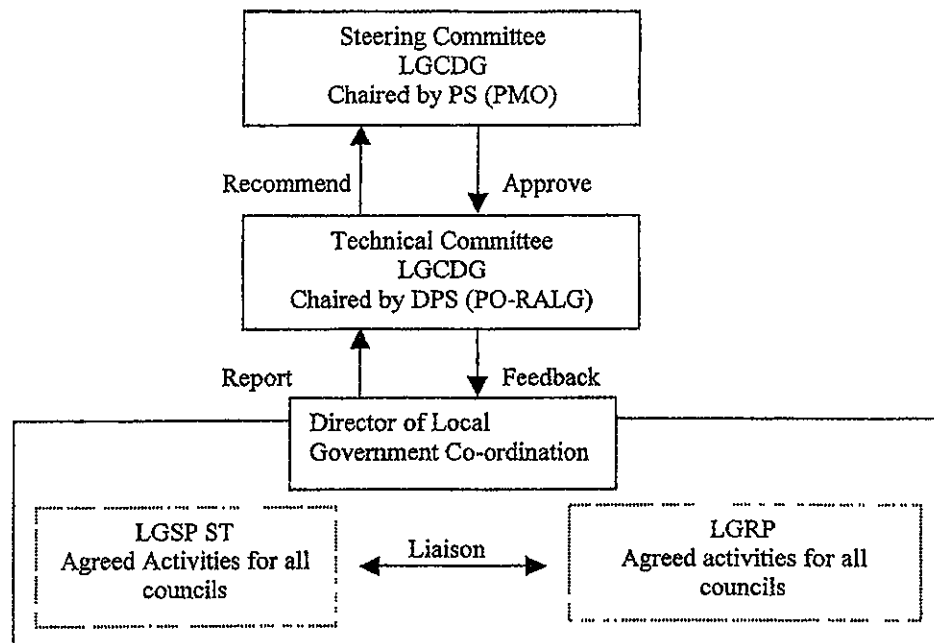
- PS PO-RALG (secretariat).

The Steering Committee takes decision following established GoT practice. The Steering Committee is to meet at least quarterly and carry the following responsibilities and, on the basis of recommendations from the LGCDG Technical Committee, will:

- Discuss and approve any changes in the allocation formulae, procedures, etc.;
- Approve the assessment reports, identifying LGAs that meet grant access criteria;
- Make final administrative decisions on cases of appeal;
- Approve the LGA grant allocations; and
- Approve changes in the Assessment Manual.

- 5.5 *A LG Capacity Building Consultative Group* will be established by PO-RALG, with a membership that embraces the major stakeholders in central and local government, with the function of discussing issues pertaining to the management of the Capacity Building market, especially with regard to:
- LGA capacity needs;
  - Standardisation of training materials;
  - Mechanisms of quality assurance; and
  - Coordination.
- 5.6 As this LoA supports development of a system that over time will become the LGCDG system, the implementation of the LoA will be done through mainstreamed modalities under PO-RALG, through the Director of Local Government Co-ordination (DLG).
- 5.7 Provision is made for supporting DLG and strengthening its capacity. DLG will be responsible for overseeing and supporting implementation of the assessment, providing capacity building grants and capital development grants.
- 5.8 PO-RALG is in the process of restructuring and a larger capacity building programme is to be implemented. While awaiting the approval of the restructuring and the required capacity building of PO-RALG including the DLG there will be a bridging arrangement in which LGRP will be involved in the management of the capital development grant system. Specifically, LGRP will update the MTP Finance Outcome to include an output that encompasses the introduction of the capital development grant system.
- 5.9 A division of responsibilities between the LGRP and the LGSP Support Team (ST) in support of DLG will be determined by PO-RALG optimising the use of existing capacities. While the allocation of tasks to implement and manage the LGCDG between PO-RALG divisions / sections, the LGSP ST and the LGRP will vary over time, the principle for allocation of responsibilities will be by activities rather than by grouping of councils.
- 5.10 In addition, it is the intention of the LGRP to undertake the assessment and provide capacity building grants to the remaining councils from 2005/06.
- 5.11 At the LGRP programme level the existing Common Basket Fund Steering Committee will oversee implementation, provide guidance and have same role and responsibilities as is currently executed for the whole Reform Programme. The Common Basket Fund Steering Committee will be advised by the LGCDG Technical Committee. The higher-level coordination has been outlined above.

5.12 The linkages between the various committees and secretariats for management purposes are depicted below.<sup>6</sup> The funding streams are outlined in section 6.



5.13 The above bridging arrangement involving LGRP is only foreseen to be in place for a maximum of two years. After two years the management of the LGSP councils and the councils supported under this LoA will be merged and constitute the LGCDG under the full responsibility of the relevant PO-RALG division.

5.14 LGRP / PO-RALG will also provide guidance on the additional capacity building for LGAs, roll out of national systems and systems development. Quarterly technical briefing will be organised by LGRP/PO-RALG where development partners and other stakeholder will be informed on these systems, if there is a need for piloting etc. The quarterly briefings will also serve to provide feedback to LGRP/PO-RALG on experiences from the various districts. Additional technical briefings may be organised if found necessary.

5.15 Consultations on utilisation (possibly shared) of existing technical advice can take place either on bilateral basis (development partners and LGAs in between) or under the overall LGRP / PO-RALG guidance. The above quarterly briefings can initially serve as a discussion forum. If need be, coordinating mechanisms can be developed under the appropriate PO-RALG divisions and sections.

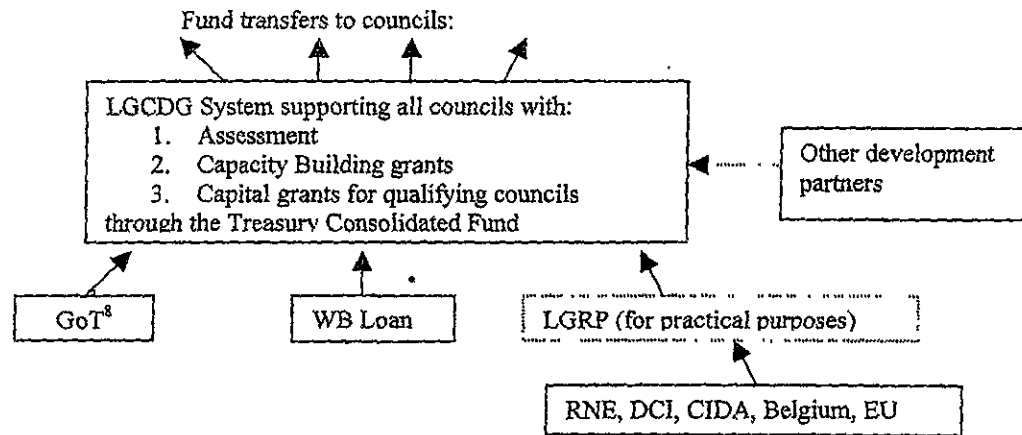
## 6. Funding modalities and timing

6.1 Funds for implementation of this LGCDG, - specifically the performance assessment, provision of capacity building grants, capital development grants and the capacity building of PO-RALG will be provided by the development partners through various modalities. The important aspect is that regardless of the funding

<sup>6</sup> Experiences from other financing arrangements in Tanzania (notably the Public Service Reform, Public Financial Management Reform and the Tax Modernisation Programme) indicate that the World Bank is able to join common funding and decision-making arrangements with other development partners.

modality, all funds will contribute to the implementation of one common system for LGCDG.

6.2 The funding streams can be depicted as follows:



6.3 For those partners already contributing to the LGRP basket, additional funding can be made available (general or earmarked). For those not contributing to the LGRP basket other funding arrangements can be drawn up (either via LGRP or directly to the Treasury Consolidated Fund).

6.4 However, above all, the development partners signing the LoA subscribe to its principles and note that during the FY 2004/05 assessment of the LGAs will take place in October / November.

From the Financial year 2005/06 the following activities will take place:

- o Capital development grants for qualifying councils will be made available from July 2005
- o Capacity building grants will be disbursed from July 2005
- o Second assessment will take place September / October 2005

6.5 It should be noted that for the development partners signing this LoA, no additional discretionary funding outside the principles outlined in this LoA will be made available to the LGAs.

6.6 Hence, the year July 2004 to June 2005 is a bridging period where ongoing programme commitments can be honoured while PO-RALG inform LGAs on this new LGCDG modality.

## 7. Conclusion

The partners to this LoA agree to co-operate full with each other on its implementation. The partners further agree that as soon as the LGCDG system is developed with institutional and oversight arrangements agreeable to all partners, the commitments under this LoA will be subsumed into the national system.

<sup>8</sup> The existing GoT development grant will over time also be channeled through this system.

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PERMANENT SECRETARY

President's Office, Regional Administration and Local Government  
For the Government of Tanzania

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For the Government of .....



**“Draft”**

**LETTER OF SECTOR POLICY ON FISCAL DEVOLUTION OF THE BUDGET AND LOCAL GOVERNMENT CAPACITY BUILDING**

**1. BACKGROUND**

- 1.1 The Government of Tanzania (GoT) promulgated the Tanzania Development Vision 2025 in 1999 and this document defined the national development objectives and the policy framework within which they would be achieved. High amongst those objectives was to be “free from abject poverty” and a critical policy within the implementation framework was to “decentralise the political administration and the fiscal structure, roles and responsibilities”. This is in conformity with the 1998 Policy Paper on Local Government Reform which envisaged four main policy areas for reform:
- Political Decentralisation
  - Financial Decentralisation
  - Administrative Decentralisation
  - Changed Central-Local Relations
- 1.2 Tanzania’s Poverty Reduction Strategy (PRS 2000) provides guidance for the achievement of freedom from abject poverty through the various GoT interventions for poverty reduction, including local government reform and strategies for fiscal decentralisation. Seven areas - Primary Education, Roads, Water and Sanitation, Judiciary, Health, Agriculture and HIV/AIDS – are identified as key priority areas for poverty reduction. These key areas have been prioritised through the annual budgets and the PER/MTEF process.
- 1.3 The PRS emphasises investments that target the poor, specifically in social infrastructure that falls under the responsibility of the local government authorities (LGAs). The PRS therefore recognises the importance of local government reforms for successful implementation of improved service delivery levels. Increasing amounts of funds have been, and will further be, channelled through Local Government Authorities (LGAs) using the recurrent and development transfer systems.
- 1.4 However, the vast majority of development expenditures are at present still expended at local level through various project modalities and sector funding rather than more unconditional intergovernmental fiscal transfers to LGAs. It is also recognised that substantial capacity building is required for LGAs to fully play their role as envisaged in the strategy for the reduction of poverty.
- 1.5 This letter expands on the Government of Tanzania’s policy positions on decentralisation with emphases on fiscal decentralisation and approaches to LGA capacity building, and how the Local Government Support Programme (LGSP) will contribute to the implementation of those policies. The LGSP will include three components, which are:
- Component 1: Infrastructure investments and capacity building funds to local authorities through a Capacity Building Programme (CBP) and Capital Grant Programme (CGP);

Component 2: (a) Informal Settlement Upgrading Programme for Dar es Salaam's urban poor; and (b) Local Revenue Enhancement in Dar es Salaam; and  
Component 3: Capacity building to PO-RALG and Regional Secretariats to implement the LGSP.

## **2. THE GOVERNMENT'S OVERALL DECENTRALISATION POLICY**

- 2.1 The Government's vision and policy for the future decentralised local government system are summarized in the Policy Paper on the Local Government Reform, 1998.
- 2.2 The Government's intention is to devolve substantial political, administrative and financial powers to LGAs. The Government intends to create a system that will enable LGAs to provide their mandated services to the citizens in a transparent, accountable, accessible, equitable and efficient manner. This requires devolution of powers to make policy and operational decisions, and elected and accountable political leaders. It also requires capable, decentralised, administrative staff, as well as effective mechanisms for the participation of stakeholders (particularly the poor and other marginalized groups) in decision-making. It is understood, moreover, that possession of sufficient and reliable resources to implement the plans and budgets is critical to the success of the decentralisation policy.
- 2.3 The Government recognises, that unless there is substantial improvement in institutional and fiscal capacity at the local level, effective and sustainable service delivery will not materialise. Its basic strategy to bring about institutional and fiscal improvements is decentralisation, coupled with extensive capacity building, and institutional performance based incentive structures. This strategy is being implemented primarily through the Local Government Reform Programme (LGRP) in the President's Office, Regional Administration and Local Government (PO-RALG).

## **3. FISCAL DECENTRALISATION POLICY**

- 3.1 The Government is in the process of developing a strategy for fiscal decentralisation in conformity with the 1998 Policy Paper on Local Government Reforms, which envisages reforms of the present fiscal system that will improve:
  - a. Revenue generation;
  - b. Efficient use of resources for service delivery at all levels of Government;
  - c. Equity in access to services, through more equitable allocation of resources;
  - d. Transparency and fairness in allocation.
- 3.2 Based on the Policy and work to date, the long-term vision for intergovernmental fiscal transfers to LGAs can be summarized as follows:
  - a. The vision is of a unified transfer system, which brings together programmes and grants, recurrent and development funding, donor and government funding into one process. Parallel funding to LGAs shall, wherever practical, be merged into the Government grant system over the next five years, in order to maximise equity, transparency and efficiency in the use of resources.

- b. The transfer of resources to LGAs shall be based on transparent formula based allocations.
  - c. Transfers to LGAs shall be made in a manner that provides incentives for LGAs to improve their administrative performance. Thus increased discretion at LGA level in the use of transfers shall be contingent upon LGAs meeting agreed performance criteria. Efforts shall further be made to provide incentives to LGAs for improvements in their own source revenue collection.
  - d. It is Government's policy that, in line with the Tanzania Assistance Strategy, there shall be no earmarking of funding; however, some conditionalities within the grant system cannot be avoided in order to ensure that special needs are addressed, but the conditionalities will not overly constrain LGA discretion. Initially the Government will ensure greater discretion within sector allocations of the recurrent grant transfer, whereas discretion across sectors will be given immediate priority for development grant transfers.
- 3.3 Devolution of the development budget is an important element in this strategy. Hitherto, only a very small part of the funds for development have been transferred from central government to LGAs and, in addition, the Government is aware that the present allocation of development funding is spatially skewed and the principles for the allocation not transparent.
- 3.4 In order to address this, the Government will initiate a gradual, but systematic, devolution of a significant share of the development budget over the next 2-4 years, providing non-sector specific development funding for LGA investments according to locally identified priorities. These funds will be distributed through a needs based, transparent and objective formula.
- 3.5 As a first step towards this process the Government will implement the new formula based allocation of the GoT funded development grant with effect from FY 2004/05. The second step will be the expansion of the non-sectoral discretionary development transfers, both in nominal terms and in relation to the sector grants and the Area Based Programs (ABPs) currently funded by various donors, to provide sufficient autonomy and efficiency in the resource allocation. Area Based Programmes are for the purpose of this document defined as development partner supported programmes that provide discretionary development funding to specific LGAs.
- 3.6 The present LGA development funds come from several sources each using individual allocation, disbursement, and accountability procedures. The Government will over the next 4-5 years bring all these various development grants under one operational "window", using common modalities for planning, budgeting, accounting, reporting and auditing. LGSP (Components 1 and 3) will commence the implementation of this strategy through the Local Government Development Grant (LGDG) system.
- 3.7 The LGDG system will be implemented from 2004/05 and will initially comprise the current Development Grant from GoT own sources and the Capital Development Grant (CDG) and Capacity Building Grant (CBG). Similar allocation formulae and access criteria will be used in each of the elements of the system with a view to their merging over time.

- 3.8 Over the life of the LGSP, the LGDG system will be established as an increasingly important modality through which funds for capital investment are transferred from central government and donors to LGAs. Ultimately the LGDG system procedures and modalities will be the vehicle for the transfer of all development funds to LGAs. The speed of this process will depend on the experiences gained from the initial years of implementation and the availability of funds from the Government and donor contributions. However, it is The Government's intention, provided that the lessons learnt are successful, that the modalities can be up-scaled from the initial LGAs to cover all LGAs from the Mid Term Review of the LGSP, i.e. 2006 or at least prior to the programme completion in 2008.
- 3.9 Under the current Tanzania Assistance Strategy (TAS) the Government and its development partners identified budget support as the most appropriate method of co-operation. The use of *Area Based Programmes and Basket Funds* are recognised as temporary arrangements that will in time be converted into budget support. The Government believes that the LGDG system now being implemented, of which LGSP is a component, provides the appropriate modality for effecting this strategy.
- 3.10 As part of the process of converting ABP and basket funds into budget support, the Government will initially work with the development partners at present operating Area Based Programmes to fold their support into the LGDG system by bringing the qualifying *beneficiary councils into the LGSP by co financing of the facility or providing budget support*. This will be accomplished by the time of the mid term review of the LGSP. Where beneficiary councils have not yet met the categorisation criteria to enter the CDG element of the system, the development partners may provide harmonised support to them through a time bound *complementary mechanism* for a maximum of four to five years starting from 2004/05, to improve their capacity to meet the CDG qualifying criteria.
- 3.11 The Government will also work to bring nationally applicable sectoral and discretionary development grant programmes into the LGDG system over the period of the LGSP.
- 3.12 The work completed and in process for development grants is mirrored in the area of recurrent grants where a formula based allocation system has been designed and will be implemented in respect of the conditional grants for Education and Health from 2004/05. This will be extended to the remaining conditional grants in respect of Roads, Water, Agriculture and Administration in 2005/06.
- 3.13 Whereas the previous systems transferred funds to LGAs rather routinely and automatically, the future strategy is to provide development funds and autonomy against the performance of LGAs within key functional areas, especially performance in planning, financial management and good governance to provide stronger incentives to comply with legal requirement and ensure an efficient administration. LGAs, whether or not they are part of the initial group participating in LGSP, will be assisted to improve their performance through capacity building support. The provision of funds against the achievement of performance standards will be initially applied in the LGSP councils before being rolled out to all councils.
- 3.14 Work is at present underway to define the appropriate institutional structures through which the Government's fiscal transfer system will operate. These will be derived from the fiscal

decentralization strategy being developed and will embrace all the transfer processes including recurrent and development grants as well as sectoral and other programmes.

#### **4. LGA PLANNING FOR POVERTY REDUCTION**

- 4.1 To achieve the goal of poverty reduction, the PRS emphasizes investments that target the poor. A key challenge for LGAs is to improve infrastructure access by, and service delivery to, the poor. This problem is particularly acute in urban LGAs where a significant proportion of the population resides in unplanned and under served areas—in the case of Dar es Salaam, for example, an estimated 70% of the dwellings are in unplanned areas. In this context, the Government clearly recognizes the importance of upgrading low income unplanned settlements in urban LGAs as stated in the National Human Settlements Policy of 2000 and the Land Act of 1999.
- 4.2 Recognising that previous infrastructure upgrading initiatives have been modest in scale and have therefore benefited only a small segment of the population, the Government is supporting efforts to scale up. In Dar es Salaam the LGAs are preparing a large scale program that will cover 20% of the unplanned area. The Government supports the following principles which have guided the development of the LGSP upgrading component:
- a. Selection of specific settlements (sub-wards) to be upgraded is based on a systematic and rational citywide prioritisation process based on clearly defined criteria. Through this process all unplanned settlements (in Dar es Salaam for example) are ranked and upgraded in phases.
  - b. Community involvement in selecting the package of infrastructure improvements to be delivered by the LGA in their settlement (sub-ward), and supervising construction and subsequent operation and maintenance.
  - c. To demonstrate community demand and enhance commitment to sustained operation and maintenance of the infrastructure, households will contribute 5% toward capital cost. Upfront contributions are a condition for commencement of construction in a given settlement.
  - d. Selection of packages is subject to a per hectare cost cap (in this case USD 18000 equivalent to about USD 50 per capita) set by the LGA to ensure the widest possible coverage given limited availability of public financing and capacity for operation and maintenance.
  - e. Minimize and preferably avoid displacing households by using appropriate planning standards and layouts. As compensation and resettlement costs are covered within the established cost cap, communities and their LGAs have the incentive to reduce both displacement and partial demolition of properties, thereby reducing overall compensation costs.
  - f. To ensure that infrastructure is sustained, operation and maintenance (O&M) responsibilities, plans and financing commitments are agreed upfront for each community. Further, communities are responsible for monitoring and liaising with LGAs to ensure that O&M is carried out as agreed.
  - g. Municipalities are responsible for ensuring that their responsibilities for O&M are funded and implemented. To ensure that financing is available for O&M, LGAs

- have committed to implementing revenue enhancement initiatives and budgeting adequately for O&M.
- h. These principles are recorded in Community Upgrading Plans and a tripartite agreement between the community (sub-ward), ward and LGA.
- 4.3 Building on existing national policies, experience from previous upgrading efforts and lessons learned from the LGSP supported upgrading initiative, the Government is committed to:
- a. Reviewing and modifying the space standards specified under the Town and Country Planning Ordinance, (TCPO) 1956, Space Standards Regulations, and adapting procedures and levels of approval for planning schemes in conformance with the overall decentralization agenda. A draft of the new legislation is currently under consideration.
  - b. Implementing the Land Act No. 4, 1999, and more specifically, the regulations pertaining to regularization of upgraded settlements, by issuance of land regularization plans and, residential licenses and eventually title deeds. These efforts will reduce the potential for encroachment of upgraded public space and rights of way, enhance security of tenure, and create a basis for future property taxation.
  - c. Establishing financing arrangements for rolling out a national program for systematic, phased and sustainable upgrading of all unplanned settlements in Dar es Salaam and other urban LGAs.
- 4.4 LGAs currently receive guidance for participatory planning in the form of various sector specific planning guidelines in addition to the annual budget guidelines. The Government has approved a Participatory Planning and Budgeting framework, which is being operationalised through the Opportunities and Obstacles to Development (O&OD) methodology for participatory planning. 28 councils have already implemented, or are implementing, this approach and the rest will do so in a phased manner. In the interim they will continue to use existing approaches to participatory planning.
- 4.5 Operation and maintenance is recognised as a key challenge, as increased resources will be allocated for capital investments in LGAs. Government will support LGAs in the maximisation of local revenue collection and ensure that such funds are applied to the operation and maintenance of council infrastructure, thus ensuring the sustainability of investments. Improved planning and elements of user contributions will partially contribute to sustainability, but reliable LGA funding for operation and maintenance is crucial as LGAs will assume the main responsibility for operation and maintenance of infrastructures. LGAs must step up their efforts in the collection of revenues from existing sources, which are deemed to have substantial unrealised potential particularly in the urban areas. The Government's commitment to revenue enhancement has been set out in greater detail in section 6 of this letter.

## **5. CAPACITY BUILDING POLICY AND STRATEGY**

- 5.1 From the beginning of the local government reform it was recognised that substantial capacity building of the LGAs was required for successful implementation of the reforms and the Local Government Reform Policy outlines the vision where the operational responsibility for human resource utilisation at LGA level remains with the LGAs. Government nevertheless retains

the responsibility for providing an enabling environment and, in the initial stages of reform, substantial involvement in developing and implementing capacity building programmes.

5.2 The Government is currently addressing issues raised by the Joint Donor-GoT Review of the LGRP in 2001 regarding previous efforts of LGA capacity building as follows:

- The formula based allocation system for recurrent grants will give LGAs greater flexibility in the use of funds as the formula defines the total envelope for each council which is then allocated between personal emoluments and other charges by the LGAs following individual agreement on personnel requirements with the central ministries. This together with the performance based systems being introduced in the recurrent and development grant systems will provide incentives to improve LGA performance,
- *The initiatives being undertaken in the development grant system, particularly the LGSP Component 1, will provide access of LGAs to discretionary funds for capacity building,*
- The Government will prepare a policy framework for capacity building in LGAs, which will embrace policies for recruitment, retention and development of LGA staff for sustainable improved service delivery. The development of this policy framework will be informed by the experiences of the LGSP.

5.3 The first phases in the local government reform focused on the key areas of LGA performance and supported councils in the restructuring process, and improved administration (financial management, good governance etc.). The support by LGRP in areas of capacity building has been supplemented by various sector and donor specific initiatives. The current phase of support will focus more on a demand driven capacity building approach, assisting LGAs to take more responsibility for their own development of capacity within a clear guiding framework and incentive structure, which ensure more locally targeted interventions and strong incentives to improve the performance. The mechanisms proposed under LGSP component 1 provide an opportunity to pilot such a LGA driven, performance incentive based, capacity building approach.

5.4 The Government has recently passed a new Public Service Act. The Act lays down the framework for a unified public service and seeks to restore discipline, efficiency, integrity, dignity, capacity and effective performance in the public service by operationalising the Public Service Management and Employment Policy. This policy emphasises merit based recruitment, decentralisation of personnel management issues within all sections of the public service, introduction of performance appraisal systems, staff development programmes closely linked to work improvement, and the introduction of relevant incentive schemes to boost work morale.

5.5 The Act applies to all sections of the public service on Mainland Tanzania, including LGA staff. It is recognised that certain sections of the Act are not compatible with the intentions of the Local Government Reform Policy regarding LGA control over staff management issues and the Government is reviewing the Act with the aim of revising the relevant sections in 2004. The revision will ensure that the Public Service Act is fully consistent with the Government's decentralisation policy.

## **6. RELATED POLICIES AND STRATEGIES**

- 6.1 In addition to the fiscal decentralisation policy implementation outlined above Government has recently taken a number of initiatives to improve on the overall system of LGA finance. Below are listed some of the key elements.
- 6.2 The Government of Tanzania is committed to the good governance practices including the fight against corruption in all public institutions. Guidelines are being developed in line with the National Anti Corruption Strategy to assist LGAs to develop local anti corruption plans, which will be implemented from July 2004. Further to this the conditions for access to the Local Government Development Grant systems are designed to strengthen good governance.
- 6.3 Improvement in the locally generated revenue sources is crucial to ensure LGA accountability and a sustainable system of local government finance and the recent abolishment and rationalisation of inefficient and cumbersome local taxes is an important component of this strategy. In future LGA taxation will be focussed on the high yielding taxes, with due consideration to the avoidance of distortion in local development and poverty reduction, and property tax collection will in particular be pursued. Under LGSP (component 2) constraints on the optimisation of own LGA revenues will be addressed in Dar es Salaam, with a view to enhancing revenue collection in the three municipalities and to informing the initiatives being taken in revenue collection in other councils.
- 6.4 Government will compensate LGAs for the reforms in the tax assignment, but they will also be expected to utilise the existing taxes more efficiently. Thus training and capacity building in tax administration (assessment, collection and control) has been and will continue to be in the forefront of these initiatives, both at the political and administrative levels.
- 6.5 The present revenue sharing arrangements between higher and lower local governments have been studied under the LGRP and initiatives will be launched to ensure that the present local tax sources are shared in accordance with the overall decentralisation policy, in an equitable manner.
- 6.6 The Government is in the process of commissioning a study to develop a strategic framework for the financing of local governments, starting from the identification of the roles and responsibilities of the various levels of government and how they should be financed, including the identification of new revenue sources for local government.
- 6.7 Timeliness, transparency and dissemination of information about intergovernmental fiscal transfers have improved significantly in recent years, and this process will be continued especially with the focusing on capacity building within the key units of PO-RALG and MoF.
- 6.8 A number of initiatives have been launched to improve LGA financial management. The financial management specialists recruited under the Local Government Reform Programme are providing significant support to the LGAs. A financial benchmarking system to track and compare progress has been developed and implemented for all LGAs, and a steady overall improvement in performance is being revealed. Formal training in financial management is being provided under the sponsorship of the Ministry of Finance, which has focused on the up grading of accounting skills in LGAs.



- 6.9 A computerised Integrated Financial Management System (IFMS) has been introduced and is now operating in 32 councils as a basis for improving fiscal and financial management and reporting. The system is being extended to cover the remaining LGAs, under the auspices of the LGRP. The IFMS will link with the Planning and Reporting Database, which will soon commence implementation in the LGAs, to form a comprehensive management information system.
- 6.10 PO-RALG is, in common with other Government Ministries, going through a process of restructuring, under the Public Service Reform Programme, as part of which a revised organisation structure has been developed. This structure recognises the role of PO-RALG as the manager of national programmes in respect of local governments and provides for the appropriate capacity to carry it out. It is therefore the Government's policy that the management of programmes such as LGSP will be mainstreamed into the Government structures and parallel programme management structures will only be countenanced during the period of implementation of the new organisation structure and the building of its capacity, becoming redundant thereafter.

## **7. CONCLUDING REMARKS**

- 7.1. Government is committed to continue the decentralisation reform and sees the devolution of the development budget, the strengthening of LGA capacity building and efforts for LGA revenue enhancement as critical pillars in this process. It is expected that the LGSP as part of the Government's development grant facility for LGAs, in close cooperation with and complementing the LGRP, and other important initiatives, will contribute to the enhancement of LGAs' capacities for provision of needed local services and thereby be an important tool in the Government's poverty reduction strategy.
- 7.2. On behalf of the Government of the United Republic of Tanzania, I wish to thank IDA and the donors contributing to the Local Government Reform Programme Common Basket Fund for the assistance rendered in the preparation of the LGSP and hereby request for assistance to implement the LGSP according to the budgeted estimates in the programme design documents. I trust that this request for assistance through the proposed LGSP will receive your favourable support.

Yours Sincerely

Minister of Finance



**ALAT**

**STRATEGIC PLAN**



## 1.0 INTRODUCTION

This Medium Term Strategic Plan (MTSP) of ALAT covers fiscal years 2005/06 to 2007/08 and will be updated no later than the end of each calendar year as the performance plan for the next fiscal year is created

The MTSP aims to identify vision, mission, Key Results Areas (KRAs) and strategic objectives (SOs), and to develop priorities and strategies to accomplish mission and SOs within limited resources. Strategic Planning is a dynamic and cyclical process that assesses performance and reconsiders operational methods and work plans in order to obtain desired results in a changing environment

The purpose of this plan is to define the future direction of ALAT activities. It sets forth the ALAT mission, the assessments to determine ALAT priorities, strategies for accomplishing its objectives and associated resources. The strategic plan is a means to ensure that resources remain focused on the most important issues and to guide future resources decisions and effective implementation of those decisions.

The MTSP has been developed within the context of the Performance Management Systems (PMS) that are being introduced into all government institutions. The plan provides a vital link with the new Open Performance Review and Appraisal System (OPRAS) which is being introduced and will enable each individual's performance to be planned and assessed in relation to the KRAs and SOs as contained in the Operational Plans of ALAT.

The plan was prepared through an extensive and highly participating and consultative process involving senior management and staff of ALAT as well as key stakeholders. The implementation of the plan will involve the preparation of performance budgets at divisional level where there will be more consultation thereby ensuring that the plan represents the consensus of the ALAT regarding what should be its work and focus during the next three years

The operational plan/performance budget will cover the three-year period of the MTSP and will set out specific objectives by each division and indicate the input requirements and related costs. Annual action plans will also be prepared and will provide time schedule of the activities to be carried out and they will be linked to specific individuals who will be charged with the responsibility to do the work

## 2.0 SITUATIONAL ANALYSIS

This chapter examines the environmental analysis and the organisational analysis in which ALAT operates and identifies the issues that are critical to the ALAT's future performance and success

### 2.1 Historical Background

The Association of Local Authorities of Tanzania (ALAT) was established in 1984, with a membership of 99 Councils. Currently its membership is 114 Councils, which includes all districts and urban councils of Tanzania Mainland. The main role of ALAT is to promote and sustain the goals and ideals of decentralization by devolution and good governance through representation, lobbying, advocacy and negotiations. ALAT's activities are guided by its constitution, which was passed on 29<sup>th</sup> March 1985. The Constitution outlines the objectives, sources of funds, structure and functions of the association's management and the role of its members.

### 2.2 The Current Organisation Structure of ALAT

ALAT's structure has two levels: the National level and the Regional level. At the National level, the highest organ is the Annual General Meeting. Below the Annual General Meeting is the Executive Committee that meets quarterly. The Executive Committee has five sub-committees. These are the research, development, legal, publicity and legal matters, finance and administration, social services; specific and special urban issues committee and the chairman's committee. The day-to-day business of ALAT is done by a Secretariat, headed by the Secretary General.

Each of the 21 regions of Tanzania Mainland has a Regional branch of ALAT. The Regional Branches have their own Annual General Congress and Executive Committees and also manage the activities at a regional level. An assessment of the two levels reveals some issues for consideration such as the frequency of meetings, implementation of decisions and resources for managing the offices and programmes.

### 2.2.1 *The Annual General Meeting (Annual Congress)*

The Annual General Meeting comprises of

- 2.2.1.1 Chairmen, Mayors and Directors of 114 Member Authorities,
- 2.2.1.2 Twenty-one Constituency Members of Parliament representing each Administrative region of Tanzania Mainland. These are elected by ALAT's Regional Branches,
- 2.2.1.3 Honorary members,
- 2.2.1.4 Associate members, and
- 2.2.1.5 The Secretary General who is a non-voting member.

The AGM is the policy making body whose decisions are final.

### 2.2.2 *The Executive Committee*

The Executive Committee (National) meets quarterly and comprises 22 members.

- 2.2.2.1 The Chairman,
- 2.2.2.2 The Vice Chairman,
- 2.2.2.3 Five Chairmen representing District Member Councils,
- 2.2.2.4 Five Mayors representing Urban Member authorities,
- 2.2.2.5 Two Directors representing Urban Council Directors,
- 2.2.2.6 Two District Executive Directors representing District Councils Directors,
- 2.2.2.7 Two Constituency Members of Parliament (one male and one female) representing Parliament in the ALAT's Annual General Meeting, and
- 2.2.2.8 Four Women Directors (2 from District Councils and 2 from Urban Councils).

The EC's major role is to make decisions on all operational issues. It is being closely assisted by the Secretariat.

### 2.2.3 *The Regional ALAT Branches*

ALAT has a total of 21 Regional Branches, one from each region in Tanzania Mainland. Like ALAT at National level, ALAT Regional Branches have their own Annual General Meetings, Executive Committees and Secretariats. All Regional Branches have their own

sources of funding and management structures and are required to discuss issues pertaining to their regions and forward their suggestions and recommendations to be deliberated upon by the Executive Committee. However, the regional branches have not been very active due to various resources, including resource constraints. Also the branches are dependent on council officials who have other functions to do in their respective councils.

### 2.3 Inadequacy of the current structure

The current structure is not adequate to enable the association to achieve its objectives. Some of the roles have significantly changed necessitating its review e.g. the need for a coordination office. The EC needs to have clear relationships at the AS level. Similarly the job descriptions and the functions of communication and public relations, capacity building, research, policy and planning, need to be carefully reviewed in relation to the current developments in the local government sector in Tanzania. Likewise, the current staffing levels at the AS do not match with the current set up, roles and responsibilities of the Association. There are clear gaps in the follow up of decisions taken at the meetings of the EC and this dilutes the impact expected from ALAT.

At the regional level the structure poses a series of problems on the commitment of its members due to the fact that the Regional Secretaries are also Directors of the Council and are often committed to their regular tasks. The members are also working on a voluntary basis and hence there is little motivation to carry out their responsibilities. If the regional branches are to be more productive and to make an impact in the regions, they should be able to turn to alternative ways of grouping themselves into zones or have dedicated people with some incentives based at the grass root level to coordinate ALAT activities. However, the current structure also does not include villages and associate or corporate members as provided for in the constitution of the association. ALAT therefore needs to review the current organization structure.

### 2.4 Mandate of ALAT

ALAT currently comprises all Local Government Authorities of Tanzania Mainland and operates under the Societies Ordinance. It has a Constitution, which was unanimously passed on March 1985.

### 2.5 Roles and Functions

The main role of ALAT is to promote and sustain the goals and ideals of decentralization by devolution. This is being achieved through representing, lobbying, negotiations and advocacy on behalf of its 114 member Local Government Authorities. To discharge these roles ALAT works very closely with key stakeholders that include the Government, Private Sector, and the civil society with a view to promoting decentralization by devolution, good governance, improved service delivery and a crusade against poverty alleviation.

#### 2.5.1 Representation

ALAT represents its members in national and international fora.

#### 2.5.2 Lobbying, Advocacy and Negotiations

To ensure that the publication and dissemination of ALAT newsletters are timely and of good quality and conduct studies on conflicting laws, policies and various sector reform programmes, which relate to LGAs in order to identify weaknesses and to propose recommendations to the authorities concerned.

#### 2.5.3 Service Delivery

- 1 Recruiting competent and multi-skilled staff at AS,
- 2 Training of councilors, management and staff of member councils,
- 3 Expert advice to LGAs and various Government sector policies,
- 4 Twinning – Fostering good relations between local LGAs and international LGAs, and
- 5 To mobilize resources through self-reliance

## 2.6 Stakeholders Analysis

All organizations are set up with the specific objectives. Individuals and institutions that contribute in one-way or another that have a common purpose with the organization are called Stakeholders. By working closely with them the organization and stakeholders can exchange experience and create more effective modalities and framework of forging more constructive collaboration and partnerships which will result in effective attainment of its objectives.

The Key Stakeholders of ALAT are the Central and Local Government, Private and Public Sector, Donor Agencies and Civil Society namely, CBOs, NGOs, RBOs, Political parties, etc. The stakeholders should be involved more and actively participate in the associations' activities in order to benefit from their support.

The following table is the presentation of the stakeholders' analysis, the services that ALAT provides and the stakeholders' expectations.

**Table 1: Stakeholders' Analysis**

Stakeholder	Services provided to them	Stakeholders expectations
Central government	<ol style="list-style-type: none"> <li>1 Policy advice</li> <li>2 Legal advice</li> <li>3 Provide forum</li> <li>4. To be a link</li> </ol>	<ol style="list-style-type: none"> <li>1 Timely advice on policy issues</li> <li>2 Timely advice on legal issues</li> <li>3 Effective linkage with LGAs</li> </ol>
Local Government Authorities	<ol style="list-style-type: none"> <li>1 Training</li> <li>2 Expert advice</li> <li>3 Information dissemination</li> <li>4. Facilitation of linkages</li> <li>5 Representation</li> <li>6 Advocacy and lobbying</li> </ol>	<ol style="list-style-type: none"> <li>1 Effective representation to the CG</li> <li>2 Safeguarding their interests</li> </ol>

Stakeholder	Services provided to them	Stakeholders expectations
Private Sector	<ol style="list-style-type: none"> <li>1 Linkages</li> <li>2 Intermediary organisational services</li> </ol>	<ol style="list-style-type: none"> <li>1 Effective linkage with LGAs and CG</li> <li>2 Timely provision of accurate information</li> <li>3 Timely issuance of policy documents</li> </ol>
Public Sector	<ol style="list-style-type: none"> <li>1 Linkages</li> <li>2 Intermediary organisational services</li> </ol>	<ol style="list-style-type: none"> <li>1. Effective linkage with LGAs and CG</li> <li>2 Timely provision of accurate information</li> <li>3 Timely issuance of policy documents</li> </ol>
Donor Agencies	<ol style="list-style-type: none"> <li>1 Provide them with data on ALAT and LGAs</li> </ol>	<ol style="list-style-type: none"> <li>1 Timely and Correct information and data</li> <li>2 Competent and qualified personnel</li> </ol>
CBOs, NGOs, RBOs	<ol style="list-style-type: none"> <li>1 Linkages</li> <li>2 Intermediary organisational services</li> </ol>	<ol style="list-style-type: none"> <li>1 Timely issuance of policy documents</li> <li>2 Timely provision of accurate information</li> </ol>
Political parties	<ol style="list-style-type: none"> <li>1 Linkages</li> <li>2 Intermediary organisational services</li> </ol>	<ol style="list-style-type: none"> <li>1 Timely provision of advice</li> <li>2 Promote/defend decentralization by devolution policy</li> </ol>
Politicians	<ol style="list-style-type: none"> <li>1 Provide them with government policies, laws and regulations</li> </ol>	<ol style="list-style-type: none"> <li>1 Timely issuance of government policies, laws and regulations</li> <li>2 Positive advocacy on ALAT/LGAs</li> </ol>



Stakeholder	Services provided to them	Stakeholders expectations
Staff (ALAT)	1 Capacity building 2 Provide them with regulations, standing orders and instructions 3 Provide conducive working environment	1 Job recognition 2 Improve working skills 3. Quality performance of their duties 4 Better remuneration of ALAT diligent staff 5 Conducive working environment 6. Job satisfaction 7 Adequate working tools and equipment 8. Availability of standing orders and regulations and instructions timely

Therefore, from this analysis the main stakeholders' expectations are as follows

- 1 The central government, public and private sector, CBOs and NGOs expect to receive timely advice on policy issues and accuracy of information,
- 2 The staff expect to provide quality services and receive better remuneration, and
- 3 The LGAs expect their interests will be safeguarded and get effective representation to the CG

### 2.7 Recent initiatives

ALAT has been involved in a number of issues in making sure that it strengthens and safeguard the interests of the LGAs. This was done under the guidance of the Strategic Plan developed in 1997

A brief overview of the implementation of the Strategic Action Plan of ALAT (1997) is summarized in the table below

**Table 2: The implementation status of the 1997's ALAT Strategic Action Plan**

#### A. Representation

S/N	ISSUE	COMMENT/STATUS
1	Central Government to pass a law providing for a fixed percentage of the National Revenue to LGAs	Negotiations are still on going between ALAT and the Central Government However, the 2002/03 Finance Bill has weakened the fiscal strength of the LGAs by abolishing most of their sources of revenue considered to be a nuisance
2	Devolution of Functions & Powers to Local Authorities be accompanied with corresponding resources	The Local Government Reform Programme is still ongoing and institutional capacity is being developed through tailor made training programmes such as seminars, workshops on various skills to bridge the capacity gaps identified in the LGAs Other programmes are done by USRP, the Central Government departments e.g The Treasury training LGAs on budgeting skills However, the LGAs are dependant on Central Government funding Their fiscal power is very limited to not more that 10% of their annual budgets LGAs are being financed by the Central Government by more than 90%
3	LGAs functions correspond with resources. Persuade CG to amend the Local Government Finance legislation	Central Government funding has increased from about Tshs 25 bn in 1995 to about Tshs 292 bn in 2003 – 04 LGAs have become more dependants on CG support LGAs functions continue to be dependant on the CG and efforts to amend the Local Government Finance Legislation have not been successful
4	ALAT be involved in the preparation & formulation of policies relating to LGAs	Performed to a satisfactory degree e.g urged the CG to abolish the deconcentration at the regional level, the Regional Administration Act of 1997, the Local Government Miscellaneous Amendment Act No 6 of 1999, etc

S/N	ISSUE	COMMENT / STATUS
5	Inclusion of ALAT in CG task forces and Steering Committees	Partially done as ALAT is now given some opportunity to participate in various activities e.g. LGRP and PO-RALG meetings
6	To promote high integrity among LGA leadership	ALAT assisted in facilitating the issuance of Code of Ethics to Councillors and Staff in LGAs.
7	Take action against dissolution of LGAs	ALAT has not been successful to influence the CG to change the section in the Local Government Act, which gives it powers to dissolve local councils
8	To take measures against delays and distortion of grants approved by parliament	In several occasions ALAT intervened to expedite the process of payments to the LGAs so as to improve the service delivery of such councils. Delays in paying the Primary School Teachers' salaries have been an example case
9	Assist parent ministry in strengthening LGAs	ALAT has been working together with PO-RALG and the LGRP in strengthening the initiatives taken together and to make follow up as required
10	Donors to support LGAs	The Urban Sector Rehabilitation Program (USRP) has achieved much success. The Local Government Reform Program (LGRP) and the Local Government Support Programme (LGSP) has been made effective

#### B. Improvement of ALAT's Resource Base

S/N	ISSUE	COMMENT / STATUS
1	Expand ALAT's membership	Membership is still comprised of LGAs. There is opportunity to expand the membership base to associate members – individuals and institutions since the constitution allows for such members. This will also include the village governments
2	Expand ALAT's own fundraising activities	Little success has been recorded due to lack of a financial plan and liquidity problems faced by members. No own

		plan for fundraising activities
3	Capacity Building of ALAT Secretariat	1 ALAT Staff have been recruited, but appropriate assessments regarding their capacity, knowledge, skills, remuneration and expertise needs were not adequately addressed 2 Some efforts have been made at strengthening bilateral relations with other regional associations e.g. assistance from RNE, SIDA, NORAD, SNV, DCI and CIDA through the Federation of Canadian Municipalities.
4	Conducive working environment (office accommodation and modern equipment)	The offices housing the AS have been renovated and modern office equipment has been procured. However ALAT still had to get its own premises so that it is independent of the CG

#### C. Communication with Members

S/N	ISSUE	COMMENT / STATUS
1	To improve the quality and timing of ALAT gazette / magazine	Published irregularly. The quality of articles is not of high standard and relevant to ALAT's ideals
2	Publication of information pamphlets	Not regularly published and distributed to members

#### D. Rendering Services to Members

S/N	ISSUE	COMMENT / STATUS
1	To seek the establishment of an Insurance Agency / Central Buying Agency	Nothing has been done, but the need of a central buying agency is still valid

#### E. Training of Members

S/N	ISSUE	COMMENT / STATUS
1	Conducting Capacity	This activity has been done to a lesser degree of

S/N	ISSUE	COMMENT / STATUS
	Building at District / Urban level	satisfaction Some Councilors and executives were trained in order to increase their skills to perform their duties efficiently However, there is still an opportunity to train more people on the role of LGAs and ALAT especially at the District and Village Level An example of such capacity building activities are those funded by VNG, DCI SIDA, CIDA, NORAD, FES, etc  ALAT also assists its members in facilitating twinning programmes with external councils in order to share experiences in fostering the ideal of decentralisation

## 2.8 The Action Plan of 2002

The 1997 strategic plan was reviewed and came up with the Action Plan of 2002 However, this plan was not fully implemented due to inadequate resources Most Council failed to remit their contributions timely thus causing severe liquidity problems for the association

The implementation status of the main issues / activities focused in the Action Plan of 2002 is as follows

**Table 3: The Implementation Status of the 2002 Action Plan**

S/N	OBJECTIVE	COMMENT / STATUS
1	To improve Communication System	Some training done for communication officers from LGAs More than half the members LGAs sent representatives for training, which lasted for about 2 weeks Some impact has been realized
2	To review ALAT structure	Not done
3	To strengthen the Research and Coordination Unit	Not done.

S/N	OBJECTIVE	COMMENT / STATUS
4	To involve members	Not done satisfactorily as there is no clear system of involving other members in various national and international meetings and programmes
5	ALAT to become a mouth piece of member LGAs	ALAT has participated in giving recommendations on various local government legislations
6	To have capable staff	ALAT secretariat staff does not have the necessary educational background, skills and experience.
7	Recognition	ALAT is being recognized nationally by the government of Tanzania especially by PO-RALG, LGRP and donors, NGOS and CBOs who are coming forward to assist it in terms of training and procurement of equipment
8	To have a strong financial base	Not done, as the level of compliance of membership fees being paid is only 60% – 70% ALAT is still dependent on member subscription fees and donor support They still do not have an adequate financing plan, which includes fundraising from various sources
9	To have a financial control system	ALAT does not have an adequate financial control system Management accounts are not timely prepared and audited for 2 years

## 2.9 Organisational Scan

### 2.9.1 Current Organisational Performance

ALAT currently does not have a clear Vision or Mission statements. The current goals until now have been serving that purpose. For an organisation such as ALAT there is need to have clear Vision and Mission statements, Objectives, Activities and Targets to be achieved ALAT also lacks a fully-fledged performance monitoring system In the absence of the performance indicators it is difficult to measure if the functions performed are adequate, of high quality, efficient and effectively delivered to its target group

### 2.9.2 Operational Management

The decisions made by the AGM and the EC are left to AS for follow up and implementation. There are gaps as to who actually monitors and evaluates the activities of ALAT, as meetings of the EC are held on an *ad hoc* basis and are dependent on the availability of resources.

The *Research Department* has only one person in comparison to the expected workload leaving the office grossly understaffed. With diverse activities envisaged in interpretation of the various legislations, data collection and analysis of information pertaining to LGAs, it is incapable of assisting ALAT to make strong and well researched recommendations to the Central and Local Government.

The *Communications and Public Relations Department* similarly has one person who is supposed to coordinate the publication of ALAT newsletter and other media. Currently the publications come irregularly depending on the availability of funds.

The *Regional branches* are facilitated by the Regional Secretaries. The Regional Secretaries are Directors who work on a part time basis and are unable to devote much time due to the fact that they are also heads of LGAs and are often committed to their regular official duties.

### 2.9.3 Financial Management

Up to 31 March of each year normally only about 20 – 30 % of member councils pay their dues in time and the compliance rate is generally less than 70%. Due to this, ALAT is facing a perennial liquidity problem, which results in the breakdown in services to its members.

### 2.9.4 Human Resources Management

As at 31<sup>st</sup> August 2004, ALAT Headquarters had 8 employees. The staff disposition was as follows:

Table 4: ALAT Headquarters' Staff Disposition

S/NO.	DEPARTMENT	TOTAL
1	Executive	1
2	Finance & Administration (Finance 1 and Administration 1)	2
3	Research & Policy	1
4	Communications & Public Relations	1
5	Support Staff (Secretary 1, Driver 1 and Messenger 1)	3
	<b>TOTAL</b>	<b>8</b>

The analysis conducted reveals that overall staffing numbers are very insignificant in relation to its core functions. This observation was also reflected in the findings and recommendations of an organisation review of ALAT in November 2001.

The administration of ALAT staff is under the *Finance and Administration department*. There is little done to empower the staff to address the capacity gaps and to improve the financial, human & technical resources needed to deliver services to ALAT. The Annual Performance Appraisal system is not in place.

### 2.9.5 Client Service Management

There is no Client Service Charter and hence no benchmarking for the delivery of services. No comprehensive electronic database of stakeholders is available. This means that the level of participation of stakeholders in the development of the ALAT is inadequate.

Currently there is a considerable understanding and cooperation between ALAT and the President's Office – Regional Administration and Local Government to enhance linkages and support for the LGAs. There is fair amount of dialogue between the LGRP, LAPP and the LGLB to share information and resources to assist the association, without necessarily compromising its position and autonomy.

## 2.10 SWOT ANALYSIS

As a result of interactions with Stakeholders, the following strengths and weaknesses were identified

### 2.10.1 Strengths

- 1 ALAT has some capacity in lobbying, advocacy and negotiations,
- 2 ALAT constitution is in place and in use,
- 3 ALAT enjoys a wide (total) membership base of all Councils,
- 4 Presence of the Local Government System up to the grassroots level (Lower Local Government e.g. Village Level),
- 5 Members of ALAT i.e LGAs are defined in the Constitution of the United Republic of Tanzania in Nos 145 & 146,
- 6 It enjoys Donor support,
- 7 Legitimacy of ALAT as a free Association since it is registered and has its own management in place,
- 8 The Councilors are democratically elected by the people to represent them at the LGAs, and
- 9 Strategic Plan for Strengthening of ALAT (1997) is in existence and gives a base to improve the organization

### 2.10.2 Weaknesses

- 1 Weak Organizational set up currently based at National and Regional Levels and not at lower levels (e.g. Village levels),
- 2 Lack of adequate staff, office, incentives etc at all levels of ALAT Structure,
- 3 Weak capacity and inadequate financial, human & technical resources,
- 4 Inadequate Institutional structure of ALAT that does not reflect its functional responsibilities,
- 5 Wrong views of Village Councils as Administrative Units and NOT as Corporate Bodies in a governance framework hence the need for Village Governments to be incorporated in ALAT Constitution and Structure to show representation of Lower Local Government e.g. Village Level,

- 6 Lack of political will among some leaders in the Central Government, LGA, civil society and private sector,
- 7 Membership is currently limited to LGAs
- 8 No reliable source of income due to low levels of compliance in payment of membership dues,
- 9 DEDs and MDs are civil servants and not LG employees, this casts doubts on their loyalty and commitment to LG and ALAT interests, and
- 10 ALAT at Regional level is dependent on part-time Secretariat

Interactions with Stakeholders also produced the following threats and opportunities

### 2.10.3 Opportunities

- 1 The Local Government Reform Program gives room for positive changes and inputs by involving ALAT in meetings and seminars,
- 2 More members are becoming aware of their obligations towards ALAT since it is their own association,
- 3 Potential for in-house reforms (Constitution and Structure within ALAT), and
- 4 Internationally ALAT is recognized receive technical support, sharing is received among others through United Cities and Local Governments (UCLG), African Union of Local Authorities (AULA), Commonwealth Local Government Forum (CLGF) and East African Community (EAC)

### 2.10.4 Threats

1. Mistrust on the roles between ALAT and Central Government,
- 2 Weakened Council financial capacity compromises roles of ALAT,
- 3 Public Service Act No 8 of 2002 provides for the transfer of any Director/ all LGA appointed officials to the Central Government,
- 4 Diminishing of Autonomy of LGAs is invariably diminishing the strength of ALAT,
5. The inadequate enabling environment to become more financially stable and increased dependence on Government support,

- 6 The powers vested with the Government to abolish weak and non-performing Local Government Authorities is a disincentive to improving performance, and
- 7 Inconsistency of policies of decentralization by devolution and centralization

**2.11 Need for the current MTSP**

Since its establishment, ALAT membership has increased with the increasing number of Local Government Authorities (LGAs) in Tanzania Mainland. The volume of its responsibilities has also been increasing, but there has been no corresponding increase in the institutional capacity and resources. In order for the Association to be effective and to adequately represent its members and stakeholders it needs a MTSP, which will provide a framework and create an enabling environment for implementing its various policies through involvement of all members and stakeholders in order to achieve its stated objectives.

The first Strategic Plan for Strengthening of ALAT was prepared in 1997 and became effective in 1998, in 2002 another Action Plan was also prepared. Both plans were partially implemented due to resource constraints and non-involvement of ALAT stakeholders in their formulation and implementation. The following are major identified critical issues, which need to be addressed in this plan period in order to achieve the desired results.

**2.12 CRITICAL ISSUES**

In the given plan period, the following are the critical issues that need to be addressed:

- 2.12.1 Capacity building at LGAs and ALAT;
- 2.12.2 Information Communication with members,
- 2.12.3 Poverty reduction,
- 2.12.4 HIV/AIDS pandemic,
- 2.12.5 Performance management and measurement (i.e. Monitoring and Evaluation system),
- 2.12.6 Democratic and good governance, integrity and accountability,
- 2.12.7 Conflicting laws, policies, regulations,

- 2.12.8 Financial management and accountability for ALAT and LGAs,
- 2.12.9 Gender mainstreaming,
- 2.12.10 Maintaining partnership with sector ministries,
- 2.12.11 Linking /interface between CG and LGAs (i.e. effective representation of Members) within ALAT and LGAs,
- 2.12.12 Increasing resource base and improving financial capabilities,
- 2.12.13 Management information system,
- 2.12.14 Improving negotiation, lobbying and advocacy, and
- 2.12.15 Working closely with civil society and private sector

### 3.0 THE PLAN

#### 3.1 Objective of Medium Term Strategic Plan (MTSP)

The main objective of this MTSP is to improve and modernize ALAT's operational performance so that it remains relevant and meaningful to its members and other stakeholders. The MTSP will enable ALAT to address the new challenges and opportunities that will enable the Secretariat fulfill its mission of improving the quality of service delivery of the LGAs in Tanzania. Implementation of the MTSP is aimed at making ALAT a modern and more dynamic organisation, which shall consistently be able to

- 3.1.1 Optimally utilize available resources (especially under severe financial constraints),
- 3.1.2 Meet individual, departmental and organizational performance targets,
- 3.1.3 Build Capacity and adapt to new management skills and techniques,
- 3.1.4 Manage information effectively,
- 3.1.5 Implement effective management systems for monitoring and evaluation, and
- 3.1.6 Develop and retain a competent and skilled workforce to drive the changes

This MTSP document is a management tool, which will be used by the members of ALAT in addressing the issues of LGAs and to offer solutions. The plan has been designed to ensure that it is open to ever-changing socio-economic environment in improving and promoting decentralization by devolution and good governance in Tanzania. The MTSP is a live tool that can be reviewed and updated whenever the management or its members see fit or circumstances necessitate. In order to have a proper direction of its initiatives, ALAT developed core values in which its staff and members are expected to demonstrate and live by them for attainment of our goals. However vision and mission statements were developed as guiding principles for achieving our objectives.

### 3.2 CORE VALUES

ALAT is convinced that the key to creating a truly great organization is an intense focus on the values that guide its staff's action. ALAT will provide services to its members and stakeholders while observing the following core values:

- 3.2.1 **TRANSPARENCY, ACCOUNTABILITY, PROACTIVENESS, RESPONSIVENESS;**
- 3.2.2 **EFFICIENCY AND EFFECTIVENESS;**
- 3.2.3 **PARTICIPATORY APPROACH;**
- 3.2.4 **RESULTS ORIENTED;**
- 3.2.5 **PROFESSIONALISM;**
- 3.2.6 **SUSTAINABILITY; AND**
- 3.2.7 **PROACTIVE STANCE/Framework.**

### 3.3 VISION

ALAT reviewed the current operating vision and came up with the following new broad statement to be achieved in the future as follows:

**"A STRONG, DYNAMIC AND PROACTIVE REPRESENTATIVE OF LOCAL GOVERNMENT AUTHORITIES, EMPOWERING THEM FOR EFFICIENT, EFFECTIVE AND SUSTAINABLE DEVELOPMENT"**.

### 3.4 MISSION

ALAT also reviewed its current operating mission, and the following was adopted: **"TO BE A STRONG PROFESSIONAL INTERMEDIARY REPRESENTATIVE OF LOCAL GOVERNMENT AUTHORITIES IN TANZANIA CAPABLE OF FOSTERING AND PROMOTING EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM DEVELOPMENT THROUGH LOBBYING, ADVOCACY AND NEGOTIATIONS"**.

### 3.5 THE MEDIUM TERM STRATEGIC PLAN

To achieve the Vision and Mission stated above, ALAT conducted a self-assessment exercise and situation analysis and identified a number of critical issues to be dealt with

in the next three years i.e. 2005/06 – 2007/08. The critical issues were then grouped into seven Key Results Areas (KRAs) in which the strategic plan is based on. Key Performance Indicators (KPIs) were also identified for each KRA (these are found in the ALAT strategic plan matrix as appendix I)

The identified seven KRAs are

- 1 Financial Management and accountability,
2. Members provided with quality service,
- 3 Women, youth and poverty reduction;
- 4 Good governance and accountability,
- 5 Timely delivery of advice and active participation of stakeholders,
- 6 Capacity building, and
7. *Proper management information system, monitoring and evaluation*

The 20 Strategic Objectives (SOs) were then deduced from the KRAs as follows

1. Improvement of ALAT Financial resource base,
- 2 To have improved financial and inventory management system to enhance accountability and transparency for funds,
- 3 To have all books of accounts and assets audited and reports produced annually,
4. Institute a performance management culture and a mechanism for implementation of Service delivery standards for performance improvement in ALAT,
5. Provide advice to LGAs on how to expand their resource base (on their tax and revenue collections) for performance improvement,
- 6 Facilitate youths and women in local authorities to be self reliant and self-sufficient,
- 7 To have high ethical standards developed and maintained in LGAs for improving qualitative behaviour in handling their daily operations;
- 8 To have closer working relationships maintained and all stakeholders involved in ALATs activities,

- 9 To have closer working relationships maintained and promoted and all stakeholders participating in ALATs activities,
- 10 To have service provision moved closer to members for more efficiency and sustainability;
11. To have awareness on the ALAT's activities raised to Local government institutions,
- 12 To have HIV/AIDS pandemic controlled at work places of our member councils over the plan period,
- 13 To have gender issues mainstreamed and sensitised to ALAT members,
- 14 To have sustainable cooperation with regional and international organizations,
15. To have ALATs' performance improved for efficient delivery of quality services,
- 16 *Build capacity for x LGAs for efficient service delivery,*
- 17 To have advocacy, lobbying and negotiation capacities improved,
- 18 Build the culture of informed decision-making among staff,
- 19 Strengthen education, communication and dissemination of information, and
- 20 To have an automated MIS installed and operationalized in ALAT and LGAs and make deliberate efforts to ensure all ALAT members have access to ICT and use it by 2008

The rationale for selecting each of these KRAs and SOs is explained as follows

**KRA1. Financial Management and accountability**

One of the main ALAT's outcome area is to have a good financial management and accountability to its members. Three SOs have been developed to achieve this outcome. These SOs are improvement of ALAT Financial resource base, to have improved financial and inventory management system to enhance accountability and transparency for funds and to have all books of accounts and assets audited and reports produced annually. *Justification for each SO is provided below as follows*



**SO1:**

*Improvement of ALAT Financial resource base by 2008*

Currently, ALAT's weak resource base hampers its efficiency. Therefore, unless this weakness is successfully tackled, ALAT will have to contend with modest success. To reduce this bottleneck, ALAT is planning to take these strategies:

**Strategies**

1. Establish other sources of income
2. Regular reviews of member fees/contributions
3. Find a mechanism for absorbing more members
4. Collecting member fees more effectively
5. Organise fund raising activities
6. Carry out study tours

**Expected Outputs**

1. Feasibility study carried out by January 2006.
2. A report on feasibility study produced by March 2006
3. Recommendations on the feasibility study worked upon by June 2006
4. Reviews carried out by June 2007.
5. Donor package received by January 2006
6. Investment area identified by January 2006
7. Member contributions reviewed every three years
8. A modality for absorbing more members prepared and implemented by July 2006
9. Organisations whose performance are likely to be improved by ALAT identified and persuaded to join ALAT by July 2006.
10. Fee to be paid by each type of member determined by June 2006
11. Membership fees collected annually by 30<sup>th</sup> September.
12. One dinner party launched by December 2006
13. One charity walk organised by October 2006
14. Three study tours to learn what other nations are doing on this issue carried out by April 2006

15. Three study tours report on lessons learnt and experience gained prepared and recommendations provided by April 2006

16. Three study tours recommendations implemented by July 2006.

**SO2:**

*To have improved financial and inventory management system to enhance accountability and transparency for funds by June 2008.*

Implementation of ALAT activities is dependent on having an efficient and effective financial management system. Strengthening the existing financial management system to enhance quality of service delivery is necessary. Therefore, there is a need to put in place various methods to ensure an effective and efficient financial management system is realized. To achieve this objective, the following strategies are going to be applied:

**Strategies**

1. Prepare financial reports
2. Prepare monthly salaries for staff
3. Prepare daily Reports
4. Install quality inventory management system
5. Review all assets registers and ledgers regularly
6. Computerize the accounting system

**Expected Outputs**

1. Daily and monthly financial reports prepared timely
2. Quarterly and annual financial reports prepared timely by 2008
3. Monthly salaries prepared timely
4. Daily transactions prepared timely
5. Quality inventory management system installed by June 2006
6. All assets reviewed and codified by June 2006
7. Verification reports on records of fixed assets ready by June 2006
8. The accounting system computerized by an acquiring accounting package by June 2008

### SO3

*To have all books of accounts and assets audited and reports produced annually.*

The rationale of having this strategic objective is that, ALAT wants its books of accounts and assets properly kept and clean. This will be an indicator that there is fiscal discipline, and that ALAT keeps proper records of public funds collected and spent. The objective will also be to produce audited reports annually. In addition ALAT has a monitoring responsibility of making sure that LGAs are responsible and accountable for all financial resources accrued. The following strategies will be used

#### Strategies

1. Conduct Regular Audits
2. Preparation of Audit Reports
3. Conduct asset audits
4. Monitoring of LGAs

#### Outputs Expected

1. Audits conducted yearly
2. Quarterly, half yearly and annual internal audit reports produced timely
3. All ALAT assets audited and reports produced annually
4. Quarterly, half yearly and annual internal audit reports for LGAs prepared timely
5. All LGAs assets audited and reports produced annually

#### KRA 2. Members provided with quality service.

ALAT is obliged to make sure its members are satisfied with the quality of services rendered to them. To ensure this outcome is realised, two SOs have been developed. These are to institute a performance management culture and a mechanism for implementation of service delivery standards for performance improvement in ALAT and to provide advice to LGAs on how to expand their resource base (on their tax and revenue collections) for performance improvement. Rationale for each SO follows down below

### SO1

*Institute a performance management culture and a mechanism for implementation of service delivery standards for performance improvement in ALAT by 2008*

The general outcry of the public is poor performance, which renders poor service delivery to the public. ALAT is determined to make sure that it installs Performance Management Systems (PMS) to improve delivery of quality services to the members. In order to ensure this objective is achieved, the following strategies are going to be employed

#### Strategies

1. Develop and disseminate client service charter
2. Creating CSC awareness to staff
3. Training to service providers
4. Create awareness on service standards
5. Install PMS
6. Review organisation structure
7. Adopt and implement the new organisation structure
8. Retrenchment
9. Review and update the constitution
10. Acquire ALAT headquarters permanent premises
11. Audit and monitor LGAs performance proactively

#### Outputs Expected

1. Client service charter developed by October 2005.
2. 500 client service charters printed and distributed to the public by December 2005
3. Awareness on the charter created by June 2008
4. Three seminars conducted to the LGAs in creating awareness of services provided by ALAT June 2008
5. Strategic Plan developed and reviews carried out every year
6. A performance budget developed and reviews carried out yearly
7. Action Plans developed and reviewed yearly

- 8 OPRAS training conducted and individual performance agreements signed by July 2006
- 9 Two Performance reviews carried out yearly
- 10 ALAT organisational structure reviewed by June 2007
11. New organisation structure approved and adopted by June 2007
12. X staff retrenched by June 2008
- 13 The constitution reviewed and updated by June 2007 June 2006.
- 14 Revised constitution printed and distributed to all stakeholders by August 2006
- 15 Feasibility study carried out in Dar es salaam by December 2006
- 16 Recommendations provided and approved by June 2007.
- 17 Permanent premises acquired by June 2008.
18. Proactive measures for self-policing established for auditing LGAs performance by June 2007 June 2008.

**SO2:**

*Provide advice to LGAs on how to expand their resource base (on their tax and revenue collections) for performance improvement by 2008*

The LGAs are charged with the duty of providing a range of services (such as primary education, primary health care, roads, water supply and security of the residents and their properties) It is evident that, service provision of these services is below standards and expectations of the general public This is because of lack of enough capital in terms of funds and expertise The LGAs cannot generate enough funds to cater for all these activities and yet the CG cannot provide enough allocation of funds so that they can meet the general public's expectations LGAs are supposed to find measures to generate more resources in meeting the public interests for providing enough, sufficient and quality services to the society. The role of ALAT is to make some researches on tax and revenue collections so as to advice the LGAs on how to improve their collections accordingly This objective will be achieved by implementing the following strategies below:

**Strategies**

- 1 Conduct tax and revenue researches for improving/expanding resource base
- 2 Assist LGAs to review by-laws
- 3 Monitor & Report

**Outputs Expected**

- 1 A study on tax collection carried out by December 2006
- 2 A report on tax collection study prepared by June 2007
3. Recommendations on tax collection report referred to the appropriate authorities for implementation by June 2007
- 4 Implementation status of the recommendations produced on tax collection are monitored and reported accordingly
- 5 A study on revenue collection carried out by December 2006
- 6 A report on revenue collection study prepared by January 2007
- 7 Recommendations on revenue collection report referred to the appropriate authorities for implementation by June 2007
- 8 Implementation status of the recommendations produced on revenue collection are monitored and reported accordingly
9. 125 by-laws reviewed by June 2008
- 10 Report on the implementation status of the recommendations produced

**KRA 3. Women, youth and poverty reduction**

ALAT has a role to play in making sure it contributes to poverty reduction to its members ALAT aims to realise this by focusing on women and youths in the LGAs To have this outcome achieved, one SO of facilitating youths and women in LGAs to be self-reliant and self-sufficient was developed Further justification to this SO is provided below.

**SO1:**

*Facilitate youths and women in local authorities to be self-reliant and self-sufficient by 2008.*

There is an increasing number of poor people in our society. These are especially the youth. This group is very important for national development. Special attention needs to be given to it. ALAT has a role to play in participating in national crosscutting issues and this is one of them. To realize this - ALAT will collaborate with LGA in facilitating youth development by using the following strategies.

#### **Strategies**

1. Review and popularize the strategy on how to deal with youths in LGAs
2. Collaborate with other stakeholders on the provision skills in different areas
3. Collaborate with other stakeholder on the provision of working areas.

#### **Outputs Expected**

1. Strategy reviewed and popularised by June 2007.
2. Strategy on how to deal with youths ready and operationalized by June 2008.
3. Working activities and working areas for youths identified by June 2007
4. 500 Youths trained in various skills by June 2007

#### **KRA 4. Good governance and accountability**

To have good governance and accountability to ALAT's members is a major focus of an outcome so that ethical behaviour is enhanced for quality results. One SO have been developed under this KRA which aims at having high ethical standards developed and maintained in LGAs for improving qualitative behaviour in handling their daily operations. Rationale for having this SO is provided as follows

#### **SO1:**

*To have high ethical standards developed and maintained in LGAs for improving qualitative behaviour in handling their daily operations by 2008*

ALAT has the role of making sure that leaders in the LGAs are of high integrity for quality service provision to the public. This is very important for their social status since in its absence, selfishness reigns and destroys all foundations for delivering quality services to the public they serve. The issue of responsibility and accountability, misuse and misappropriation of funds have greatly been responsible for falling standards in service provision. The leadership code of ethics also has been introduced for avoiding among others, losses occasioned by selfishness and misuse of public properties. But the code of ethics for public leaders does not apply to all councillors or all members of village councils. In order for ALAT to achieve this objective, the following strategies will be implemented

#### **Strategies**

1. Sensitise and raise awareness on the rule of law
2. Conduct training
3. Combat corruption at work places

#### **Outputs Expected**

1. 2500 councillors and 1250 staff trained in ethics and good governance by June 2006.
2. 2500 councillors and 1250 staff trained on adherence to rules and regulations by June 2006.
3. Staff rules and regulations regularly reviewed.
4. 2500 councillors and 1250 staff trained in integrity and professional norms by June 2006
5. 2500 councillors and 1250 staff sensitised on how to combat corruption at workplaces by June 2006

#### **KRA 5. Timely delivery of advice and active participation of stakeholders**

Timely delivery of advice on various issues and active participation of stakeholders is an outcome, which is expected by all ALAT's members and its stakeholders. To have this happen, six SOs were developed namely to have closer working relationships maintained and promoted and all stakeholders participating in ALATs activities, to have service provision moved closer to members for more efficiency and sustainability, to raise awareness on the ALAT's activities to Local government institutions, to have HIV/AIDS pandemic controlled at work places of member councils over the plan period, to have gender issues mainstreamed and sensitised to ALAT members and to have sustainable cooperation with regional and international organisations. Justification for each SO is provided as follows

#### **SO1**

*To have closer working relationships maintained and promoted and all stakeholders participating in ALATs activities by 2008.*

Currently, there is no practice nor is there any law which provides for the inclusion of ALAT in the preparation and formulation of policies, which may affect LGAs. As for law making, usually the CG asks the advice of ALAT on the bill. This is positively acknowledged, although the exercise becomes terribly difficult coming at the end of the process of law making. It is recommended that, it might have been easier to start negotiations at an early stage than come at the end of the process where defence from each part may damage the negotiation process. It is therefore important for ALAT to take initiatives as early as such processes start. *Taking the following measures will help alleviate the problem:*

#### **Strategies**

- 1 Organise stakeholders conference
- 2 Influence on the review and amendment of policies
- 3 Provide advice on policy implementation
- 4 Maintain partnership with sector ministries, NGOs, CBOs

- 5 Influence the review of conflicting laws and policies

#### **Outputs Expected**

- 1 Annual stakeholders conference carried out by June 2006
- 2 Conference deliberations implemented by October 2006
- 3 Three periodic meetings with CG, LGAs and other stakeholders carried out by June 2008
- 4 The CG provided advice with on the existing and new policies affecting LGAs by June 2008
- 5 Advice provided to LGAs on the policy implementation whenever need arises by June 2008
- 6 Various fora with sector ministries, NGOs, CBOs to discuss matters affecting LGAs sought and meetings done quarterly
- 7 Conflicting laws and policies identified by June 2006.
- 8 The CG influenced on the review of X policies and laws and discussions carried out by June 2008

#### **SO2:**

*To have service provision moved closer to members for more efficiency and sustainability by 2008.*

Tanzania is a very big country geographically. There are 114 LGAs, which expect ALAT to help solve their problems. It is therefore the plan of ALAT to open more branches closer to its members for easy and quick service provision. This objective will be achieved by implementing the shown strategies below

#### **Strategies**

- 1 Opening ALAT branches to the Village level
- 2 Enhancing capacities of ALAT branches
- 3 Review ALAT operational manual

#### Outputs Expected

1. 2537 ALAT branches opened at council and wards level and made operational by 2008 June
2. 125 ALAT branches opened at council level by June 2008
3. 125 ALAT branches enhanced their capacities by June 2008
4. ALAT Operational manual reviewed by December 2006
5. 3000 operational manual printed and distributed to members by January 2007
6. Seminars on raising awareness on the operational manual carried out to all levels of ALAT branches by June 2007.

#### SO3:

*To raise awareness on the ALAT's activities to Local government institutions by 2008*  
Currently, the ALATs activities are not well known to ALAT institutions and even to some staff in the LGAs. It is the plan of ALAT to find measure to ensure that, its activities are well known to LGAs. Measures will include

#### Strategies

1. Create awareness and educate the LGAs

#### Outputs Expected

1. Program to educate the LGAs prepared and implemented by June 2007
2. 36 programs on the role and relevance of ALAT conducted to all LGAs by June 2008

#### SO4:

*To have HIV/AIDS pandemic controlled at work places of member councils over the plan period*

Disease prevention and health promotion are not commonly thought to be business concerns. These concerns usually have been the responsibility of public health officials, medical doctors, nurses and other health professionals. But in recent years, the HIV/AIDS epidemic has forced public and private sector leaders to re-examine the role of

business in disease prevention and health promotion. This re-examination has come about because HIV/AIDS is affecting business in profound and costly ways.

The impact of HIV/AIDS in the workplace can be summarized as:

1. Loss of experienced personnel
2. Need to increase resources to hire and train replacements
3. Increased absenteeism
4. Increased labour turnover
5. Decreased productivity
6. Shrinkage of pool of available new hires

To combat this situation, ALAT will do the following:

#### Strategies

1. Create awareness to the members
2. Facilitate counselling to staff
3. Facilitate the distribution of leaflets to staff

#### Outputs Expected

1. Six seminars, six workshops, and meetings to sensitise members on HIV/AIDS infection conducted by June 2008
2. Counselling provision to staff facilitated by June 2006
3. Printing and distribution of 12,500 leaflets facilitated to LGAs' staff by June 2006

#### SO5:

*To have gender issues mainstreamed and sensitised to ALAT members by 2008.*

The gender policy requires respect for the needs of gender as essential for successful correctional practice. In the plan period ALAT will strive to raise awareness to its members on the importance of gender and equal opportunities in the work place. This will be realised by taking the following action:

### Strategies

- 1 Sensitisation and creation of awareness on gender issues

### Outputs Expected

- 1 Members facilitated in implementing gender policy/issues in their work places

### SO6:

*To have sustainable cooperation with regional and international organisations by 2008.*

As part of our efforts to be kept abreast with development issues in regional and international local authorities, ALAT has been participating in various regional and international fora for the purpose of sharing experiences, interests and concerns on various issues. This has given ALAT a great opportunity in getting to know what other similar institutions are doing to their members. It is therefore the intention of ALAT to continue participating in such fora. In order to maintain the momentum and increase its outreach, ALAT will therefore take the following strategies

### Strategies

- 1 Effective participation in regional and international fora
- 2 Pay relevant dues/subscriptions/fees

### Outputs Expected

- 1 Six regional and 5 international meetings attended yearly
2. A report prepared and stakeholders and members informed after every meeting
- 3 Deliberations reached on the regional and international fora implemented as appropriate
4. Meetings and exchange programs under the EAC prioritised as per MoU by June 2006
5. Paid up dues by September yearly

### KRA 6. Capacity building

There are complains that ALAT has no capacity to implement its objectives and achieve its targets as expected. To realise its potential ALAT developed three SOs namely to have ALATs' performance improved for efficient and cost effective delivery of quality services, to build capacity for LGAs for efficient and effective service delivery and to have advocacy, lobbying and negotiation capacities improved. Justification for each SO is provided immediately after each SO as follows:

### SO1:

*To have ALATs' performance improved for efficient and cost effective delivery of quality services by 2008.*

For efficient delivery of public services, well-trained staff, adequate working tools, staff motivation, equipment and well-furnished offices are prerequisites. Currently, ALAT has shortage of staff, and these available, lack some important skills. Therefore there is a need to train the available staff to bridge the skill gaps. However there is also need to recruit some new staff to fill the vacant posts, as there is shortage of staff of technical cadre in various disciplines.

ALAT also needs to build working morale of its employees by providing incentives to good performers. It also needs to make its offices conducive and comfortable environment for efficient delivery of services. To this end, the following strategies are going to be taken by ALAT

### Strategies

- 1 Conduct training
- 2 Recruitment of staff
3. Staff motivation
4. Retooling

### Outputs Expected

1. Training needs assessment (TNA) conducted by June 2006
- 2 Training program prepared by June 2006.
- 3 128 ALAT staff trained in computer skills by 2008 June

- 4 12 ALAT staff trained on Management skills by 2008 June.
- 5 Staff trained in total quality management by June 2006
- 6 12 management staff trained in leadership and management skills by June 2008
7. 12 staff trained in presentation skills at all levels by June 2008
- 8 ALAT job lists prepared by June 2006
9. Draft Scheme of service prepared by June 2006.
- 10 Scheme of service approved by June 2006
11. 4 technical vacant Posts and 4 vacancies for supporting staffs filled by December 2008
- 12 Promotions to all qualified staffs effected by 2008 June
- 13 Retooling needs identified by June 2007.
- 14 10 PCs, 2 printers, 5 Laptops, 2 Photocopiers, 10 chairs, 10 tables supplied, installed and operational in ALAT headquarters and branch Offices by June 2008

**SO2.**

*Build capacity for 125 LGAs for efficient and effective service delivery by 2008.*

For LGAs to deliver efficient and quality services, ALAT has a role to make sure providing advice accordingly strengthens the staff capacity within LGAs. In order for ALAT to realise this, it has to take the following initiatives.

**Strategies**

- 1 Conduct TNA
- 2 Improve collaboration with CG

**Outputs Expected**

- 1 TNA to staff and councillors conducted by June 2006
- 2 Councillors and staff Training program prepared by June 2006
- 3 CG advised on the training needs accordingly by June 2006
- 4 Funding for mounting training solicited by June 2006
- 5 6 seminars to 375 of planning, financial management and budgeting to local government staffs and leaders conducted by 2008 June.

- 6 Areas with collaboration with the CG identified by June 2006

**SO3**

*To have advocacy, lobbying and negotiation capacities improved by 2008.*

The role of ALAT is to maximize influence proactively in order to get support and advance our agenda before any policy decision is given to LGAs. There is therefore a need to look for more strategic ways to engage with central government to influence policy making that affect/have impact to its members. In this plan period ALAT will look for better strategies to get issues be considered on laws, rules and regulation and sector policy making/change. Various approaches will be undertaken including having conversations and meetings with sector ministries to get access and seek to persuade those in power. This will be achieved formally through visits and briefings of decision makers and others.

**Strategies**

- 1 Influence on the harmonisation of conflicting laws and policies
- 2 To conduct training on advocacy, negotiation and lobbying techniques to ALAT staff
- 3 Organise fora

**Outputs Expected**

- 1 Laws and policies that conflict each other identified by June 2006
- 2 A comparative study on the harmonisation of conflicting laws and policies carried out by June 2007
- 3 A comparative study report on the harmonisation of conflicting laws and policies prepared by June 2007
- 4 A workshop to discuss the report with stakeholders carried out by June 2007
5. Proposal on harmonisation of conflicting laws and policies submitted to the CG by June 2007
- 6 Follow up to the CG on the harmonisation of conflicting laws and policies done by June 2008



- 7 18 staff trained in advocacy, lobbying and negotiation skills by June 2008
- 8 375 LGAs staff trained in advocacy, lobbying and negotiation skills by June 2008
- 9 Regular fora to discuss and decide on issues impacting the legal, policy and social issues of ALAT conducted every year
- 10 Deliberations on the issues impacting ALAT implemented by June 2006

**KRA 7. Proper management information system, monitoring and evaluation**

Informed decision-making is a key tool in ensuring acceptable and quality outputs are achieved ALAT is expecting to realise proper management information system, monitoring and evaluation This will be achieved by implementing the three SOs namely: to build the culture of informed decision-making among staff, strengthen education, communication and dissemination of information and to have an automated MIS installed and operationalized in ALAT and LGAs and make deliberate efforts to ensure all ALAT members have access to ICT and use it Explanation is given to each SO as follows

**SO1.**

*Build the culture of informed decision-making among staff by June 2007.*

A major concern lies on the availability, reliability and dissemination of information and data to customers and other stakeholders. This creates the need to effect reforms in order to capture information that is useful for informed decision-making The changes will promote culture of transparency, accuracy and reliability of information and data ALAT is focusing to take the following initiatives.

**Strategies**

- 1 Conduct Monthly meetings
- 2 Publication and dissemination of important information
3. Conduct regular meetings, conferences, seminars, workshops
- 4 Consultation meetings
- 5 Operationalize the communication policy

**Outputs Expected**

- 1 36 management meetings conducted by 2008 June
- 2 3 Annual reports and statistical abstract prepared and distributed to members by 2008 June
- 3 Monthly management coordination meetings conducted in every ALAT headquarters
- 4 Monthly ALAT branches Management Coordination meetings conducted
- 5 Three statutory consultative meetings conducted to 125 LGAs by June 2008
- 6 Communication instrument identified by June 2006
- 7 Communication instrument piloted by June 2006
- 8 A report on the functioning/mal-functioning of the communication instrument prepared by June 2007

**SO2:**

*Strengthen education, communication and dissemination of information by 2008*

Information and communication systems are essential to the success of any organisation The speed at which this information is processed, interpreted and communicated is equally important One of the weaknesses observed during the situation analysis exercise is under utilization of information technology equipment This has a negative impact on ALAT's ability to offer quality service to its customers and stakeholders In order to improve this area of concern so as to achieve higher-level performance, there is a need to develop a strong information, education and communication system in ALAT. We need to develop a system and disseminate our work to our customers and stakeholders A proactive system will also help to project the right image ALAT This can be achieved by using the following strategies

**Strategies**

- 1 Establishment of information centres
- 2 Establish support units
- 3 Establish and Strengthen Libraries
- 4 Disseminate accurate information

- 5 Establish information exchange system
6. Publicise ALAT activities
- 7 Facilitate training on data collection
- 8 Establish data base
9. Provide linkage

#### Outputs Expected

- 1 Research unit established in ALAT by June 2006
- 2 Training unit established in ALAT by June 2006.
3. Knowledge unit established in ALAT by June 2006
- 4 Legal services unit established in ALAT by June 2006
- 5 Areas to establish information resource centres identified by June 2007
6. Implementation plan prepared by June 2007
- 7 21 information resource centres established by June 2008
- 8 Information management unit established in ALAT by June 2006
- 9 Information resource centre established and equipped at ALAT headquarters by 2008 June
- 10 LGAs/members sensitised to establish libraries by June 2006
- 11 125 libraries fully equipped with relevant informative materials by June 2008
12. Electronic versions of reports designed and disseminated to members by June 2008
- 13 Reports, periodicals, newsletters published and disseminated to all members by 2008 June
- 14 A system of exchanging information among stakeholders established by June 2007
- 15 Promotional activities to make ALAT known and understood organised by June 2007
- 16 12 staff at ALAT headquarters trained on data collection and methodologies and techniques by June 2008.
17. Establish and maintain database by June 2007
- 18 Linkage between councils and CG, NGOs, CBOs strengthened by June 2008

#### SO3.

*To have an automated MIS installed and operationalized in ALAT and LGAs and make deliberate efforts to ensure all ALAT members have access to ICT and use it by 2008*

There is a saying that 'information is power'. Management information system is still at its infancy. Most data and information is available on paper records and little in electronic data. Storage and retrieval of information becomes a cumbersome exercise. Also ALAT has the responsibility of conducting, monitoring and evaluation to verify if implementation is in accordance with the planned targets. Decongestion of registries and installation of a new record management system is also important for easy retrieval of information. This will ensure quality, maintain standard and have value for money. ALAT aims to overcome this by implementing the following strategies:

#### Strategies

- 1 Carry out MIS study
2. Installing and strengthening routine data collection system.
3. Establishment of database at all levels
- 4 Training and orientation of staff in data collection
- 5 Install and operationalize LAN and WAN
- 6 Improve internal communication system
- 7 Install records management system

#### Expected Outputs

- 1 MIS study carried out by June 2007.
- 2 Recommendations on MIS study prepared by June 2006
- 3 A Monitoring and Evaluation System (M&E) introduced, operationalized at ALAT headquarters and branches by June 2006
- 4 LGAs advised establish and operationalize M&E systems by June 2007
- 5 125 databases established by June 2008

- 6 Administrative data collection system introduced and operationalized by 2006 June.
- 7 Conduct training to 125 specialists on data collection, analysis and processing skills by June 2006
- 8 LAN and WAN installed and operationalized by 2008 June
9. Internet facility installed and operational by June 2006
- 10 Internal telephone communication system strengthened by June 2006
- 11 ALAT registries decongested and a new record keeping system introduced and operational by 2006
- 12 125 registry staff trained in records and record keeping by June 2008

#### 4.0 FORCE FIELD ANALYSIS

This section examines the major forces that will support (Bridges) or constrain (Barriers) the achievement of the ALAT's Strategic Plan. Appropriate strategies have been developed as detailed in the plan above and summarized in the matrix below.

**Table 5: Force Field Analysis**

<b>BARRIERS</b>	<b>S</b>	<b>M</b>	<b>W</b>	<b>BRIDGES</b>	<b>S</b>	<b>M</b>	<b>W</b>
Financial constraints	S			Leadership commitment		M	
Poor working conditions		M		Political support		M	
Low incentives	S						
HIV/AIDS pandemic		M					
Corruption		M					
Inadequate information technology and other equipment		M					
Poverty	S						
Inadequate number of staff	S						
Too high public expectations	S						
Resistance to change		M					

**Note:**

- S** - The barrier or bridge is very strong
- M** - The barrier or bridge is medium
- W** - The barrier or bridge is very weak

Out of the table above, the strongest barriers for ALAT to realize the planned targets are financial constraints, low incentives to ALAT,s staff and those working in regional branches, poverty, inadequate number of staff and too high members expectations. These are the great challenges that need to be addressed very urgently upon starting the implementation of this plan. Solution to these problems will be a catalyst in realizing

ALATs outputs However, ALAT has a good commitment of its leadership and good political will and support ALAT can maximize the use of these two potential inputs

