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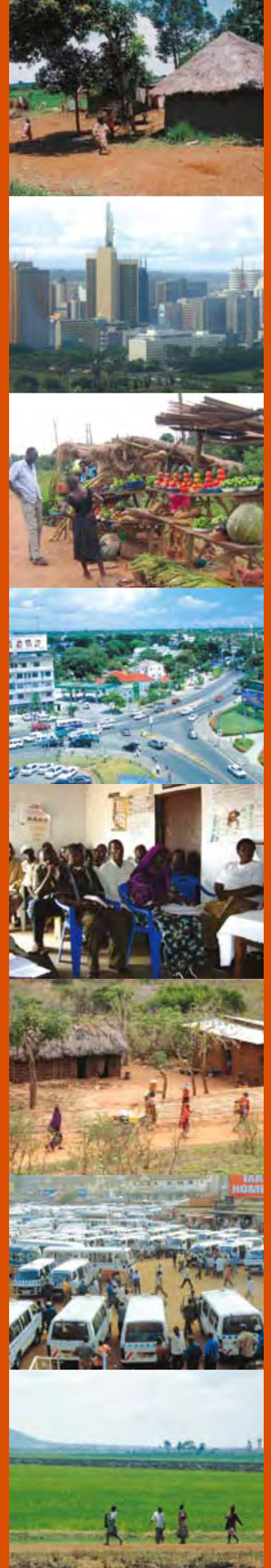

March 2008

# Decentralised Service Delivery in East Africa

## —A Comparative Study of Uganda, Tanzania and Kenya


March 2008

Institute for International Cooperation
Japan International Cooperation Agency

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## — A Comparative Study of Uganda, Tanzania and Kenya —

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Institute for International Cooperation
Japan International Cooperation Agency

This document summarises the views of the “Cooperation for Decentralisation in Africa”
Study Group which was established by the Japan International Cooperation Agency (JICA).
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Issued by: Research Group, Institute for International Cooperation,
Japan International Cooperation Agency
10-5 Ichigaya Honmura-cho, Shinjuku-ku, Tokyo 162-8433 Japan
FAX: +81-3-3269-2185
E-mail: iictas@jica.go.jp

Photos: Michiyuki Shimoda, Yoichiro Kimata, Osamu Funao, Fumihiko Saito

# Foreword

Recognition of the importance of development in Africa has been growing the world over. It was one of the major issues at the Heiligendamm Summit in Germany in June 2007, and it will be the focus at the Tokyo International Conference on African Development IV (TICAD IV) to be held in Yokohama in May 2008.

Based on the lessons learnt from the Structural Adjustment Programme of the 1980s, in Africa, Poverty Reduction Strategies (PRSs) have been developed, and Public Sector Reforms (PSRs) have been promoted to enhance government functions. Against this background, decentralisation reforms are being carried out in a number of countries in order to improve the capacity of administrative services in local areas.

Meanwhile, in March 2004, the Japan International Cooperation Agency (JICA) pushed for the introduction of the concept of "human security" as a key to structural reform. Since then, JICA's aim has been to take assistance that properly reaches impoverished people and to implement it more at the grassroots level. In order to reliably deliver the effects of assistance to local people, it is necessary to adopt appropriate assistance measures and approaches that are based on the trends of decentralisation policies in African countries and on the changes in the central-local government relationship.

Based on a recognition of these issues, in December 2005, the "Cooperation for Decentralisation in Africa" Study Group was established, and up until May 2007, a total of 14 sessions had been held. The study group verified the changes in sector services such as education, health, and agriculture, as well as the changes in rural/community development, which had been caused by decentralisation in Africa. In addition, with an objective of improving local service delivery, the study group also examined the type of decentralisation that ought to be implemented and the form of the central-local government relationship, which are suitable the particular country, and it presented the type of support that should be provided to achieve this.

This report presents important viewpoints for working-level officials who are considering support for the fields of local administration and governance in Africa, or support in such sectors as education, health and agriculture. We are hopeful that the opinions and viewpoints mentioned here will lead to the furtherance of efforts for support in Africa. We also hope that, in addition to Africa, the opinions and viewpoints will be used as a guide when officials are considering support for local administration in Asia and Latin America.

Finally, I would like to sincerely thank the study group members and other relevant persons for their enormous efforts in compiling this report, and I would like to express my gratitude to the relevant organisations for their cooperation.

Hiroshi Kato
Director General
Institute for International Cooperation
Japan International Cooperation Agency
March 2008

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# Abbreviations

| | | |
|---|---|---|
| ACBG | Agricultural Capacity Building Grant | Tanzania |
| ADO | Assistant Development Officer | Kenya |
| AEBG | Agriculture Extension Block Grant | Tanzania |
| AIE | Authority to Incur Expenditure | Kenya |
| ALAT | Association of Local Government Authorities of Tanzania | Tanzania |
| ALGE | Association of Local Governments Employers | Kenya |
| ASDP | Agricultural Sector Development Programme | Tanzania |
| ASSP | Agricultural Service Support Programme | Tanzania |
| CAO | Chief Administrative Officer | Uganda |
| CBG | Capacity Building Grants | |
| CBO | Community Based Organisation | |
| CCHP | Comprehensive Council Health Plan | Tanzania |
| CCM | Chama Cha Mapinduzi | Tanzania |
| CD | Capacity Development | |
| CDC | Constituency Development Committee | Kenya |
| CDF | Constituency Development Fund | Kenya, Tanzania |
| CG | Central Government | |
| CHF | Community Health Fund | Tanzania |
| CHMT | Council Health Management Team | Tanzania |
| CHW | Community Health Workers | |
| CKRC | Constitution of Kenya Review Committee | Kenya |
| CORP | Community Resource Persons | |
| CSO | Civil Society Organisation | |
| D by D | Decentralisation by Devolution | Tanzania |
| DAC | Development Assistance Committee | |
| DADG | District Agricultural Development Grant | Tanzania |
| DADP | District Agricultural Development Plan | Tanzania |
| DAO | District Agricultural Officer | |
| DC | Development Committee | Kenya |
| DDC | District Development Committee | Kenya |
| DDO | District Development Officer | Kenya |
| DDP | District Development Plan | |
| DED | District Executive Director | Tanzania |
| DEO | District Education Officer | |

| | | |
|---|---|---|
| **DfID** | Department for International Development | |
| **DFRD** | District Focus for Rural Development | Kenya |
| **DHMT** | District Health Management Team | Uganda |
| **DIDF** | District Irrigation Development Fund | Tanzania |
| **DIP** | Decentralisation Implementation Plan | Zambia |
| **DISC** | District Intelligence and Security Committee | Kenya |
| **DPF** | Decentralisation Policy Framework | |
| **DPSF** | Decentralisation Policy Strategy Framework | Uganda |
| **DSC** | District Service Commission | Uganda |
| **ERS** | Economic Recovery Strategy | Kenya |
| **ESDP** | Education Sector Development Programme | Tanzania |
| **FBO** | Faith Based Organisation | |
| **FDS** | Fiscal Decentralisation Strategy | |
| **FPE** | Free Primary Education | |
| **GDP** | Gross Domestic Product | |
| **GNI** | Gross National Income | |
| **GNP** | Gross National Product | |
| **GPG** | General Purpose Grant | Tanzania |
| **GPT** | Graduated Personal Tax | Kenya |
| **g-tax** | Graduated Tax | Uganda |
| **GTZ** | Deutsche Gesellschaft für Technische Zusammenarbeit | |
| **HC** | Health Centre | |
| **HIPCs** | Heavily Indebted Poor Countries | |
| **HIS** | Health Information System | |
| **HoDs** | Head of Departments | |
| **HSR** | Health Sector Reform | |
| **HSSP** | Health Sector Strategic Plan | |
| **IHDP** | Integrated Human Development Programme | |
| **IMF** | International Monetary Fund | |
| **JICA** | Japan International Cooperation Agency | |
| **KADU** | Kenyan-African Democratic Union | Kenya |
| **KANU** | Kenyan-African National Union | Kenya |
| **KIPPRA** | Kenya Institute for Public Policy Research and Analysis | Kenya |
| **KLGRP** | Kenya Local Government Reform Programme | Kenya |
| **KSAF** | Kenya Social Action Fund | Kenya |
| **LASDAP** | Local Authority Service Delivery Action Plan | Kenya |
| **LATF** | Local Authority Transfer Fund | Kenya |

| | | |
|---|---|---|
| **LC** | Local Council | Uganda |
| **LDC** | Least Developed Countries | |
| **LG** | Local Government | |
| **LGA** | Local Government Authority | Tanzania |
| **LGCBG** | Local Government Capacity Building Grant | Tanzania |
| **LGCDG** | Local Government Capital Development Grant | Tanzania |
| **LGDP** | Local Government Development Programme | Uganda |
| **LGFC** | Local Government Finance Commission | |
| **LGRP** | Local Government Reform Programme | Tanzania |
| **LGSIP** | Local Government Sector Investment Plan | Uganda |
| **LGSP** | Local Government Support Programme | Tanzania |
| **MD** | Municipal Director | Tanzania |
| **MDGs** | Millennium Development Goals | |
| **MIFIPRO** | Mixed Farming Improvement Project | |
| **MoAAIF** | Ministry of Agriculture, Animal Industries and Fisheries | Uganda |
| **MoFPED** | Ministry of Finance, Planning and Economic Development | Uganda |
| **MoH** | Ministry of Health | Uganda, Kenya |
| **MoLG** | Ministry of Local Government | Uganda, Kenya |
| **MoPS** | Ministry of Public Service | Uganda |
| **MP** | Members of Parliament | |
| **MRALG** | Ministry of Regional Administration and Local Government | |
| **MTEF** | Medium Term Expenditure Framework | |
| **NAADS** | National Agricultural Advisory Services | Uganda |
| **NALEP** | National Agricultural and Livelistock Extension Programme | Kenya |
| **NARC** | National Alliance for Rainbow Coalition | Kenya |
| **NCG** | Nordic Consulting Group | |
| **NGO** | Non Governmental Organisation | |
| **NHIF** | National Health Insurance Fund | |
| **NLGCBP** | National Local Government Capacity Building Policy | Uganda |
| **NRA** | National Resistance Army | Uganda |
| **NRM** | National Resistance Movement | Uganda |
| **NSDS** | National Service Delivery Survey | Uganda |
| **O&OD** | Opportunity and Obstacles for Development | Tanzania |
| **ODA** | Office Development Assistance | |
| **ODM** | Orange Democratic Movement | Kenya |
| **OECD** | Organisation for Economic Co-operation and Development | |

| | | |
|---|---|---|
| **OJT** | On the Job Training | |
| **PA** | Provincial Administration | Kenya |
| **PAF** | Poverty Action Fund | Kenya, Uganda |
| **PDA** | Provincial Director of Agriculture | Kenya |
| **PDE** | Provincial Director of Education | Kenya |
| **PEAP** | Poverty Eradication Action Plan | Uganda |
| **PEDP** | Primary Education Development Plan | Uganda, Tanzania |
| **PLSD** | Participatory Local Social Development | |
| **PMA** | Plan for Modernisation of Agriculture | Uganda |
| **PMO-RALG** | Prime Minister's Office Regional Administration and Local Government | Tanzania |
| **PO-RALG** | President's Office Regional Administration and Local Government | Tanzania |
| **PRA** | Participatory Rural Appraisal | |
| **PRBS** | Poverty Reduction Budgetary Support | Tanzania |
| **PRS** | Poverty Reduction Strategy | |
| **PRSP** | Poverty Reduction Strategy Paper | |
| **PSC** | Public Service Commission | |
| **PSR** | Public Sector Reform | |
| **PSRP** | Public Sector Reform Programme | |
| **PTA** | Parent-Teacher Association | |
| **PWD** | Person With Disability | |
| **QUASO** | Quality Assurance and Standards Officer | |
| **RAS** | Regional Administrative Secretary | Kenya |
| **RC** | Resistance Council | Uganda |
| **RHMT** | Regional Health Management Team | Tanzania |
| **RMLF** | Road Maintenance Levy Fund | Kenya |
| **RMO** | Regional Medical Officer | Tanzania |
| **SBP** | Single Business Permit | Tanzania |
| **SC** | School Committee | Tanzania |
| **SCG** | School Capitation Grant | |
| **SMC** | School Management Committee | Kenya, Uganda |
| **SNV** | Netherlands Development Organisation | |
| **SUA** | Sokoine University of Agriculture | |
| **SWAp** | Sector Wide Approach | |
| **TA** | Technical Assistance | |
| **TAC** | Teacher Advisory Coordination | Kenya |

| | | |
|---|---|---|
| **TD** | Town Director | Tanzania |
| **TICAD** | Tokyo International Conference on African Development | |
| **TOR** | Terms Of Reference | |
| **TWINS** | Two-Way Information Network System | |
| **UBOS** | Uganda Bureau of Statistics | Uganda |
| **ULGA** | Uganda Local Government Association | Uganda |
| **UNCDF** | United Nations Capital Development Fund | |
| **UNDP** | United Nations Development Programme | |
| **UPE** | Universal Primary Education | |
| **VRS** | Village Resource Persons | |
| **WDC** | Ward Development Committee | Tanzania |
| **WEC** | Ward Education Coordinator | Tanzania |
| **WEO** | Ward Executive Officer | Tanzania |

Note: In January 2006, in conjunction with the inauguration of the Kikwete government, the regional administration and local government functions shifted to the Prime Minister's Office, and consequently the name of the department changed from PO-RALG to PMO-RALG.

Exchange Rates (as of October 15, 2007)

US$ 1 = 1,739.9 UGX (Ugandan shilling)

US$ 1 = 66.450 KES (Kenyan shilling)

US$ 1 = 1,149 TZS (Tanzanian shilling)

# Summary

## Background and Objectives of the Study

In Africa, the number of countries adopting and promoting policies for decentralisation began to increase especially during the 1990s. Underlying this increase is the fact that, PRS and PSR emphasise enhancing the capacity for the provision of public services, including that of local administrations. On the other hand, decentralisation is also closely linked to political motivations concerning the governance system in each country.

However, problems are often identified in the management capacity of local administrations, as well as that of supervision and coordination on the side of the central governments which are in the position of supporting local administrations. While there are some cases in which the merits of decentralisation have been manifested, other cases also exist in which the reform encountered some difficulties and there were doubts as to its outcomes. In addition, the reality is that the characteristics of problems vary by countries and sectors.

Based on this background, the objective of the present study is to verify how the decentralisation reforms are contributing to the improvement of service delivery in local areas and what outcomes and problems are emerging from them. The study also aims to propose some measures for improvement to tackle those problems associated with the decentralisation.

## Chapter 1
## Issues being discussed concerning the Decentralisation in Africa

### What are the issues deriving from decentralisation?

Decentralisation has considerable impacts on service delivery of different sectors. By shifting the point of service provision from the central government to local governments, it causes significant changes in the budget allocations as well as service provision. On the other hand, it is also important to note that the improvement of service delivery is significantly influenced by the Sector Wide Approach (SWAp) as well.

Decentralisation also leads to significant changes in local development and community development. Decentralisation is expected to facilitate cross-sector development tailored to local needs, but its impact on development will vary considerably depending on the circumstances of each case including the degree of devolution to the local government, the local government's capacity to implement services, and so on.

Furthermore, in recent years, it is sometimes observed that the inadequacy of the decentralisation process causes imbalances in the country's total governance system as well as lack of organisational and human capacity for delivering public services, which should be recognised and dealt with as overall "governance" issues.

**What does decentralisation aim for in the end? : The analytical framework of this study**

In this study, we have collectively referred to all the providers of local public services as "local administrations" in general. Within this category, we have referred to organisations that deliver local administrative services with autonomous authority independent of the central government as "local governments", and the entities that govern and provide services under the command of the central government as "local offices of the central government."

Although some development partners tend to push forward devolution in African countries as the only good model for decentralisation, this study attempts to conduct analysis of the situation on a different basis. Taking into account the reality that there are positive and negative movements surrounding decentralisation in individual countries in Africa, the study team considered that what requires assistance in the end is strengthening the foundation of development tailored to the realities and the actual conditions of development and governance in each country, decentralisation being one of the elements for that. In this sense, we need to be mindful that decentralisation is only a means for achieving certain objectives.

This leads to the question: What is the objective we are trying to achieve through decentralisation? In this study, considering the aim of the public sector reforms of recent years, we have placed the "improvement of service delivery" as the objective. In addition, we have defined the following four aspects as factors to measure the improvement of service delivery as the outcome of the decentralisation reforms.

**Effectiveness: Providing services that respond to the local needs**

"Effectiveness" is a factor that concerns "the level of achievement of the objectives," whereby services are provided based on an accurate assessment of citizens' needs and the local context.

**Efficiency: Maximising the efficiency of administrative services**

"Efficiency" is considered a factor that can be equated with "investment effectiveness," whereby services are provided in a prompt and appropriate manner by efficiently utilising limited resources such as personnel and budgets.

**Accountability: A responsibility to provide adequate information and explanations in a manner that can be trusted by the citizens**

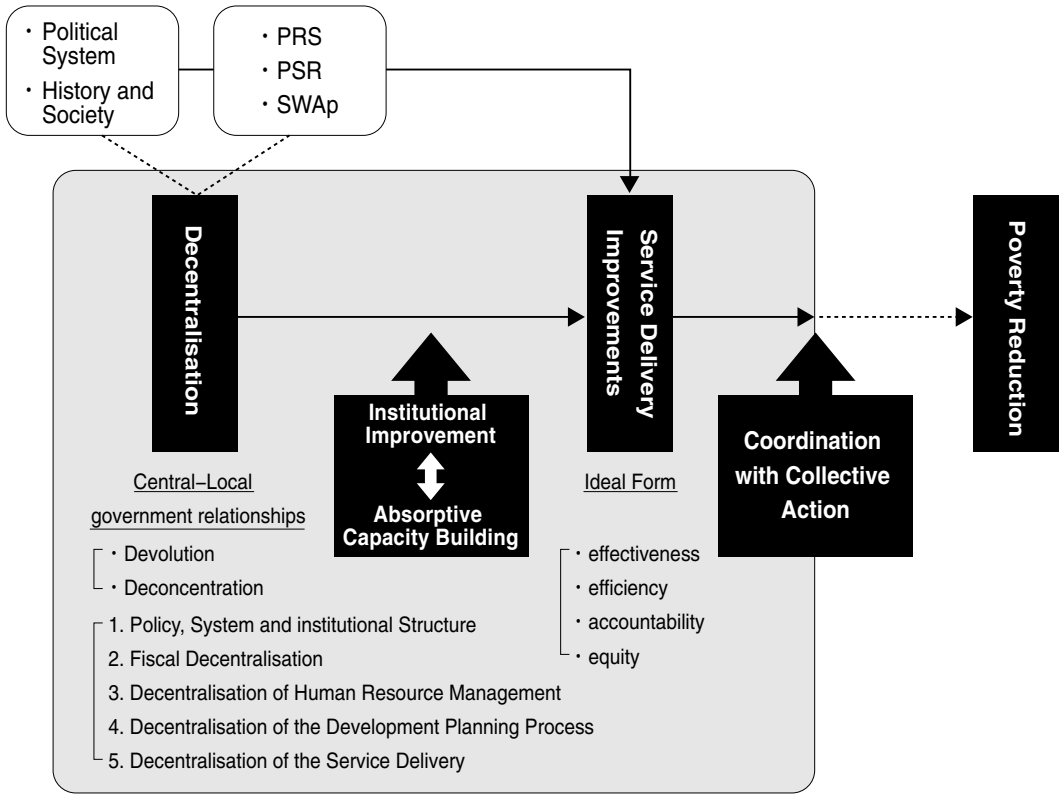
In the sense that it increases the transparency of service provision and earns the trust of the public, "accountability" could also be described as a factor that indicates "the degree of reflection of the people's will"

**Equity: Fair distribution to the poor and equality among different regions**

While decentralisation has the potential to realise a fairer and more strategic distribution of resources to the deprived classes based on the particular conditions and needs of the concerned local society, it also has potential risks to widen disparities among regions. It is therefore important to pay special attention to ensuring equity among different regions.

In this study, we will verify the way in which decentralisation affects the improvement of service delivery, while also looking into its relationship with SWAp and the overall programme of public sector reforms. More specifically, taking into account that there are different forms of decentralisation (devolution and deconcentration) applied in African countries, we will analyse each of these forms of decentralisation to see their impacts and challenges with respect to the improvement of service delivery. Furthermore, we will also examine the potentiality of the people's "collective action" and the collaboration between the local administration and these kinds of efforts towards the improvement of service delivery. Analysis will be made in this context of how efficiently the limited available resources can be mobilised and made maximum use of, and how effectively the service delivery can be made to meet the citizens' needs, through utilisation of the above-mentioned collective actions, all of which are expected to lead to the overall goal of "poverty reduction". Figure 0-1 illustrates the framework of our research study.

**Figure 0-1 Conceptual Framework of the Study**




Source: Drawn by the author.

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

# *Uganda*

### The LC system and policy framework

The institutional pillar of the decentralisation reforms in Uganda is the Local Council (LC) system. This is a hierarchy of councils ranging from LC1 (Village) to LC5 (District). The council encompasses both legislative and administrative organs. The origin of the LC system derives from the Resistance Council (RC), which was used by the National Resistance Army (NRA) when they were engaged in a guerrilla war to topple the then government. The RC helped the National Resistance Movement (NRM)/NRA to ease communication with local residents, and it is for this reason that the NRM decided to install the system on a nationwide scale once it took power.

What is unique is that in Uganda their practical experience of organising local consultations through the RC/LC system preceded the legal design of a new administrative structure. As people became more familiar with the system, the more its problems became apparent. As a result, vast

improvements have been made in the coordination of functions between the central government and the local authorities, and between the various levels of local authorities (in particular between LC1, LC3 and LC5).

**The political background of decentralisation**

Politically, the RC system was installed to solidify public support for the NRM, which was facing tough challenges from more experienced political parties. Thus, in the policy of the NRM, the non-party democracy and the RC/LC system were two sides of the same coin; they are hardly divisible.

Another significant political factor that influenced the implementation of decentralisation reforms is the political influence of the Buganda Kingdom. In the early 1990s, in order to pre-empt Buganda's assertion of federalism, rapid decentralisation was considered necessary.

These two factors attest to the fact that the motivation for decentralisation reforms came from Uganda itself.

**Decentralisation of sector services**

Education and health represent the progressive implementation of decentralised service provision in Uganda. More specifically, there have been improvements in the monitoring, supervision and mentoring provided by the line ministries at the centre, and support at the LC5 (District) level for service providers has also improved. Underlying these improvements in services is a mechanism of multi-partnership with collaboration among different layers of government, between the central government and local authorities and between different local authorities (in particular between the LC1, LC3 and LC5 levels).

In contrast, the assessment of the agricultural sector calls for caution. Cooperation with other services at the local government level needs to be enhanced, especially at the LC5 level. In addition, a limited amount of cost sharing by LC3, which is attempting to establish coordination between the service providers and the farmers, is required in order for them to provide basically the much-needed services in the agricultural sector free of charge. However, due to financial constraints, in reality this cost sharing has not been honoured by most LC3 offices, which affects the sustainability of the Plan for Modernisation of Agriculture (PMA)/National Agricultural Advisory Services (NAADS).

**Human resources management**

Uganda is one of the few countries where local governments (LC5) have the authority to hire and fire, although the remuneration is still determined centrally. In particular, since the turn of this century, capacity at the LC3 level appears to have improved both in quantity and quality. However, there are

still two challenging issues. Firstly, once a majority of the offices are appointed from the same area, the range of experience and knowledge that they can assemble as a technical team is significantly narrowed. Secondly Attracting qualified personnel in remote areas continues to be a problem due to the devolution of power which causes local government officials to lose their enthusiasm for self-improvement.

**Fiscal decentralisation**

In Uganda, fiscal transfers have increased nearly sevenfold over the decade. However, in the 2005/2006 fiscal year, the Graduated Tax (g-tax), which was almost the only independent source of revenues for local authorities, was abolished. It undermined the form of accountability that was about to emerge between tax payers and service providers. Furthermore, although the central government promised to compensate for the loss of the g-tax, only less than half of it has been compensated for.

**NRM and neo-patrimonialism**

Since its formation in 1986, the NRM has been in power for more than two decades, and there appeared increasing signs that decision making within the NRM became dominated by the top leadership, including cases of nepotism. These signs are also beginning to be observed in the decentralisation process. Firstly, the number of districts (LC5) increased dramatically since 2000. Secondly, from the 2006/2007 fiscal year, the top officials of rural and urban local governments are to be appointed by the Ministry of Public Service (MoPS). Thirdly, local governments are now financially heavily dependent on the central government. In the late 1990s, local governments could generate about 30 % of the funds from their own sources and in the 2006/2007 fiscal year, the proportion is even expected to be around 7 %. Fourthly, the primary services of both education and health services are now free of charge. That these changes are being implemented may display a sign of populist policies by the regime.

**Shift from a non-party to multiparty democracy**

The February 2006 elections for the LC system were held on a *multiparty* basis, which was the first time during the NRM period. These elections signalled a significant departure from the non-party democracy that had been advocated by the NRM. However, one of the most crucial issues is whether the LC system can function effectively in separation from party policies as the RC/LC system was brought by the NRM.

**Conclusion**

The conclusion that can be drawn from the Uganda example is that achieving "good governance" is far from an easy technical fix. Local democracy cannot be transplanted just by importing institutional designs that work elsewhere without giving consideration to the political context in which reforms are being implemented. Furthermore, when the characteristics of the regime in power change, this changes the ways in which decentralisation and governance reforms are implemented. Therefore, in order for any decentralisation measures to be successful it is absolutely essential to harmonise and coordinate in a much more systematic way the different reform endeavours that are now often being implemented separately from each other.

## *Tanzania*

**The socio-political context of Tanzania and the circumstances surrounding decentralisation**

When considering decentralisation in Tanzania, it is also necessary to take its history and socio-political context into account. Agriculture is the main industry in Tanzania. There is little disparity between the rich and the poor, and there is not much in the way of ethnic conflicts. There is a sense of unity throughout the entire country: Swahili is prevalent as the common language; one political party has dominated since independence; and the populist policies of President Nyerere have received widespread support among the citizens. This contrasts strikingly with the extreme disorder affecting Uganda in the 1970s.

The historical developments leading up to decentralisation in Tanzania can be summarised into the following three stages. In 1962, the colonial system of chiefs was abolished, the heads of local administrations (Regions and Districts) were staffed with public servants appointed by the president or the civil service commission, and a system of direct election by the people was adopted for District Councils. From 1967 to 1986, the Ujamaa socialist policy caused economic conditions to deteriorate. The real wages of public servants fell, and there was a notable drop in service delivery. During the 1990s, the Poverty Reduction Strategy Paper (PRSP) was adopted, and based on strong interventions by donors in decentralisation policies, policies were adopted that accelerated decentralisation.

**Administrative developments for decentralisation**

One of the major steps taken towards decentralisation was the "Local Government Reform Agenda 1996-2000," which was formulated in 1996. A policy of "Decentralisation by Devolution" (D by D) was adopted to devolve political power, financial power and administrative power to local

authorities, formally converting the agenda into a government policy document. In terms of how it was implemented, this was prescribed by the Local Government Reform Programme (LGRP) which commenced in 2000. This resulted in cutbacks in the role of the Regional administrations, with the District level becoming the core of local authority.

Including local offices of the national government, the administrative organisations that exist in the local areas of Tanzania are, in order of a level from upper to lower, Region, District, Division, Ward, Village and Kitongoji. Regions and Divisions are currently local offices of the central government. There are two local authorities that have both council and administrative functions: the District and Village. In rural areas, there are Wards that exist as levels without councils but with standing committees, and there are also Kitongoji that exist as a level without standing committees but with grass-roots local resident organisations.

Under the LGRP, District Councils were prescribed as having the authority to employ, assign, promote and dismiss all public servants engaged by the local authorities. However, the District Executive Directors (DEDs) in the Districts were appointed by the president, and the Department Directors in the District were appointed and managed by the Prime Minister's Office Regional Administration and Local Government (PMO-RALG) in the central government.

**Progress made in the Devolution of financial power and local processes for formulating development plans**

A feature of the public revenues for local authorities in Tanzania is the overwhelming amount of grants and subsidies come from the central government (2005/2006 fiscal year: 89.9 %). A major factor behind this is the 2003 abolition of local taxes such as the development levy, market levy and livestock levy, which had been independent sources of funds. The Tanzanian budget system had been divided into a recurrent budget and a development budget, and this division was maintained even under decentralisation.

Basically, it might be fair to say that the formulation of development plans and the budgeting process at local authorities was revised to a "bottom-up" approach. Through local administrative agencies, the central government advises the local authorities in advance about the guidelines and budget ceilings that are to be observed, and it reserves the right for them not to be adopted as the document to be raised to a higher level if it believes that these guidelines have not been followed.

From the perspective of autonomy in expenditure, it is discussed that even if an organisation has no independent sources of revenues, it would be fair to say that it has maintained its autonomy if there are no expenditure conditions attached to the grants and if it can use them freely. In this sense, the

establishment of the Local Government Capital Development Grants (LGCDGs), which gave discretion in expenditures to the Districts, has been of enormous significance as something which strengthens autonomy. At the same time as the establishment of the LGCDG, in 2005, Capacity Building Grant (CBG) was also established. Local authorities were again given the authority to plan and use these grants.

## Devolution of Services Implementation

### *Primary Education*

The aim of the Primary Education Development Plan (PEDP) is to provide free tuition. Furthermore, in order to secure the participation of the local residents, environments for community participation are being developed. School Committees have been set up, and communal action for educational assistance is being enhanced.

Rather than going through an intermediary administration, it seems that the establishment of a new flow of funds, in which the central government transfers funds directly to the accounts of each primary school, has resulted in fewer delays than in the past. However, it is necessary to state that one of the major problems is the complexity of the clerical processes once funds have been used.

From the perspective of accountability, it is a problem that the actual amount of funds which flows down to the schools is usually different from the formula-based flow mentioned above. Furthermore, although the quantitative expansion of primary education has produced outcomes that have been spectacular by anyone's reckoning, it has been argued that qualitative improvements have not. In particular, the regional disparities related to the distribution of teachers between the cities and remote areas are a challenge.

### *Healthcare*

In contrast to primary education becoming free, in the healthcare sector, services that had been free began to be charged for on a user-pays basis in 1993. At the same time, grants from the central government for recurrent expenditures became formula-based, and, as for primary education, the financial flow became more prompt than before.

With the establishment of the LGCDG, the degree of priority placed by residents on the healthcare sector came to be reflected in the amount of the grant allocation. Since the results become visible, its accountability has improved. However, the problem of regional disparities in the assignment of personnel in healthcare is even more serious than in the case of primary education.

*Agricultural Extension*

Surveying the expenditures of the LGCDG by sector, there is relatively little emphasis placed on agriculture and that agricultural extension officers are not always thought highly of by the local people. More than a shortcoming of the Training and Visit method, this is probably due to a deficiency in the incentives for extension officers. Another problem is that the number of agricultural extension officers is too few compared to the overall population and villages. The Agricultural Sector Development Programme (ASDP) recommends that, in addition to agricultural extension officers from the public service, the private sector, such as Non Governmental Organisations (NGOs), and Community Based Organisations (CBOs) should also be used to provide agricultural extension services, and possibly that these services should be approached cooperatively. However, in reality, this has hardly been achieved.

**Various problems as seen from the perspective of service delivery**

The main feature of decentralisation in Tanzania is that the grants from the central government are delivered with the formulation of bottom-up development plans. However, taking into account the fact that assistance from donors might not continue in perpetuity, then before it is too late, consideration must also be given to the introduction of independent sources of revenues, maybe in the form of a tax imposed upon specific groups of residents who have the capacity to bear the tax, rather than an across-the-board tax like the abolished development levy that was also imposed on the poor.

Although formula-based grants for recurrent expenditures guarantee the provision of a minimum level of services, they also entail such problems as that the grants do not flow according to the formula.

A combination of bottom-up and top-down planning processes requires greater effort with regard to coordination and is more likely to lead to delays. In order to regulate these mixed funds, it will probably be necessary to consider varying the ways in which the funds flow in accordance with the unique characteristics of each sector.

## *Kenya*

**Four-tier local administrative structure**

As of 2007, local administration in Kenya is regarded as a four-tier hierarchical system consisting of: (a) Local Councils; (b) the Provincial Administration (PA) System, and, in particular, the District level; (c) Sector Ministries (supporting (b)); and (d) Constituencies.

Category (a) represents cities, municipalities, towns and counties. Although they have councils of the legislative branch of government, appointments to key positions in the administration are made by the central government, and they are only given superficial authority. Category (b) is a five-level hierarchical system, which links from the central government to the villages and has served as the foundation of the centralised structure. This system is responsible for such functions as resident registration, public safety, civilian police, and the dissemination of government policies, and each level shoulder a certain degree of sector administration. In category (c) the sector ministries formulate and implement policies, control budgets, implement projects and provide technical assistance, and they also dispatch officials to each level such as the Districts in category (b). Category (d) consists of the constituencies of the legislative body. Development funds that are allocated by the Parliament, called Constituency Development Funds (CDF), are provided via Districts.

**Historical developments**

Based on the objective of dismantling the centralised system of the colonial period, following its independence in 1963, Kenya became a federal state that acknowledged significant autonomy for its regions.

When the Kenyan-African National Union (KANU) Kenyatta government was victorious in elections, it absorbed the power of the Kenyan-African Democratic Union (KADU) and a virtual single-party system was formed. With this new force, they abolished the federal system and in 1968, established a constitution for a centralised government. The Provinces became subordinate to the central government, and below them local authorities at the District level and lower were positioned within the PA system. The functions of local governments became weaker, and centralisation was carried out on three fronts: the progressive abolition of regional councils, the Transfer of Functions Act, and the abolition of the Graduated Personal Tax (GPT).

At the end of the 1960s, the dysfunction among District Development Committees (DDCs) became problematic, and so District Development Officers (DDOs) were appointed to strengthen the function of the District Council in 1974. However, with the internal structure of the Districts imitating the vertical structure of each ministry, and with sector officials taking charge of entire budgets, the functions and budgets of the subsequent District Planning Units have remained extremely limited.

In 1983, the Moi government commenced the District Focus for Rural Development (DFRD) policy, a development model of “decentralisation.” The model gave considerable authority to District Commissioners and to DDCs, and made the multiple lower bodies carry out the planning processes. However, the DFRD came under criticism from central ministries and from within the districts, and the model fell into decline.

**Current district administration**

District Development Plans (DDPs) are prepared as five-year plans. However, because each DDP combines with the plans of the sector ministries, they do not function as autonomous regional plans for local areas. DDCs are nothing more than a platform for sharing information. Furthermore, they basically have a top-down character, and do not reflect the actual situations of local societies.

**Service delivery issues**

The Kenya Local Government Reform Programme (KLGRP), which was assisted by the World Bank from 1995, is composed of three elements: the rationalisation of central-local budget relationships; the promotion of local budget management and revenue mobilisation; and the improvement of local service delivery through the expansion of community participation. Based on this policy, two local grant schemes were formed: the Local Authority Transfer Fund (LATF) and the Road Maintenance Levy Fund (RMLF). Furthermore, in 2003, the CDF came into being a scheme in which funds are provided to the constituencies of the Members of Parliament.

However, even though public health centres, primary schools and other facilities have been constructed under CDF and LATF, no budgets for health workers and teachers engaged in the actual service delivery have been provided for, since this falls under the recurrent budget, which is under the jurisdiction of sector ministries. This has meant that there have been some situations where the facilities have been built but they have been short staffed.

**Constitutional amendment issues**

As part of the devolution of power, the 2005 Bomas Draft was changed to the more cautious Wako Draft, spearheaded by President Kibaki's administration and others, with the latter being voted down in a national referendum that November. Since the rejection of the Wako Draft, as of January 2007, absolutely no projections for the reform of the LC system have been formed amongst political figures and intellectuals in Kenya.

**Undevolved service delivery (primary education)**

Free Primary Education (FPE) is under the direct control of the Ministry of Education. It is a programme in which School Capitation Grants (SCGs) and other funds are remitted directly to individual local schools from the central government. In Kenya, even though local governments are not involved, FPE policies have been able to be implemented in accordance with sector programmes. This has resulted in a rapid increase in school attendance in primary education. In this sense, FPE can be

regarded as having been successful in service delivery in terms of quantitative expansion and access. Meanwhile, the effects of FPE on School Management Committees (SMCs) and Parent-Teacher Associations (PTAs) have been both positive and negative. On the one hand, teachers have spent less time on collecting school fees and have thus been able to devote themselves to education, but on the other, there has also been a significant reduction in the involvement of the residents in the management of schools.

**Conclusion: what kinds of improvements are necessary?**

Much waste is created by having local governments side by side with administrative organs at the District level and below in the PA system. Based on this fact, excluding such special cases as Nairobi, in terms of efficiency, it would be preferable to make towns and villages into a single unit by absorbing them into a District-level legislation and administration system. Key development funds might be better to be consolidated to support these units and district governments with enhanced authority would be able to respond to and coordinate them using recurrent budgets.

## Chapter 3
## Analytical Overview of the Current Decentralisation Reforms in Africa with an Attempt to Develop their Systemic Analysis Scheme

**Before arguing over "how to decentralise": decentralisation itself is not an aim but a means to achieve something else**

It is essential to analyse carefully and define what kind of responsibilities should be allocated to which level of the central/local governments, and what kind of institutional arrangements be established among each of their levels, in order to ensure the best effects of deferent services according to their nature. Furthermore, when considering the service delivery systems and their decentralisation, it is always important to keep in mind that the appropriate system will vary depending on the circumstances of the country as well as the timing and stage of its development.

In most of the African countries, the domestic resources that can be utilised for providing administrative services are severely limited. Decentralisation must not result in any further fragmentation of these already limited national resources. Decentralisation reforms are not meant to deprive the central government of their power to be given to the local governments, but to seek to define the optimal division of functions and responsibilities, as well as the adequate collaborative relationships and institutional setups between the central and local governments so that services can be provided in most effective and efficient manner possible.

Indeed the purest model of decentralisation and thus its ultimate style might be devolution, however, it is also true that a lengthy process is needed to reach it. In carrying out this kind of reform programme therefore, it could also be prudent in some circumstances to consider strategic processes, including options of applying delegation or deconcentration as a transitional measure.

Another important point in designing and implementing such governance reforms, including decentralisation, is to ensure a firm endogenous developmental process through repeated trial and error and active national discussions seeking the best way forward of the reforms in accordance with the particular conditions of the country and its future perspectives.

**From the perspective of effectiveness**

It is often observed that the decentralisation reforms have led to a situation where financial resources for development are now reaching the local areas someway or other, which has never been the case in the past. One of the aims of decentralisation is to realise more effective service delivery to attend to real local needs by combining these funds with the participatory planning process. However, various fundamental and difficult challenges exist, such as: How should cross-sector and across-the-board participatory community development plans that emerge from the villages be integrated with specific sector plans? To what extent and how should bottom-up plans and top-down plans be combined? How should consistency be maintained between local characteristics and national strategies? Furthermore, sector planning requires a national strategic viewpoint as well as technical analysis, instead of just depending on the "wishes of the public".

With several years having passed since the start of the decentralisation reforms, a phenomenon is occurring where the appointed authority of high ranking local government officials is reverting back to the central government. While there are unavoidable circumstances due to practical personnel-related problems such as the difficulties in securing personnel in remote rural areas and the need to ensure career incentives for capable professionals on one hand, it should be urged on the other hand that, from the perspective of the effectiveness of administrative services and that of accountability, the practice runs counter to the principal aim of local autonomy. A similar phenomenon in public finance is the abolition of local taxes.

**From the perspective of efficiency**

Decentralisation reforms have brought about a considerable degree of discretionary powers to the local administrations in relation to budget implementation, procurement and other operations which used to be under central government control. This has clearly contributed to improved operational efficiencies.

However, the biggest and most fundamental problem in terms of the efficiency of service delivery is the categorically insufficient number of personnel assigned to the local administrations. Under the above-cited circumstances, it would be important to seek possible alternative measures as well. One of the options is to take advantage of the existing actors available in each local area, including the community members themselves, their organisations (CBOs), NGOs, Faith Based Organisations (FBO) as well as private sector entities, to fully mobilise them and build a total local societal system that works best in that particular region for the sake of improving service delivery.[1]

It is essential to define the most appropriate levels of administrative units and service delivery points for this purpose. For the sake of coordination and collaboration with the local community as well as close follow-up of the local needs, the local government unit should extend all the way down to the level of natural villages where it exists. This is important from the viewpoint of local autonomy so that the residents can feel that the local government is close enough to them and consider it as their own.

At the same time, from the viewpoint of scale merit for better service provision, a certain size of administrative unit is required, and from the viewpoint of fiscal capacity, an even larger size is needed.

These two conditions are somehow contradictory requirements and it would be difficult to define a single tier to satisfy both at the same time. In this context, it is important to develop a well elaborated intergovernmental/interinstitutional collaboration system between the central and the local governments, and the higher and the lower local governments down to the service delivery units in the field. (e.g. chains of command, technical backstopping, coordination and collaboration mechanisms).

**From the perspective of accountability**

As far as accountability is concerned, devolution seems to have remarkable advantages compared to delegation and deconcentration, since in the latter cases accountability tends to be directed upwards by nature. If delegation or deconcentration are to be applied, therefore, the following questions have to be examined from the viewpoint of accountability: Is there any way to ensure for the central government as well as the local councils to check on the performance of the delegated/deconcentrated functions? Is it possible to establish some mechanism to ensure that such performance is visible and transparent to the local residents?

In this context, it is extremely important for the local councils to be able to properly check the performance of the local administration. However in reality, due to problems with the competence of councillors as well as their wage systems, they have not been functioning in this regard as they are

[1] It would also be effective as a means of technical assistance to launch a sort of public-private council at the local level to act as a platform for this kind of mechanism.

supposed to be. It is therefore considered that more emphasis ought to be placed on strengthening the functions of the local councils, including training of the councillors.

The participatory planning exercises as well as implementation mechanisms through user group administration are one of the most direct means of guaranteeing accountability. However, a problem still remains with this in a sense that in many cases there are only a limited number of residents who participate in these kinds of activities, and that the selection process used often lacks transparency.

**From the perspective of equity**

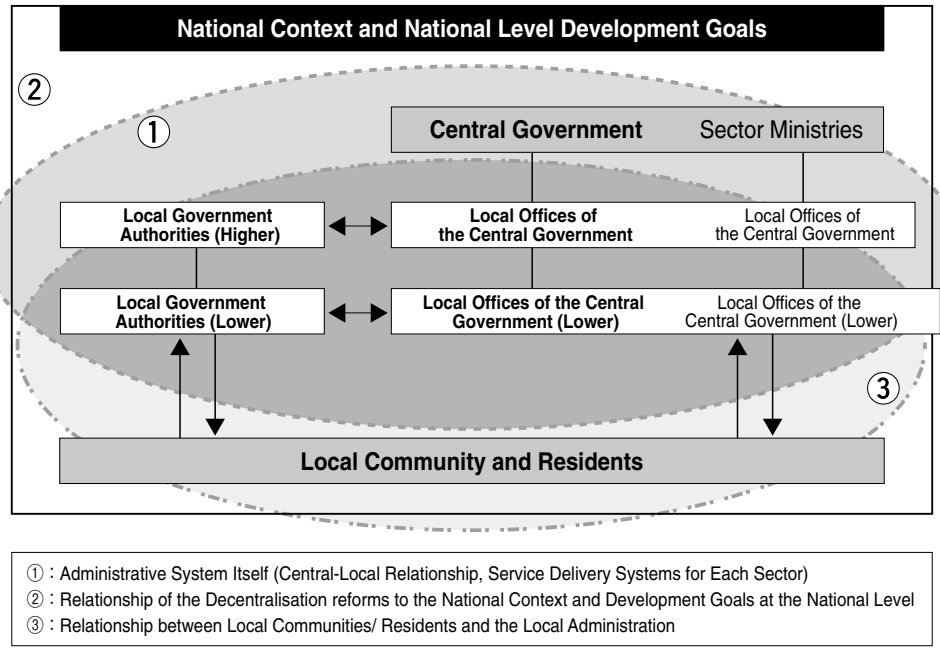
Decentralisation reforms are being promoted with the intention of improving the service delivery to achieve the overall national goal of poverty reduction. However, there is the danger of widening disparities between local governments in poor remote areas and those in large cities that have a lot of sources of revenue. Introducing a performance-based incentive system for calculation of grants might have similar risks. Therefore, it is important to establish an elaborated mechanism that guarantees national minimum standards so as to avoid disparities in service delivery both in quality and quantity.

**Systemic analysis framework and important check points to be used for analysis of the local administration system and the decentralisation reforms of different countries**

In this section, we will try to elaborate and present a systemic analysis framework together with some important check points to be utilised to analyse the local administration system as well as the decentralisation reforms of a particular country. Analysis is given on the following three dimensions: (a) the county's administrative system itself and its institutional setup, including the central-local government relationship, the service delivery system for each sector, etc.; (b) the relationship between decentralisation reforms and national development goals; and (c) the relationship between local administration and local communities/residents.

Figure 0-2 provides an overall image of these analytical dimensions.

**Figure 0-2 Overall Image of the Analysis of Local Administration and Decentralisation Reforms**




Source: Compiled by the authors.

## A. Check points on the administrative system (central-local government relationships, service delivery systems in different sectors)

### (1) Policy, system and institutional structure

- Types of local governments, size of each of them (population, area), and their layer structures
- Demarcation of responsibilities and authority relationships among different layers of local governments, central government and its local offices
- Is the nature of decentralisation devolution, delegation, or deconcentration? Is the central-local government's working relationship intertwined or separated?
- Are there any measures that are assured to avoid disparities among regions?
- Is the decentralisation stipulated clearly and in detail in the constitution and the laws?

### (2) Fiscal decentralisation

- Size of local governments' budget/expenditure (its proportion in the total national budget)
- Degree of autonomy in local government finances (amount and proportion of own sources of revenue, amount and proportion of unconditional grants, amount and proportion of conditional grants, number of grant types)
- Mode of calculation of the grants (Is there fair and clear criteria and formulas for calculation of the grants to be transferred to each local government?)
- To whom is the accountability on the local budget implementation addressed?
- Financial management capacity of the local governments.

**(3) Decentralisation of human resource management**

- Number of personnel assigned in the local governments, their qualifications and capacity (Are the number and quality of personnel assigned to the local governments appropriate for the scale and contents of the responsibilities and authority devolved to them?)
- Who has authority over personnel management of the local government officials (fire and hire, appointment, promotion, relocation, salaries and wages, etc.)?
- Have any disparities in terms of human resources developed among different local governments, e.g., between local governments of big cities and those in poor rural areas?
- What is the situation regarding the training system for local government personnel?
- Are there any sort of On the Job Training (OJT) mechanisms, such as technical backstopping from higher level governments, personnel exchange systems, etc.?

**(4) Decentralisation of the development planning process**

- Who formulates local development plans, and in what mechanisms are they formulated?
- To what extent and in what form is the community participation assured in the local development planning process? In what way are the needs of the local communities reflected on the plans?
- If some participatory local development planning process with a bottom-up approach is put in practice, in what ways consistency is assured between the said plan and each specific sector plans that requires some technical analysis with strategic vision?
- How is the budgeting process implemented for these local development plans?

**(5) Decentralisation of the service delivery implementation process**

- Demarcation of authorities and responsibilities for key service delivery among different tiers of central and local administration.
- For improved delivery of each services, what kind of mechanisms are established to provide local governments with technical backstopping from the central government, and to assure the necessary coordination between the central and local governments?
- Are there examples of devolution of authorities and responsibilities to user groups in terms of service delivery exercises or implementation of development projects?
- Are the existing mechanisms functioning well for coordination between the lines of work of the sector ministries and the chains of command of the local government, in the planning stage as well as the implementation state?
- To what extent are there examples of community participation in project implementation and service deliveries? In what way is the collaboration between the local administration and the community residents functioning?

## B. Check points on the relationship of the decentralisation reforms with the national context and development goals at the national level

### (1) History and society

- Relationship between the governance systems of the country around the colonial period and the characteristics of the local communities
- Regional and other disparities attributable to tribal societies
- Effects of neo-patrimonialism on local governance

### (2) Political and governance systems

- Relationship between a single-party dictatorship/multi-party system and political interventions in local areas
- Balance between central government control and local autonomy

### (3) Development strategies and economic growth

- Positioning of decentralisation in the frameworks such as the PRSP and Medium Term Expenditure Framework (MTEF)
- Effects of past policies such as the structural adjustment on the current structure of local administration

### (4) Governance reform frameworks

- Positioning of decentralisation in overall reform frameworks, including public sector reforms

### (5) Sector strategies

- Positioning of the local service delivery in SWAp

## C. Check points on the relationship between local communities/residents and the local administration

### (1) Community participation as a complementary measure to the weak lower-level local administrations

- Are there any cases where the local residents are involved in planning and implementation of some service delivery that is supposed to be covered by the government? Are there any cases where the residents/communities are independently running some specific services that are supposed to be provided by the government?
- Are there any cases where NGOs or other local support organisations are shouldering the above-mentioned services?
- In the cases like those described in the above two points, what kind of role has the

government assumed, and what kinds of relationships has the government built with these collective actions?

- To what extent has the coverage of administrative services broadened and how much more efficient have they become as a result of the participation and cooperation of residents and/or other supporting organisations?
- How large is the existing market for the service delivery functions to be outsourced to the private sector?

**(2) Community participation as a means to reflect the needs of the beneficiaries on the service delivery**

- In what manner and to what extent are the residents participating in the local service delivery planning process?
- To what extent are there collaborative relationships between the local administration and the local communities in the implementation of service delivery? How are the needs and the opinions of the residents being reflected in the local service delivery plans?
- Are there examples where coordination between the local administration and the people's collective actions has resulted in better access to services for the poor and vulnerable people?
- What level of satisfaction have the local residents felt through their participation in planning and/or implementation of service delivery and the consequent improvement of services?
- Have these kinds of experiences widened communication and collaborative relationships between the local administration and the local residents? Have the local administration and residents appreciably changed the perceptions and attitudes between each other?

**(3) Improvement in accountability/transparency of service delivery as a result of community participation**

- What kinds of perceptions do local residents have with respect to the local administration and its services?
- What kinds of information does the local government disclose/present to the local residents with respect to the relevant collaborative activities?
- Through collaborating with the administration, do the residents feel that the transparency of the administration has improved?

**(4) Development of "relationships of trust" between the local administration and the residents/local communities through participation and collaboration (viewpoint of legitimacy)**

- Have there been appreciable changes in the perception of the residents/local community towards the government through experiencing the relevant collaborative programmes?
- Similarly, have there been appreciable changes in the mindset/attitude of the local administration officials with respect to collaboration with the local community?

**(5) Enhancement of the self-organising capability of the communities and consolidation of networking between them and the local administration**

- Through collective action, what kinds of groups have been formed or strengthened within the communities? In what way and to what extent have their self-organising capabilities been enhanced? (their institutional capacity to respond properly to changing external environments and to deal with the diverse range of emerging issues on their own)
- Similarly, in what ways has the system of collaboration and coordination with the local administration been developed and enhanced?

**(6) Nurturing of perception of self-governance (village autonomy) for the residents and local communities through participatory development experience**

- Through collective action, to what extent has the perception of self-governance been enhanced, developing awareness and willingness of the residents to make their community better?

**(7) The experience of local autonomy as a "school of democracy" (experience-based learning process)**

- In view of all of the above, as an experience-based learning process, can any phenomena be observed that the experience of collaboration through collective action between the local administration and the local community have led to a stronger democracy of the local society?

## Chapter 4
## Decentralisation and Development Assistance in Africa

This chapter reviews JICA's rural development projects/programmes and those ones targeting decentralisation reform from the perspective of their relationship with the local administration system in each country.

It has been the common practice for Japan/JICA that rural development projects/programmes have been approached and designed from such perspectives as the local natural environment, socio-economic environment, or from a technical perspective in a particular sector; or with a view to strengthening the social capacity of local communities. But given the current rapid developments in decentralisation reforms in African countries, the future cooperation in this field should be designed by incorporating a better understanding of the local administration system and the level of functioning thereof within and surrounding the areas targeted for development. Furthermore, as decentralisation reforms themselves are increasingly becoming the subject of cooperation, it will also be necessary to examine how cooperation for this new subject ought to be designed and implemented.

**Characteristics of rural development projects/programmes, and the main points in programme design**

In this section, we have examined past and on-going rural development projects/programmes supported by JICA in Africa and divided them into the following four types according to the main feature of the intervention: (a) Sector support, (b) Community development support, (c) Support for decentralisation reform, and (d) Support for area-based development. By reviewing typical projects from each type, we have indicated their comparative strengths and weaknesses (in relative terms) in relation to main dimensions valued in the recent drive toward decentralisation.

**Table 0-1 Characteristics of Decentralisation**

| | Sector support | Community development support | Support for decentralisation reform | Support for area-based development |
|---|---|---|---|---|
| Areas of relative strength | • Improvements to services that reflect the needs of residents<br>• Community capacity building through community participation in service provision<br>• Ensuring direct (downward) accountability to the participating residents<br>• Improvement of upward accountability within the administration system | • Direct support aimed at improving the welfare of the residents<br>• Community capacity building through active community participation in development programmes<br>• Ensuring direct (downward) accountability to the participating residents | • Nationwide impact through support for national policies and institutional reforms<br>• Promotion of cross-sector rural development<br>• Enhancement of downward accountability through community participation in rural development plans and the involvement of local councils in development processes<br>• Enhancement of local government's capacity to manage public finances<br>• Absorptive capacity building | • Promotion of cross-sectoral rural development<br>• Enhanced downward accountability through community participation in rural development plans<br>• Enhancement of local government's capacity to manage public finances<br>• Provision of opportunities for collaboration between administrations and local communities |
| Areas of relative weakness | • Coordination with other sectors<br>• Promotion of cross-sectoral rural development<br>• Ensuring political accountability for local councils | • Restricted nature of the beneficiaries<br>• Limited relationship with local administration (limited support by the administration)<br>• Limited possibility of replicability and dissemination | • Improvement of administrative services<br>• Enhancement of upward accountability to sector ministries<br>• Direct impact on the residents | • Improvement of administrative services<br>• Enhancement of upward accountability to sector ministries<br>• Limited possibility of replicability and dissemination |

Given the characteristics of the different types of interventions described above, the following points must be taken into account in designing rural development support.

① The selection of the type of intervention is guided, first and foremost, by what is intended to be achieved, which is determined, in turn, by impediments to development in the target area and the needs of the local residents and their urgency and priority. For example, if one aims to improve social indicators in a certain target area by improving the social services of education or health

care, then the "sector support" type of intervention would probably be most appropriate. Instead, if the livelihood of a very limited group of people is to be ameliorated, adoption of the "community development support" type should be given priority. On the other hand, if the objective is to strengthen the overall capacity of the decentralised administration system under devolution, then the "support for decentralisation reform" would be selected.

② Next, the question of what type of decentralisation the country/area is under, i.e. deconcentration or devolution, should matter in determining which type of intervention is to be selected. For example, suppose the aim of intervention is the comprehensive and integrated development of a specific area, for which the involvement of multiple sectors is required. When one attempts to implement this type of development under deconcentration structure, as evident from what we observed in this study, there will be difficulties in coordination between local offices of different sector ministries. Instead, devolution may offer a more fascilitative environment to this type of intervention, because more discretionary powers are given to the local authority, including the use of grants. On the other hand, if the support goes into a limited number of sector(s), then, at least for the short term, the deconcentration structure should be more suitable given that technical backup would be easier to obtain from sector ministries in the central government.

③ The other point that matters is the level of performance of the local administration system (the quantity and quality of service delivery determined primarily by financial position and the number and quality of personnel). For example, supposing a "sector support" type intervention is selected, from the perspective of achieving outcomes within a limited period of cooperation, it would be preferable to implement it in a situation where there is already a certain level of service delivery in place, enabled by the assignment of a required number of qualified personnel and sufficient amount of budget. In contrast, if the functioning of the local administration system is extremely weak, it may be necessary to limit the target area or group, and/or to select the "community development support" type of intervention.

④ Some argue that it is possible to conceive of an approach which starts with pilot/model development which then is scaled up to a regional or national scale at a later date. Though this approach appears implemetable without regard to how a local administrative system is functioning and the structure of decentralisation, it is essential that some thought be given from the outset to the institutional framework to enable the sustainability and replicability of the model/pilot itself.

Recently there has been a tendency among donors to refrain from extending support for area-based development on the ground of its failed past performance and concern over the creation of a parallel system and inter-regional imbalances. But here, it is argued that support for area-based development may be justified as one of the approaches to rural development in the following cases:

- when it is deemed that there is an ineligible amount of imbalances on the level of development and administrative capacity to manage local service delivery and development;
- when there is a need to experiment with certain innovative approaches to development or service delivery on a pilot basis; or
- when it is assessed that there is a need to enhance the operational capacity of administration, which requires intensive hands-on type support to deal with case by case situations.

There should be various patterns of intervention in unfolding this type of approach. What follows hereunder describes the characteristics of three types of integrated approaches, and some of the points to be kept in mind when implementing them.

***< Support for decentralisation reform + Community development support >***

This approach intends to help realise tangible outcomes in specific target areas while attempting to institutionalise mechanisms to deliver such services and interventions on a broader scale. The greatest challenge this approach confronts is whether a rural development planning system for promoting rural development and a financial grant system that supports development planning can be secured. To this end, in addition to merely striving for the technical improvement of development interventions through community development programmes in a specific area, it is important to link up with the institution building activities at the central government so that the lessons learned from the field level practical experience can be linked to the system development process.

***< Sector support + Community development support >***

This approach aims to improve public services of a specific sector(s) within certain administrative units while attempting to promote the development of certain communities within the area using improved services. The challenge here is how to establish coordination between sectors; that is, how to link the improvement of service delivery in a certain sector to more comprehensive development of the area targeted. Under the devolution structure, it may be said that there are at least formal institutions in place that make this coordination possible, at least at the central government level (though they may not be fully operational at the local level); but under deconcentration structure, the system that enables region-wide development and cross-sectoral coordination may not necessarily be in place both at the central or local levels.

***< Support for decentralisation reform + Sector support >***

This type of approach can be envisaged as cooperation that concentrates on the improvement of service delivery in a specific sector, while promoting the entrenchment of decentralisation reforms and the improvement of operational capacity of local administration in a specific area. Conversely, it can also be considered for implementation when attempting to disseminate a business model derived from the experience of a sector support intervention to other localities. Again, in this case, the issue is how

to maintain effective coordination between a specific sector and other sectors: that is, how to link up among different sectors to realise more comprehensive development in a given area.

***Approaches to support for decentralisation reforms***

Support for decentralisation reforms and capacity building of local administrations in Africa is relatively a new area for JICA in the field of rural development, and it is deemed highly significant to extend cooperation in this field in terms of the following perspectives.

① In the past, rural development projects had limitations in terms of their sustainability and replicability, mainly due to constraints in the capacity of local administrations. In response to this problem, each project has made its own efforts on enhancing the capacity of local administrations within the framework of the project. However, the issue of local administration capacity (execution of policies, provision of public services) should be viewed as part of the basic "institutional" infrastructure of the country, rather than merely as a problem of a particular locality or a particular sector therein, let alone as a problem of the capacity of individual officers and personnel of the administrative organisation, which requires serious commitment and support from a bilateral aid agency like JICA.

② Support to decentralisation reform can be justified as being a form of intervention which provides a platform where support to promoting the capacity development (CD) of institutions is put into practice. By getting involved in the process, support to decentralisation reform has the potential to contribute to the enhancement of the executive and operational capacity of administration systems which may be termed as being implicit in nature, and to the process of linking field level experiences and lessons learned to institutional framework development, both of which Japan insists as being characteristic of technical cooperation provided by Japan.

Based on the foregoing considerations, the areas and approaches of support that Japan/JICA can be instrumental to in terms of decentralisation reforms through technical cooperation would be as follows.

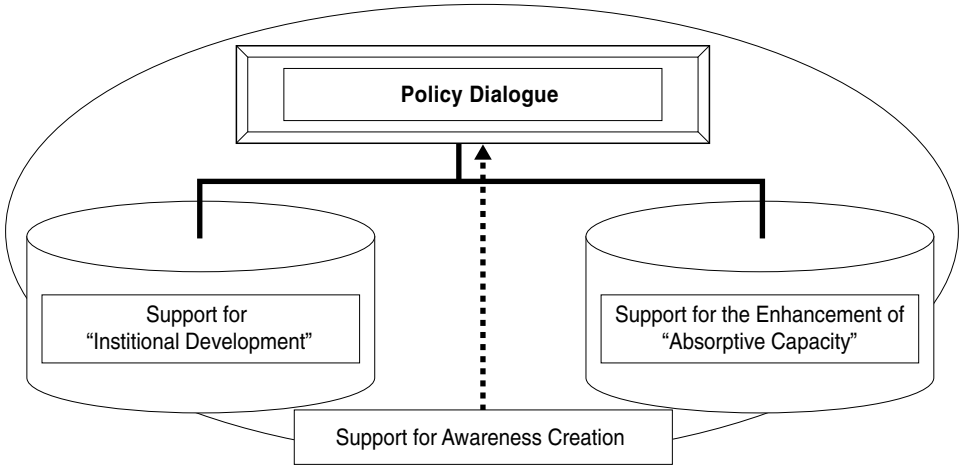
① Firstly, it would be possible for JICA to provide support through technical cooperation for capacity building of public service delivery by local governments, which are currently regarded as being inadequate. This is a form of cooperation that aims to strengthen the operational capacity of public service provision through technical and managerial skill upgrading and therefore the one which should continue to be pursued by Japan/JICA, which attaches importance to the practical aspects of development.

② Secondly, Japan would need to become actively involved in the fields of framework development of a country's institutional system, including decentralisation reform programmes, by providing

advice and ideas for the overall programme design. Up until now, Japan has tended to shun institutional framework development exercises. But if it can make meaningful contributions to the strengthening of absorptive capacity building of the lower level of administrative units through hands-on technical cooperation, it will also be possible for Japan to make significant contributions to the improvement of overall institutional framework by providing feedback from the experiences and lessons learned from the field level exercise.

③ The third approach that should be relevant for Japan/JICA is to help create an opportunity for African policy makers and administrators to observe non-Western models of local government and administration system, and thereby broaden their horizon of thinking in policy making. This could be followed by "policy dialogue" between Japan (either independently or jointly with other donors) and the partner country, to discuss what the future course of action should look like with regard to the decentralisation reform. This may be termed as an "awareness creation" type of approach.

**Figure 0-3 JICA's methods of support for decentralisation reforms and the correlation between each method**




Source: Drawn by the author.

Figure 0-3 demonstrates the following points: Firstly, it is important that support for "institutional development" and support for the enhancement of "absorptive capacity" are to be seen as two inseparable and mutually reinforcing processes necessary for the "institutionalisation" of decentralisation reform. Secondly, hands-on experiences gained from the "implementing capacity development" type of cooperation can and should inform the overall framework development process for incessant review and improvement. Thirdly, it is worthwhile to recognise the importance of the awareness creation type of support, which should be followed by "policy dialogue", through which review and adjustment of the reform process and of the overall architecture of the reform can be explored.

**Decentralisation support and specific methods of assistance**

As mentioned above, Japan/JICA's support to decentralisation reform can be categorised into three types: support for "institutional framework development" support for "absorptive capacity building", and support for "awareness creation". Table 0-2 illustrates how these three types of support can be implemented by means of the different aid instruments of Japan/JICA.

**Table 0-2 Areas for support and methods of assistance**

| | Description of Activities to be Supported | Japan/JICA's Aid Instrument |
|---|---|---|
| Support for "Institutional Framework Development" | ◎ Support for formulation of laws, regulations, etc., related to decentralisation<br>◎ Advice on decentralisation processes and facilitation of the reform process | ○ Use of TA with clear TOR (hire of consultants)<br>○ Use of process supporting type of TA (dispatch of advisory experts) |
| Support for "Implementing Capacity Building" | ◎ Support for basic training of administrative staff of local administrations, etc. (including the preparation of training materials)<br>◎ Establishment and strengthening of LG staff training institutions<br>◎ Operational capacity building of LG staff | ○ Use of TA with clear TOR (hire of consultants)<br>○ Financial aid for facility development and/or TA for capacity building<br>○ Use of process supporting type of TA (dispatch of advisory experts and volunteers) |
| Support for "Awareness Creation" | ◎ Presentation of alternative models of decentralisation, including non-Western ones | ○ Study tour of cases in Japan and third countries |

LG: Local Government, ToR: Terms of Reference

It is essential to note that, at present in Africa, governments and donors are in support of financial aid channelled through government systems, from the standpoint of reducing transaction costs associated with the provision/receipt of assistance and realising the efficiency/effectiveness of the aid thus provided. For this reason, if the activities to be supported as mentioned above are included in the overall reform programme agreed by the concerned stakeholders in the country, it should be preferable that they be supported via financial assistance (budgetary support or pooling of aid resources in the basket mechanism) in view of promoting aid resource coordination and ownership on the part of the recipient government.

On the other hand, operational capacity building of administration and public service delivery may require a more individualized and tailor-made approach, since the required skill is fairly practical and context-dependent, something more than general knowledge of rules and procedures. This could arguably be an area which JICA finds itself more familiar with, as the Technical Assistance (TA) or technical cooperation provided by JICA involves more person-to-person interaction. If the uniqueness of Japan/JICA's technical cooperation lies in its "escorting" type of approach based on an equal footing with the counterpart country, rather than a paternalistic mode of behaviour, with respect for ownership and dialogue with the recipient side, support for "absorptive capacity building" is an area where Japan/JICA can make meaningful contribution to the overall decentralisation reform process.

Based on the foregoing discussions on what Japan/JICA can do in support of promoting decentralisation reform in Africa, here are some recommendations for JICA to consider when formulating future interventions in this area.

- In view of the multifaceted nature of institutional reform and the time required for such reform to become established, a long-term and programmatic approach should be adopted.
- Given the reversible nature of institutional reforms, certain degree of flexibility should be accepted in monitoring and evaluating the achievement of objectives.
- Recognising the fact that there are already decentralisation reform processes going on in many countries and that there are a number of donors supporting these, it is important to maintain coordination of Japan/JICA's input with the overall reform programme and process, rather than formulating new and individual programmes.
- Therefore, it is necessary for Japan/JICA to share the overall goals and objectives of the reform programme, rather than setting up a new one of its own. Making "contributions" to the overall process and programme should be seen as worth the money they spend, as much as pursuing "attribution" between inputs vis-à-vis outputs.
- In order to enhance the impact of support, it is important to combine technical cooperation with some form of financial support, including direct budgetary support and pooling funds.

In any case, in extending cooperation in this field, it is important to bear in mind that there is a need to conceive of a decentralisation system from a broader perspective based on the historical and structural understanding of the local administration system in the country and to put it under a comparative perspective in order to draw realistic and practical measures to promote the reform process, and then to strengthen policy dialogue with African governments with a view to making these measures into a reality under the ownership and leadership of the African governments.

# Introduction
# Overview of the Study

# Introduction Overview of the Study

## 1. Background of the study

In Africa, the number of countries adopting and promoting policies for decentralisation began to increase, especially during the 1990s. Underlying this increase was the realisation that social services for the poor had, if anything, stagnated as a result of government functions having been cut back under the Structural Adjustment Programme of the 1980s. From the second half of the 1990s, PRS began to be adopted by many countries in Africa, and consideration began to be given to measures for delivering administrative services directly to the poor. As a result, the purpose of PSR has primarily been regarded as the improvement of service delivery, and they have emphasised enhancing the capacity for the provision of administrative services, including that of local administrations.

On the other hand, there are also internal political motivations at work, whereby, in relation to requests by donor nations for democratisation and stronger governance, recipient countries, depending on the country, regard decentralisation policies as a means of fulfilling or bypassing those requests[2].

However, in reality, problems are often identified in the management capacity of local administrations, as well as in the supervision and coordination capacity of the central governments who are in a position of supporting local administrations. While there are some cases in which the merits of decentralisation have been manifested, other cases also exist in which they have not. In addition, the characteristics of problems vary by countries and sectors. In this sense, the balance of responsibility and power between central and local governments has a bearing on decentralisation, and so it is necessary to take a holistic view over the political, administrative and social environments.

Given these trends of decentralisation in African countries, we need to consider the following kinds of problems when implementing the cooperation of JICA.

- ○ How will assistance for such sectors as education, health and agriculture change as a result of decentralisation?
- ○ How will the conventional type of rural development and community development change as a result of decentralisation?

[2] For example, in Uganda, decentralisation was introduced partly as a means of NRM government maintaining its virtual monopoly on power (for further details, see 2-2, Chapter 2).

○ What shape will decentralisation take, which is well balanced between central and local governments and in which the abovementioned assistance is effective, and what will the support for this be like?

## 2. Objectives of the study

Based on the background outlined above, the objective of the present study is to verify how decentralisation reforms are contributing to the improvement of service delivery in local areas, and what outcomes and problems are emerging. In order to verify the outcomes attributable to decentralisation, the study will also keep in mind the question of how decentralisation links to the overarching objective that is beyond merely the improvement of service delivery, namely, "poverty reduction".

This study also aims to consider some measures for improvement and support that tackle those problems associated with decentralisation.

## 3. Scope and substance of the study

In this study, we will use the example of East Africa. Even within Africa, this particular region has been the subject of examination in international aid coordination for PRS and decentralisation policies. Specifically, we will take up the three countries of: Uganda, where decentralisation policies have been promoted in a particularly advanced manner; Tanzania, where, though having strong signs of being donor-driven, there have been attempts to promote decentralisation policies; and Kenya, which, in contrast, is seen as having adopted relatively centralised local policies.

In this study, we will methodically outline the positioning of PRS and other decentralisation policies in national plans for each of these countries, and at the same time, we will describe the features of the decentralisation policies prescribed according to the historical background and political and social conditions in each particular country. Furthermore, we will analyse the way in which decentralisation policies are positioned in their relationship with sector reforms, as well as the way in which they affect the delivery of sector services. Through this analysis, we will present a systemic analysis framework for examining how decentralisation should be which is tailored to the actual conditions of each country, designed with a purpose of improving service delivery.

Turning to what form JICA's support should take; we will examine the influence that decentralisation has on sector development and rural development, and consequently, the approaches for support that must be adopted. In addition, amid increases in recent years for support targeting the actual decentralisation reforms themselves, we will also examine the types of outcomes to aim for and any points for concern when providing support.

Our examination will not be limited to merely the approaches for support based on human resources development, which JICA has previously been instrumental in promoting. Within the framework for the formulation of support plans premised on a system of aid coordination, we will also examine the effectiveness and feasibility of approaches for support, such as financial aid and support for policy and institutional reforms.

## 4. Structure of the report

This report is comprised of four chapters. Figure Intro-1 outlines the structure of each chapter.

In Chapter 1, we list the issues for responding to the fundamental question of "Why is there decentralisation in Africa?" Specifically, what is occurring as a result of decentralisation? What are the developments that have led up to decentralisation? What is hoped to be achieved through decentralisation? In addition to providing basic commentary on such questions as these, we will present the analytical framework of decentralisation used in this study.

In Chapter 2, we discuss decentralisation in general for the three countries considered in this study: Uganda, Tanzania and Kenya. Based on the common background across African countries presented in Chapter 1, we will comment on the distinguishing effects of the historical and social backgrounds distinct to each of the three countries on their attitude toward decentralisation and their service delivery in local areas. In addition, we will also extract the characteristics and any lessons learnt which become apparent from a comparison of the three countries.

Based on the arguments presented in Chapter 1 and the county-specific overviews presented in Chapter 2, in Chapter 3, we summarise the systemic analysis framework for decentralisation in Africa. First, we present the following four aspects as factors for measuring decentralisation from the perspective of strengthening the capacity of service delivery in local areas:

- Effectiveness: Are services becoming more effective?
- Efficiency: Are services becoming more efficient?
- Accountability: Is there greater transparency for local residents, and are the authorities fulfilling their responsibility to provide information?
- Equity: Are services becoming fairer and clearer?

We also discuss matters related to these aspects which require attention. In addition, analysis is given from the following three perspectives on the circumstances in which the local administrations of the relevant countries find themselves irrespective of whether decentralisation is being implemented or not: the country's administrative system (central-local government relationships and the service

## Figure Intro-1 Structure of the report

### Chapter 1 Issues being Discussed concerning Decentralisation in Africa

- What are the issues deriving from decentralisation?
  : from the perspectives of sector services, governance and community development
- Why implement "decentralisation" in Africa?
  : Background and purpose to the adoption of decentralisation policies in Africa
- What are the notable characteristics of local governments in Africa?
  : from the perspectives of population size and public finance
- What dose the decentralisation aim at eventually? : The analytical framework of this study
  : Study Group's analytical framework for decentralisation
  — from the perspectives of effectiveness, efficiency, accountability and equity

Viewpoints for grasping an overview of decentralisation in each country

### Chapter 2 Overview and Analysis of Decentralisation in the Three Countries (Uganda, Tanzania, Kenya)

- Overview of each country
  - Background to the adoption of decentralisation
  - Present state of the decentralisation system
  - Problems in actuality
- Lessons learnt from a tri-nation comparison

Keys to solving the problems related to decentralisation in Africa

Systematisation from the overview of decentralisation in each country

### Chapter 3 How to Understand Decentralisation in Africa

- Evaluation and lessons learnt from the perspective of improving the provision of administrative services (outcomes)
  - Effectiveness
  - Efficiency
  - Accountability
  - Equity
- Analytical framework of the decentralisation reforms in each country
  : Analytical framework based on a view of the overall picture
  - Systemic analysis framework and important check points to be used for analysis of the local administration system and the decentralisation reforms
  ① Structure of the administrative system (central-local government relationships, service delivery systems in different sectors)
  ② Fiscal decentralisation
  ③ Decentralisation of the development planning process
  ④ Devolution of services implementation
  ⑤ Decentralisation of human resource management
  - Relationship with the national context and development goals at the national level
  - Relationship between local communities/residents and the local administration

Measures for support that tackle problems associated with decentralisation in Africa

### Chapter 4 Decentralisation and Development Assistance in Africa

- Characteristics of the cooperation by JICA up until now, organised according to three different approaches
  ① Sector support
  ② Community development support
  ③ Support for decentralisation reforms
- Support for rural development based on local administrative systems
- Approaches to support for decentralisation reforms
- Decentralisation support and specific methods of assistance
  - Support for "institutional development"
  - Support for the enhancement of "absorptive capacity"
  - Support for awareness creation

Source: Compiled by JICA Secretariat.

delivery system in each sector), the positioning of decentralisation reforms in national-level policies and development strategies, and the relationship between local administrations and local communities/ residents. In particular, with regard to the nature of administrative systems, we also present specific check points for the five key areas of: policy system and administrative structure, public finance, human resources, development planning and service delivery.

Based on the characteristics of decentralisation in Africa as perceived in Chapters 1-3, in Chapter 4, we examine the types of support measures that should be adopted. More specifically, as well as sector support and community development support based on decentralisation, support for decentralisation reforms themselves can also be considered. Although we could regard these measures individually as independent measures, if we consider the medium and long-term development of each country, we could also regard them as mutually linked or integrated support measures. From this perspective, we will also examine the question of how support for area-based development (the area-based approach) is positioned. As an approach to support for decentralisation reforms in Africa, we also present the cross-linking of support for "institutional development" and support for enhancing "absorptive capacity," as well as support for awareness creation in the sense of building a foundation that serves as the basis for both aforementioned forms of support. Through "policy dialogue" with partner countries, the result of such support suggests the possibility of leading to improvements in actual policies and systems themselves.

The Attachment can be referred to for basic information on decentralisation. They contain a detailed matrix of the systemic analysis framework presented in Chapter 3, as well as JICA project information presented in chapter 4.

Separate reports has also been published which investigates the general conditions of decentralisation and the actual state of local service delivery in the three target countries, and is categorised into the three topics of primary education, primary healthcare and agricultural extension (Dege Consult et al. (2007a-d)). It provides readers with complementary reference material.

## 5. Framework of the Study and List of Contributors to the Report

A study group for this study was established as outlined below. It was made up of members and a task force, comprised of external experts as well as JICA staff and senior advisers. As secretariat of the group, the Research Group of the JICA Institute for International Cooperation took charge of the overall administration, and between November 2005 and May 2007, group meetings were held a total of 14 times.

(As of May 15, 2007)

○ Members

| | |
|---|---|
| Fumihiko Saito | Professor, Faculty of Intercultural Communication, Ryukoku University |
| Masao Yoshida | Professor, Graduate School of International Social Development, Nihon Fukushi University |

(above members are in alphabetical order by surname)

| | |
|---|---|
| Yuichi Sasaoka | Professor, National Graduate Institute for Policy Studies (until March 2006)<br>Senior Assistant to the Managing Director, Regional Department IV (Africa), JICA (from April 2006)<br>Senior Adviser, Institute for International Cooperation, JICA (from February 2007) |
| Kyoko Kuwajim | Group Director, Research Group, Institute for International Cooperation, JICA (and Secretariat) (until July 2006)<br>Group Director, Group I, Social Development Department, JICA (from August 2006) |
| Atsushi Hanatani | Team Leader, East Africa Team, Regional Department IV (Africa), JICA (until April 2007)<br>Senior Adviser, Institute for International Cooperation, JICA (from May 2007) |
| Koichi Kito | Team Leader, Southern Africa Team, Regional Department IV (Africa), JICA (until April 2006) |

○ Commentators

| | |
|---|---|
| Wataru Kitamura | Associate Professor, Graduate School of Osaka City University |
| Kenji Mitsunari | Professor, Graduate School of Law and Politics, Osaka University |
| Kengo Soga | Associate Professor, Graduate School of Law and Politics, Osaka University |
| Hiroshi Takenaka | Professor, Graduate School of Law and Politics, Osaka University |

(above members are in alphabetical order by surname)

○ Chief examiner

| | |
|---|---|
| Michiyuki Shimoda | Senior Adviser, Institute for International Cooperation, JICA |

○ Task force

| | |
|---|---|
| Hajime Iwama | East Africa Team, Regional Department IV (Africa), JICA (until February 2006)<br>Social System & Peace Building Team, Group I, Social Development Department, JICA (from February 2006 until April 2007)<br>Governance Team, Group I, Social Development Department, JICA (from April 2007) |

| | |
|---|---|
| Tomoki Kobayashi | East Africa Team, Regional Department IV (Africa), JICA |
| Eita Narita | East Africa Team, Regional Department IV (Africa), JICA (until March 2007) |
| Hideaki Matsuoka | East Africa Team, Regional Department IV (Africa), JICA (from February 2006) |
| Toko Takai | Junior Expert, East Africa Team, Regional Department IV (Africa), JICA (until January 2007)<br>Urban and Regional Development/Peace Building Team I, Group II, Social Development Department, JICA (from 2007 February) |
| Yoichiro Kimata | Aid Strategy Team, Research Group, Institute for International Cooperation, JICA (and Secretariat) |

○ Collaborators from overseas offices

| | |
|---|---|
| Tomoki Kanenawa | JICA Kenya Office |
| Masaru Ishizuka | JICA Kenya Office |
| Michiharu Ishiyama | Project Formulation Advisor, JICA Kenya Office |
| Takeshi Oikawa | JICA Tanzania Office |
| Takashi Okuyama | Project Formulation Advisor, JICA Uganda Office |

○ Secretariat

| | |
|---|---|
| Takaaki Oiwa | Group Director, Research Group, Institute for International Cooperation, JICA (from 2006 August) |
| Koji Yamada | Team Leader, Aid Strategy Team, Research Group, Institute for International Cooperation, JICA |
| Chiho Kato | Aid Strategy Team, Research Group, Institute for International Cooperation, JICA (Researcher, Japan International Cooperation Center) (until March 2007) |
| Akiko Kato | Aid Strategy Team, Research Group, Institute for International Cooperation, JICA (Researcher, Japan International Cooperation Center) (from March 2007) |

* * *

○ List of Contributors to the Report

| | | |
|---|---|---|
| Chapter 1 | Issues being Discussed concerning Decentralisation in Africa | Yoichiro Kimata |
| Chapter 2 | Overview and Analysis of Decentralisation in the Three Countries | |
| 2-1 | Introduction | Michiyuki Shimoda |
| 2-2 | Revisiting decentralisation in Uganda | Fumihiko Saito |
| 2-3 | The progress of decentralisation in Tanzania | Masao Yoshida |
| 2-4 | Decentralisation and the centralised structure of Kenya | Yuichi Sasaoka |
| 2-5 | Cross-country Overview — Characteristics of local administration and decentralisation reforms in the three countries derived from a comparative analysis | Michiyuki Shimoda |

Chapter 3 How to Understand Decentralisation in Africa Michiyuki Shimoda
(3-3-2 Check points on the relationship between decentralisation reforms and the national context and development goals at the national level) Yuichi Sasaoka
Chapter 4 Decentralisation and Development Assistance in Africa Atsushi Hanatani
Attachment Systemic Analysis Framework Michiyuki Shimoda
(2 Relationship with the national context and development goals at the national level) Yuichi Sasaoka

# Chapter 1
# Issues being Discussed concerning Decentralisation in Africa

# Chapter 1 Issues being Discussed concerning Decentralisation in Africa

*Why is decentralisation occurring in Africa?*
*Is support for actual decentralisation necessary?*

There would be few people who oppose the view that much cooperation is needed for Africa, as it remains fraught with many problems associated with development. However, in many African countries, where it could be said that the central structures that implement administration are relatively weak, there are probably also no fewer people who harbour doubts when it comes to "decentralisation" and support for decentralisation.

However, in actual fact, a number of African countries have pushed forward with decentralisation, and as a result of changes in the methods for providing sector services, there have also been dramatic changes in the various conditions related to cooperation, including the direct partners in technical cooperation, the image of outcomes resulting from cooperation, and the sustainability of projects even after cooperation. This means that now, **when examining cooperation in different sectors, and when examining cooperation for local development or community development, it is impossible to have an appropriate cooperation design without first looking at the trends of decentralisation in the relevant country**.

In this chapter, we will first explain why shifts in decentralisation have occurred in Africa in recent years, and also the types of problems that have arisen as a result of these shifts. Then, we will comment on the types of political and social movements amid which discussions on decentralisation in Africa historically took place, and we will comment on the characteristics of local governments in Africa compared with other developing countries. Finally, in light of these earlier comments, we will present an analytical framework showing how decentralisation is perceived in this study.

## 1-1 What are the issues deriving from decentralisation?

As mentioned in the Introduction, against a background of PRS and PSR, which emerged following the failure of the Structural Adjustment Programme in the 1980s, the aim of decentralisation was for local governments to appropriately identify the needs, information and available resources of local communities, and for them to provide public services more efficiently. As a result of decentralisation, there will be greater opportunities for people to participate, many of the parties involved will be able to monitor policy decisions and implementation, and it is expected that the quality of public services will improve and costs will be cut (JICA, 2003).

Nevertheless, in reality, a number of problems in the institutional framework are occurring: authority that has been legally prescribed is not being devolved to local administrations, and approved budgets are not flowing down to them. Another problem is that, even supposing the administrative operations and authority have been devolved, the local government is not equipped with sufficient absorptive capacity to perform these operations and appropriately deliver services. Despite decentralisation being advocated, in some cases, local governments, which should be the main service providers, are not in fact functioning as well as expected. These problems are attributable to the fact that the process for accepting decentralisation in the relevant countries has been too slapdash to start with and there has been a lack of balance with other factors. The problems have also become a significant source of confusion when examining assistance for the countries.

However, we must also keep in mind the fact that, even within Africa, the level of local administration to which authority and operations are devolved, and the extent to which they are devolved vary depending on the conditions in each country. To start with, since the ideal form of decentralisation will change depending on the national system of governance, the questions of where specifically should cooperation first be directed, and what types of goals for cooperation should be established will also change depending on the country (for further details, see Chapter 4, 4-2).

In that case, what specific kinds of problems are likely to rise as a result of decentralisation being promoted in an inadequate manner as described above?

First, decentralisation has considerable impacts on service delivery in different sectors, such as education, health and agriculture. Up until decentralisation, sector services had been implemented with a focus on central ministries; but by shifting the point of service provision to local governments, it causes problems as to whether the implementation structure is able to provide adequate services in local areas and for the system of technical backstopping by the central government. Coupled with these structural problems, there are other problems, such as when, how and to what extent budgets should flow to local governments, and whether they can be provided as services.

On the other hand, with regard to sector services, SWAp has evolved: comprehensive service and budget plans are drawn up, and their implementation is monitored, all on a sector basis. In order to investigate improvements for sector services in local areas, at the same time as decentralisation reforms, consideration also needs to be given to their connection with SWAp.

Decentralisation also leads to significant changes in local development and community development. Under a centralised system, the central government sketches out comprehensive regional development strategies, and then the local offices of the central government advance the strategies in a top-down manner. If this becomes decentralised, it is expected that the local governments themselves

will promote development by understanding local needs and utilising local resources. In terms of relationships with the sectors, with centralisation, the relationship tends to be vertical; but with decentralisation, it is possible for coordination between sectors to be achieved locally and for cross-sector projects to be planned.

However, in reality, the identification of community needs and the cross-sector coordination function change, depending on how much authority is devolved to a local government, and how much capacity the local government has. Also, given that administrations had not been implementing services in a way that reached the residents, rather than the distance between the administration and the communities being necessarily close, it is a question of how strong that point of contact is that is a major issue for service delivery systems under decentralisation.

Based on the fact that decentralisation has impacted on sector services and community development in this way, the root cause of these impacts is now being perceived to be the issue. That is a problem of "governance". In other words, there is a growing tendency to perceive the issues as being the institutional unbalance caused by the inappropriate shape of decentralisation, and the actual institutional and human capacity needed to implement the administrative services.

Rather than necessarily being a technical problem observed in the sectors, because these types of governance problems are, at times, straightforward problems that delve into the governance system of the partner country, they should be resolved over time based on more ownership on the part of the partner country.

## 1-2 Why implement "decentralisation" in Africa?

In section 1-1, we pointed out the background and problems leading up to the recent introduction of decentralisation in Africa. However, the examination of decentralisation in Africa is not something that began just recently. Although there are a number of differences between countries, in connection with how their own country should be governed, many African countries have been trialling centralisation versus decentralisation since gaining independence from colonial rule. In this section, we will discuss the trends of decentralisation in Africa following colonial independence, by dividing them into "three waves" corresponding to the arguments of Mawhood (1993).

### 1-2-1 First wave: 1950s – : post colonial independence

For several years after the colonial independence of the 1950s, the rule of the new government functioned. But gradually it lost the support of the traditional regional leaders, and instead the autonomy of these leaders gained prevalence. This was the first wave of decentralisation.

However, as we enter the 1960s, the only function of the decentralised administrative system was to merely discuss development plans, and the implementation of those plans had become weaker than during the colonial period. After coming to this realisation, there was a shift to the management of public resources through a stronger centralisation of administrative power.

### 1-2-2 Second wave: end of the 1960s, 1970s – : new belief in value of participation and rural develop ment

Nevertheless, there was an increase in the dissatisfaction toward the implementation of plans using the centralised system. The new philosophy of community development and community participation, which had begun in Tanzania and Ghana in 1967-1968, spread to various other African countries, and rather than the centralisation of administrative power, a form begun to be adopted which kept authority with local government workers. Moreover, during the 1970s, reconstruction following civil wars triggered a strong resurgence in local community autonomy.

However, even though it is called "decentralisation", in actuality, there was no change in the fact that local administrations took responsibility for the implementation of plans, but without encroaching on the central formulation of plans. In addition, there were also concerns that more decentralisation would have disruptive political consequences for national leadership.

### 1-2-3 Third wave: 1990s – : turnaround from the misgovernment of structural adjustment policies in the 1980s

As mentioned in the previous section, during the third wave, on reflection of the structural adjustment policies of the 1980s, there was a flow of PSR to strengthen the function of administrations. Compared to the first and second waves, a characteristic of this third wave was that there was strong political and economic intervention by the donor community. Another contributing factor was the new movement in Africa for democratisation which began at the end of the 1980s.

### 1-2-4 Position of decentralisation in each country's historical and social background

As described above, we have organised the trends of decentralisation in Africa into three waves. However, we need to keep in mind that this classification is based on extremely broad historical trends, and when comparing the actual conditions for decentralisation in individual countries, there are other factors involved besides the three waves.

This study covers the countries of Uganda, Tanzania and Kenya. Although they are neighbouring countries, their historical and social backgrounds are completely different. This will be discussed in

more detail in Chapter 2.

Uganda is described as being the country in Africa where decentralisation has progressed the most. Underlying this is an historical background that is unique to Uganda. At a time in Uganda when the current NRM government, before it came into power, was waging a guerrilla war, it built RC, or local organisations for resistance, which were the grassroots units for mobilising guerrillas, and from this, a local administration system was built. On top of this, while Uganda promoted decentralisation, with local councils (LC: renamed from RC) as its core, at the same time it continued to adopt a "non-party democracy" preserving NRM's single-party dictatorship.

In stark contrast to this situation is Kenya. Unlike Uganda, Kenya has laid out a multi-party system. Specific ethnic groups have gained predominance in each local area. It has a history of having implemented policies that give preference to specific groups according to where successive presidents have hailed from. Because of this, regional disparities are large, and since there are strong political repercussions even at the local level, this has made decentralisation difficult.

In this way, underlying decentralisation in Africa, there has been a series of trial and error attempts related to the systems of governance since colonial independence. Although there are external factors at work — namely intervention by donors who have shifted from their positions of suzerain states — we must not overlook the fact that internal factors, backed by historical and social circumstances that are unique to each country, are also having an effect.

## 1-3 What are the notable characteristics of local governments in Africa?

In the previous section, we stated that, in Africa, amid a history of trials and errors concerning governance systems, the position of local governments has changed according to policies of "decentralisation". What then are the kinds of characteristics that local governments in Africa have consequently adopted compared to countries in other regions? In this section, we will first focus on the population sizes covered by local governments, before focusing on the financial aspects of local governments. We will then compare the characteristics of local governments in Africa with those of other developing countries.

### 1-3-1 Characteristics related to the population sizes covered by local governments

Table 1-1 shows a comparison of average population sizes covered by core higher level local governments. The table shows us that the population sizes covered by local governments in the Republic of South Africa and Uganda are markedly greater than other regions. According to the Nordic Consulting Group (NCG) (2004), a similar trend can also be seen in Tanzania and Kenya, which are

also the target of this study, with both having an average population in excess of 100,000 - Tanzania: 293,525, Kenya: 164,908.

The trend outlined above is the trend for higher levels of local government, and so depending on the levels of local government below this, and the collaboration systems that they share, the circumstances will be different. Despite this, on the whole, in African countries, in terms of the scale of services that a single local government must provide, physically, that much more is expected.

**Table 1-1 Average populations of local governments in developing countries**

| Country | Average population per local authority in developing countries |
|---|---|
| India (rural areas) | 3,278 |
| Kazakhstan | 4,331 |
| Indonesia | 5,915 |
| Argentina | 14,972 |
| Poland | 18,881 |
| Brazil | 30,099 |
| Chile | 64,592 |
| India (urban areas) | 68,027 |
| China | 107,334 |
| Republic of South Africa | 238,839 |
| Uganda | 373,321 |
| All sampled countries | 79,000 |

Source: Shah (2006) p. 37.

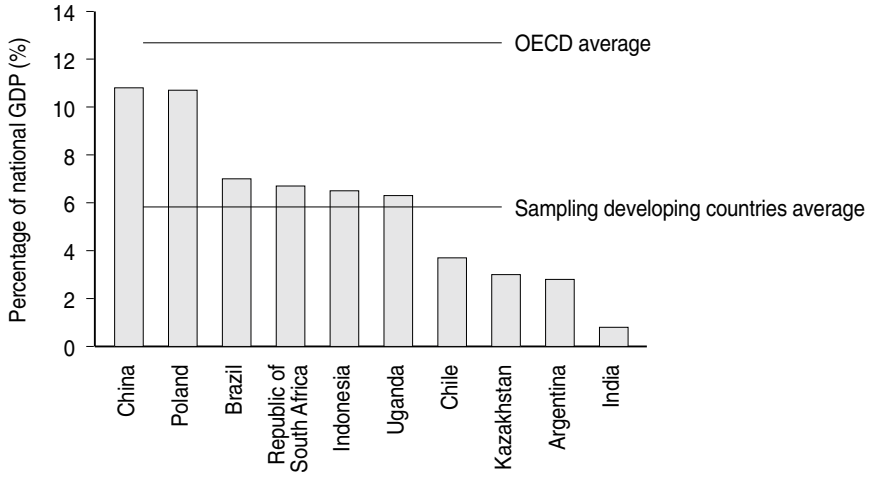
### 1-3-2 Characteristics related to the expenditures of local governments

Let us now look at the question of whether local governments in Africa have enough resources for the magnitude of the services that are required of them.

Figure 1-1 shows a comparison of the ratio of local expenditures to the Gross Domestic Product (GDP). From the figure, we can see that the local government expenditures ratios in all developing countries are lower than the Organisation for Economic Co-operation and Development (OECD) average. Uganda is regarded as being the country in which decentralisation has progressed the most amongst countries in sub-Sahara Africa, but even still, its local government expenditures are not all that different from the average of other developing countries. If we try adapting this for Tanzania and Kenya, then as per Table 1-2, we can see that their local government expenditures are a lot lower than the average for developing countries.

Even though we might say “decentralisation”, based on these facts, we can see that there are only extremely limited sources of revenue that local governments can expend autonomously, and so the reality is that tinges of centralisation remain.

**Figure 1-1 Ratio of local expenditures to the GDP**




Source: Shah (2006) p. 35.

**Table 1-2 Key figures in local government finances (fiscal year 2002, 2003)**

| Item | | Kenya | Tanzania | Uganda |
|---|---|---|---|---|
| Gross national income (GNI) per capita | (US$) | 360 | 290 | 240 |
| Ratio of total public expenditures to the GDP | (%) | 27.0 | 23.3 | 23.7 |
| Ratio of local government expenditures to the GDP | (%) | 1.5 | 4.5 | 5.7 |
| Ratio of local government expenditures to total public expenditures | (%) | 5.1 | 19.2 | 26.9 |
| Local government expenditures per capita | (US$) | 6.7 | 12.1 | 17.3 |

Source: NCG (2004) p. 33.

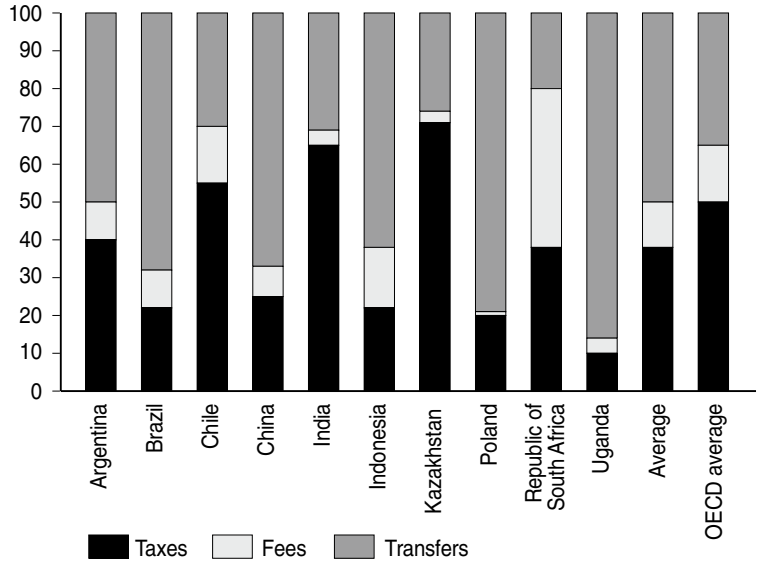
### 1-3-3 Characteristics related to the revenues of local governments

Figure 1-2 shows a comparison of the composition of operating revenues for local authorities. Let us consider this in comparison with Table 1-3 which shows the situation in Tanzania and Kenya.

Of particularly great interest is the fact that the ratio of its own sources of revenues among local governments (taxes) is lower in Uganda and Tanzania — which have promoted decentralisation — and they are more reliant on grants and subsidies from the central government. In contrast, in Kenya, the proportion of revenues sourced by local governments themselves is 73 %, and the proportion of transfers from the central government is 26 %. This is the reverse of Uganda and Tanzania.

However, care needs to be taken at this point. If we look at the "size of total local government revenues per capita" in Table 1-3, we can see that compared to Uganda's US$ 16 and Tanzania's US$ 12.1, Kenya's figure is only US$ 4.9. In other words, in Kenya, where decentralisation is not all that active, in reality, the transfers to the local governments are small, and the central government does not

**Figure 1-2 Composition of Operating Revenues for Local Authorities**




Source: Shah (2006) p. 38.

have any measures in place to increase local government's own sources of revenue. The actual conditions in Kenya are supported by the fact that it is the local offices of the central government rather than local governments that implement the overwhelming share of local service delivery.

In this way, we can see that, in reality, the forms of decentralisation are different in each of the three countries, but that there remains a considerable financial dependence on the central government.

**Table 1-3 Overview of local revenues**

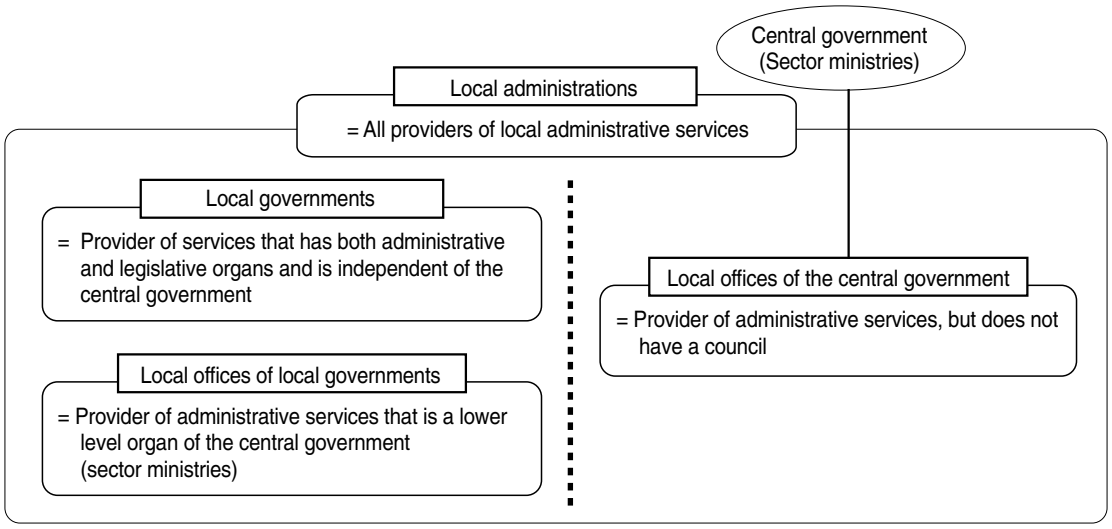
| Item | Kenya | Tanzania | Uganda |
|---|---|---|---|
| Size of the total local government revenues per capita (US$) | 4.9<br>(FA 2001/2002) | 12.9<br>(FA 2002/2003) | 16<br>(FA 2001/2002) |
| Size of the of local government own sources of revenue per capita (US$) | 3.5<br>(FA 2001/2002) | 1.6<br>(FA 2002) | 2.4<br>(FA 2001/2002) |
| Composition of local government revenues (%) | | | |
| a) Transfers | 26 | 79 | 85 |
| b) Own sources of revenue | 73 | 16 | 15 |
| c) Shared sources of revenue | 1 | 5 | 0 |
| | (FA 2001/2002) | (B 2002/2003) | (FA 2001/2002) |

Source: NCG (2004) pp. 35-36.

## 1-4 What does the decentralisation aim at eventually? : The analytical framework of this study

In sections 1-2 and 1-3, we remarked on the types of characteristics that local administration and decentralisation in Africa had against certain historical and social backgrounds. Based on this, we can see that decentralisation is not a purpose unto itself, but is rather something that is prescribed according

**Figure 1-3 Notion of local administration within this study**




Source: Compiled by the author.

to the type of governance system at the time. On the other hand, behind the decentralisation of recent years, PSR have become an issue. PSR strengthen the roles of governments for the purpose of poverty reduction. They also include a view on development, where local governments closest to the community conduct administrative services that correspond to community needs and resources.

However, as shown in the previous section, in actuality, the provider of local administrative services is not necessarily always a local government. In cases such as in Kenya, in addition to local governments, attention has also been drawn to the local offices of the central government, which are responsible for much of the service delivery in local areas. Therefore, the question of what type of decentralisation ought to be implemented needs to be examined. Accordingly, in this study, we have collectively referred to all the providers of local public services as "local administrations in general". Within this category, we have referred to organisations that deliver local administrative services with autonomous authority independent of the central government as "local governments", and the entities that govern and provide services under the command of the central government as "local offices of the central government".

Although some development partners tend to pursue devolution in African countries as the only good model for decentralisation, this study attempts to conduct an analysis of the situation on a different basis. Taking into account the reality that there are positive and negative movements surrounding decentralisation in individual countries in Africa, the study team considered that what is eventually required with regard to assistance is to strengthen the foundations of development tailored to the realities and the actual conditions of development and governance in each country, decentralisation being one of the elements for this. In this sense, we need to be mindful that decentralisation is only a means of achieving certain objectives.

This leads to the question: What is the objective we try to achieve through decentralisation? Although a range of objectives could be considered from aspects of governance and development, in this study, given the aim of PSR of recent years, we have placed the "improvement of service delivery" as the objective.

The next question is: How can we achieve improvements in service delivery? Based on a number of perspectives have been given on this (see Box 1-1), in this study we will present the following four: effectiveness, efficiency, accountability and equity.

**Box 1-1 How can "service delivery" be improved by decentralisation?**

In this study, we have presented the following four factors as perspectives from which service delivery could be improved as a result of decentralisation: effectiveness, efficiency, accountability and equity. These kinds of perspectives have been presented from various angles in earlier studies. The following describes a few of these studies.

1. Shah (2006) names responsible (having fiscal and social responsibility), responsive (consistent with citizen preferences), and accountable (accountable to the electorate) as important factors of citizen-centred governance.

2. Asante and Ayee (2004) list nine points as the potential benefits of decentralisation. Some of these are as follows:
   - Improved governance: Decisions are more consistent with community wishes.
   - Improved efficiency: Access to local information becomes better, and services become possible which are more in line with local contexts.
   - Improved responsiveness of government: The exact nature of local needs is understood, and services become possible which are more cost effective.
   - Enhanced accountability: Decentralisation enables local representatives to be more accountable for policies and outcomes becoming closer to local residents.
   - Improved equity: Decentralisation leads to the possibility of resources being distributed more equitably to targeted poor groups.

3. The World Bank (2001) argues that improvements to service delivery through decentralisation can be brought about by the following two efficiency improvements.
   - "Allocative efficiency": Public services are provided in better matching to local needs.
   - "Productive efficiency": Accountability toward citizens is enhanced. There are fewer levels of bureaucracy. The knowledge of local costs is increased.

   Although "efficiencies" have all been bundled into a single term in this way, in substance, it encompasses the other viewpoints outlined in this study.

<Reference> Ribot (2002) lists the following as factors for decentralisation from a broader perspective: efficiency, equity, service provision, participation and democratisation, national cohesion and central control, local empowerment, fiscal crisis and poverty reduction. This suggests that decentralisation is not necessarily being introduced only from a perspective of improvements to service delivery, and that it should be seen from a more comprehensive perspective.

See also Smoke (2003) and Watson (2002) for other studies that provide similar viewpoints.

### 1-4-1 Effectiveness: Providing services that respond to the local needs

"Effectiveness" is a factor that concerns "the level of achievement of the objectives", whereby services are provided based on an accurate assessment of citizens' needs and the local context.

From this perspective, it is expected that decentralisation will lead to a channel, whereby, at the same time as local governments that are close to local residents reflecting community needs in planning and budget allocations, regional needs will also be reflected in central policies and measures.

### 1-4-2 Efficiency: Maximising the efficiency of administrative services

Particularly in Africa, it is necessary to provide services using national resources that are, on the whole, extremely limited. Under these circumstances, "efficiency" is considered a factor that can be equated with "investment effectiveness," whereby services are provided in a prompt and appropriate manner by efficiently utilising these limited resources.

If this view is adopted, then rather than obtaining approval from a central body for everything from the formulation of plans and the implementation of budgets to personnel management, giving local governments greater discretion in making decisions will lead to more efficient services. In this sense, decentralisation offers greater efficiency.

On the other hand, it is also necessary to be mindful that there is a risk that, if power is devolved in a way that it exceeds the capabilities of the local governments, then these limited resources may end up just being dissipated. For this reason, if power is to be devolved, then rather than severing the link between central and local governments, it is important that technical backstopping be provided centrally while local governments retain their autonomy.

### 1-4-3 Accountability: A responsibility to provide adequate information and explanations in a form to be trusted by the citizens

In contrast to the two perspectives above, which indicate actual administrative capacity, "accountability" could also be described as a factor that indicates "the degree of reflection of the people's will" in the sense that it increases the transparency of service provision and earns the trust of the public.

Specifically, it is necessary to be mindful of to whom local government officials are accountable to with regard to planning, budgets and services, as well as the extent to which this accountability is being met. This will change depending on the way in which the central-local government relationship

is prescribed. In cases where the local service providers are the local offices of the central government, accountability for planning, budgets and services will be to a higher level organisation or directly to the central ministries. In contrast, in cases where the local service providers are local governments that are independent from the central government, more than to the higher level departments in each sector or to the central bureaucracy, local government officials will be required to be accountable to the heads of the local government (or executive directors), and by extension, to the local councils and local residents. If this system can be adopted, then it will also enable the heads of local government, or executive directors, to be responsible for cross-sector coordination within local governments that is in line with local needs.

### 1-4-4 Equity: Fair distribution to the poor and equality among different regions

There is an argument that goes, "In Africa, under centralised structures, there were disparities in services and the flows of funds to start with. Decentralisation rectifies this." As a basis for this argument, there is a view that, if authority is devolved to local governments close to residents, a fairer and sometimes more strategic distribution of resources to the deprived classes will be possible, which is based on the social conditions and needs of the concerned local community.

On the other hand, there is also the opposing assertion that, "if authority is devolved, won't it instead widen the disparities among regions?" In other words, there is the concern that, if there is a broadening of regions in which individual decentralised local governments are allowed to provide services independently, then any differences in the local governments' geographical, financial and personnel conditions and capacities will simply appear as disparities in services between the regions[3].

For this reason, even if decentralisation is aimed at improving service delivery in local areas, equity needs to be ensured in a way that prevents interregional disparities from becoming broader.

### 1-4-5 Analytical framework of decentralisation in this study

As stated earlier, in this study, we hope to define the improvement of service delivery as guaranteeing the above four perspectives. However, it is not just decentralisation that is entailed in the improvement of service delivery: in reality, it involves various other factors, including sector reforms and public financial management.

In this sense, the aim of this study is to verify the way in which decentralisation effects changes to absorptive capacity and to the institutions provided by local administrations, and to verify the way in

[3] The views on these two forms of equity are classified by Crook (2003) as "social equity" and "spatial equity".

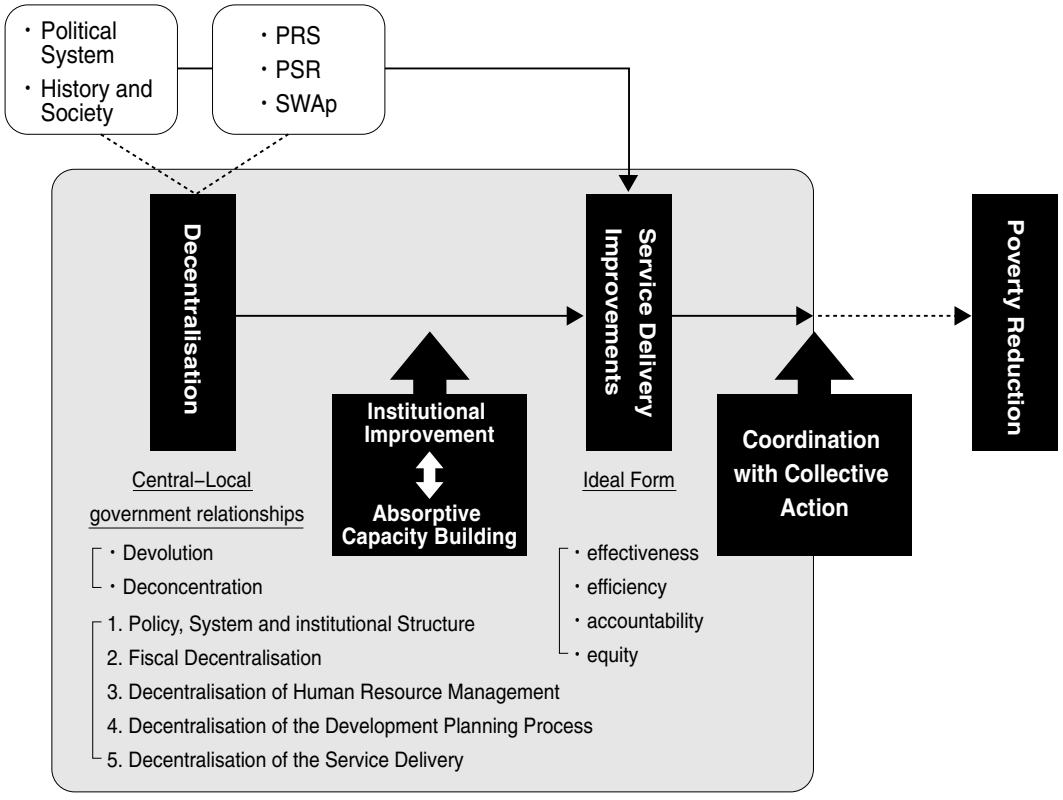
which decentralisation affects the improvement of service delivery, while also looking into its relationships with SWAp and the overall programme of public sector reforms.

However, no matter how much actual service delivery is improved, the reality is that, in Africa, there is a limit as to the territory that can be covered by administrative services. In this context, in addition to administrative services, by successfully linking with the collective actions of fellow local residents, in this study, we will also examine the establishment of areas of efficient public service using limited available resources and the feasibility of effective services that appreciate local needs. In addition, we will also consider how to link this to the overall goal of "poverty reduction".

Figure 1-4 illustrates the framework of our research study.

As illustrated in Figure 1-4, in this study, we have positioned "decentralisation" as the theoretical course linking the improvement of service delivery to poverty reduction. Taking into account that there are different forms of decentralisation (devolution and deconcentration) in different African countries, we will analyse each of these forms to see their impacts and challenges with respect to the improvement of service delivery. In addition, it is our aim to set forth the central-local government relationship for each country that is tailored to its relevant conditions (the type of decentralisation that ought to be implemented) as well as the support measures for realising these relationships.

**Figure 1-4 Conceptual framework of the study**

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

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

## 2-1 Introduction

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

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

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

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

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

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

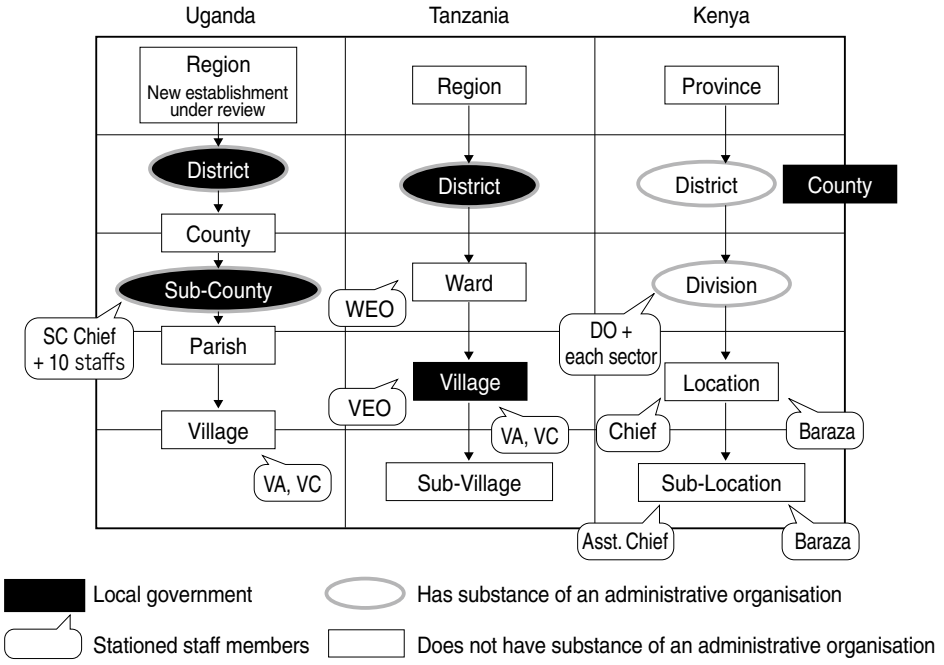
On top of this, local administrative units in African countries are further divided into several layers. Moreover, not all of them are "local governments" that have councils. For example, Districts in Uganda and Tanzania are "local governments" that have councils, whereas in Kenya, Districts are nothing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

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

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

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

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




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

Source: Compiled by the author.

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

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

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

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

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

Fumihiko Saito

### 2-2-1 Introduction

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

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

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

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

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

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

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

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

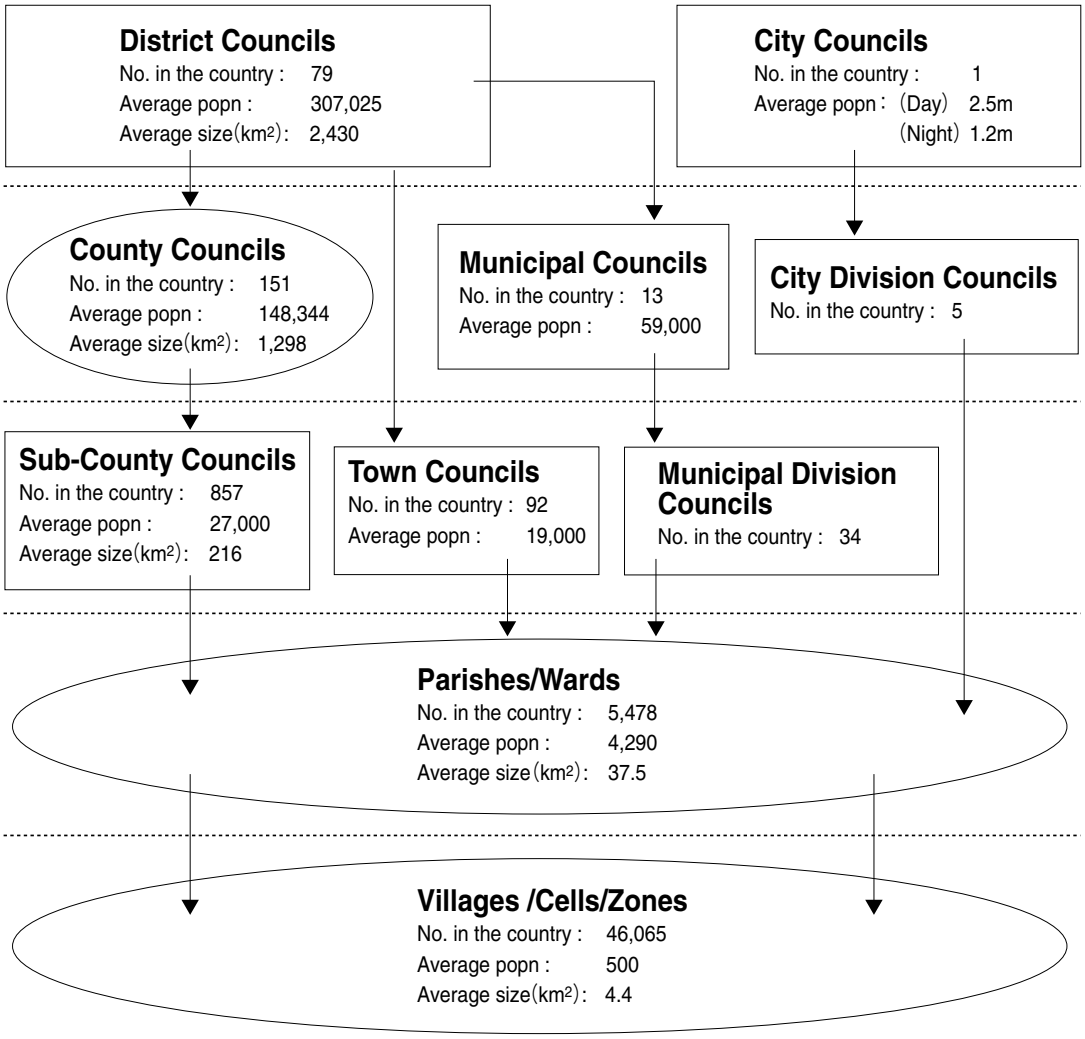
### 2-2-2 LC System and Policy Framework

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

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

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

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

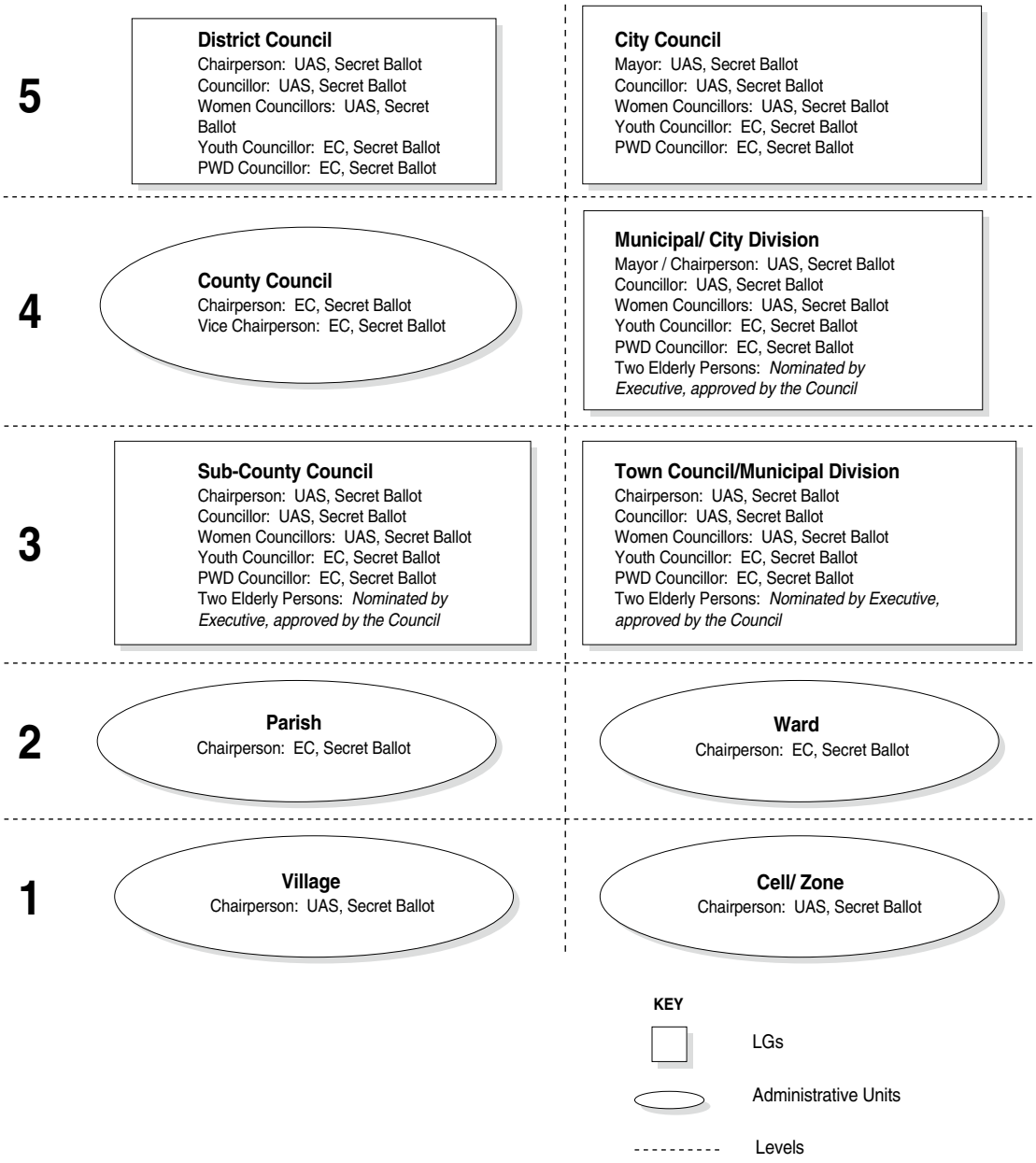



Source: Dege Consult et al., (2007b) p. 12

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

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

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




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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(%)

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

Source: Saito (2003) pp. 78-84

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

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

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

(%)

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

Source: UBOS (2005) p. 99

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

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

(%)

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

Source: UBOS (2005) p. 99

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

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

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

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

### 2-2-5 Improved services delivery

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

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

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

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

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

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

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

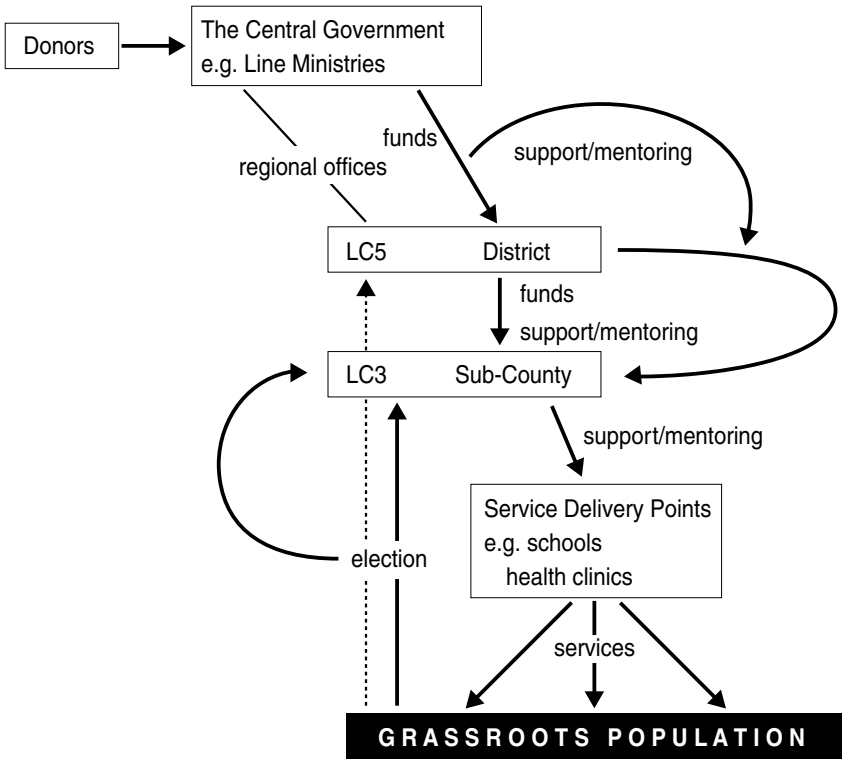
In contrast, in the case of agriculture, the philosophy behind the recent policy was different. The government launched the PMA in 2000, which was essentially the privatisation of what used to be public services (Uganda, Ministry of Agriculture, Animal Industries and Fisheries (MoAAIF) and MoFPED 2000).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

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

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

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

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




Source: Drawn by the author.

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

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

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

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

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

#### (1) Human resources management

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

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

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

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

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

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

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

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

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

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

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

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

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

### (2) Fiscal decentralisation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 2-2-10 Conclusions

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

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

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

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

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

## 2-3 The Progress of Decentralisation in Tanzania

Masao Yoshida

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### (1) Policies and legal action

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

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

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

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

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

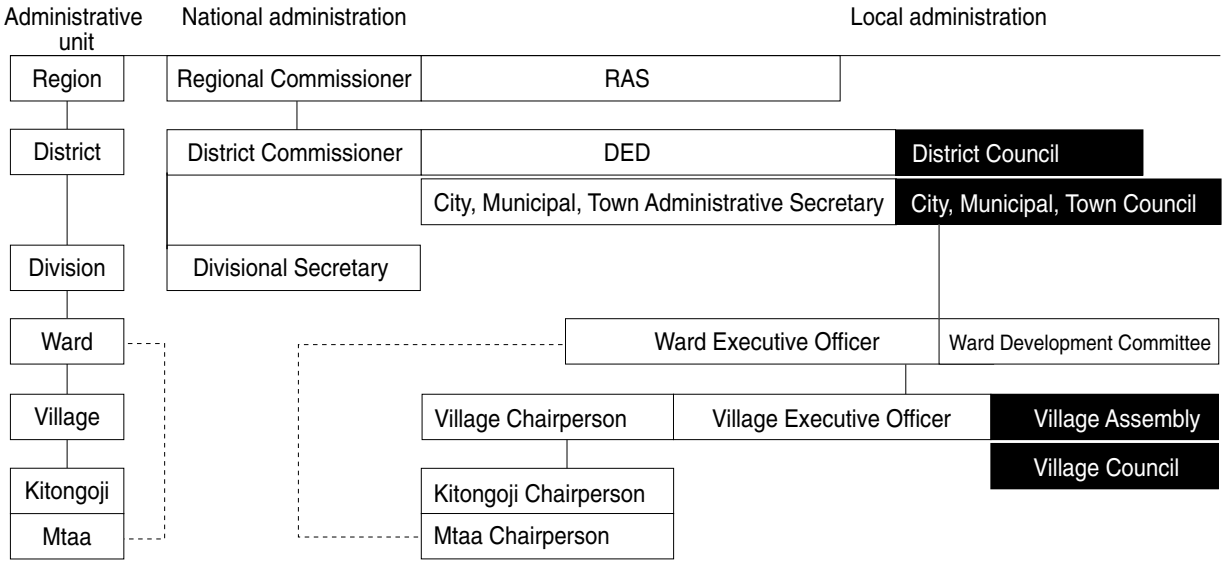
### (2) Different levels of local authority

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

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

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

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




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

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

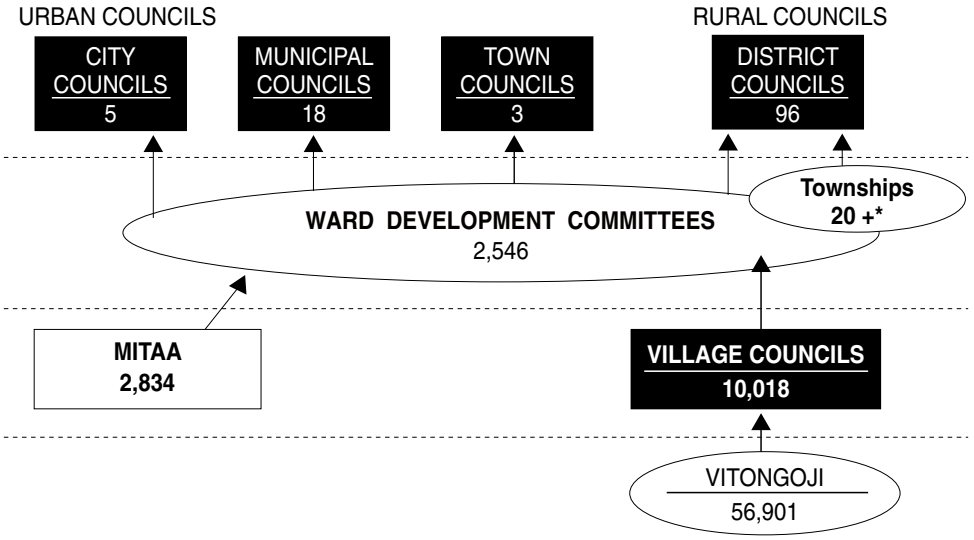
Commissioner assigned by the Prime Minister, who functions as a political representive of the Prime Minister. Each Region office is run with a small staff led by a RAS.

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

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

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

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




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

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

Source: Tidemand (2004) p. l2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPG: General Purpose Grant

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

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

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

(Actual collections, in TShs. millions)

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

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

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

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

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

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

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

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

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

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

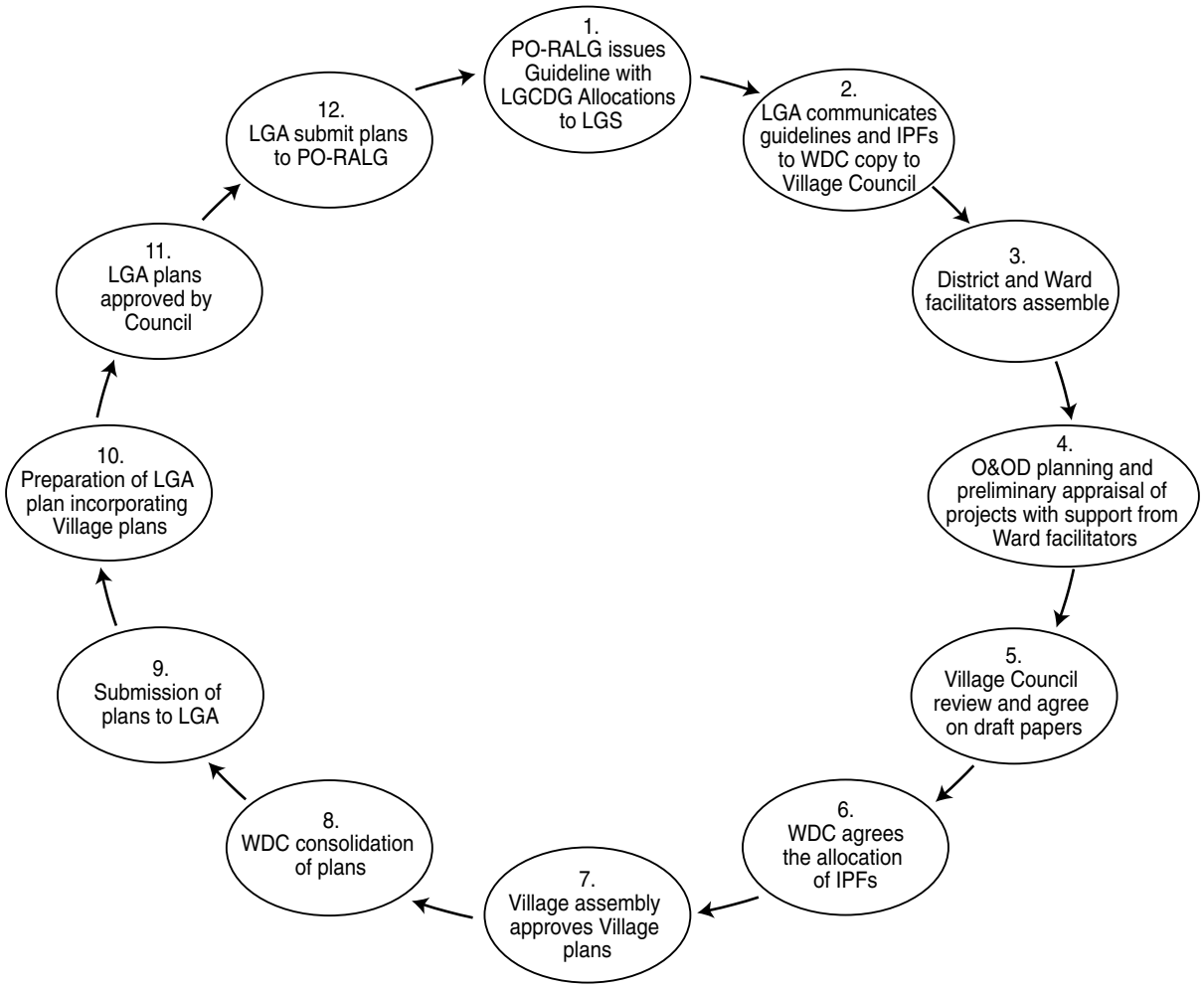
what kinds of changes specifically has this devolution brought about? The devolution of authority has resulted in bringing the pivot of development closer to residents, but has this alone led to services now being delivered which are in line with the needs of residents? From these kinds of perspectives,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

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

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

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

**Figure 2-7 LGA planning cycle**




IPF: Indicative Planning Figure

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

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

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

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

### (3) Expenditure structure of local authorities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(TZS millions)

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

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

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

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

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

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

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

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

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

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

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

Source: Dege Consult et al. (2007d)

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

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

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

#### (1) Primary education

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

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

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

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

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

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

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

Source: Dege Consult et al. (2007d)

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

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

Source: Dege Consult et al. (2007d)

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

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

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

(a) Effectiveness

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

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

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

(b) Efficiency

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

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

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

(c) Accountability

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

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

**(2) Healthcare**

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

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

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

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

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

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

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

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

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

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

(TZS billion)

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

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

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

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

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

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

(a) Effectiveness

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

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

(b) Efficiency

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

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

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

(c) Accountability

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

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

**(3) Agricultural extension**

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

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

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

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

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

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

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

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

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

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

(a) Effectiveness

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

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

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

(b) Efficiency

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

(c) Accountability

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

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

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

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

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

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

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

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

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

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

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

Yuichi Sasaoka

### 2-4-1 Introduction

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

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

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

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

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

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

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

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

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

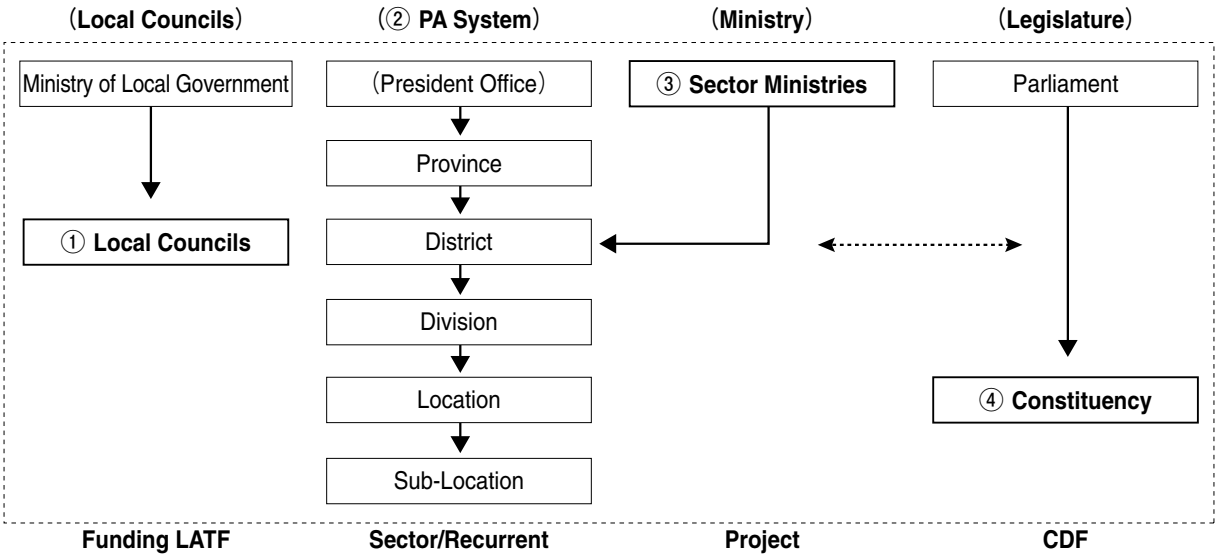
#### (1) Four-tier local administrative structure (Local Councils, PA System, Ministry, Constituency)

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

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

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

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




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

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

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

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

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

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

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

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

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

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

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

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

### (2) Historical developments

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

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

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

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

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

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

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

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

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

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

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

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

### (3) Current District administration

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

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

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

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

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

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

**(4) Service delivery issues**

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

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

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

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

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

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

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

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

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

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

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

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

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

**(5) Constitutional amendment issues**

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

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

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

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

#### (1) Multiple support groups

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

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

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

[36] Walter Oyugi, interview, August 2006.

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

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

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

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

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

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

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

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

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

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

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

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

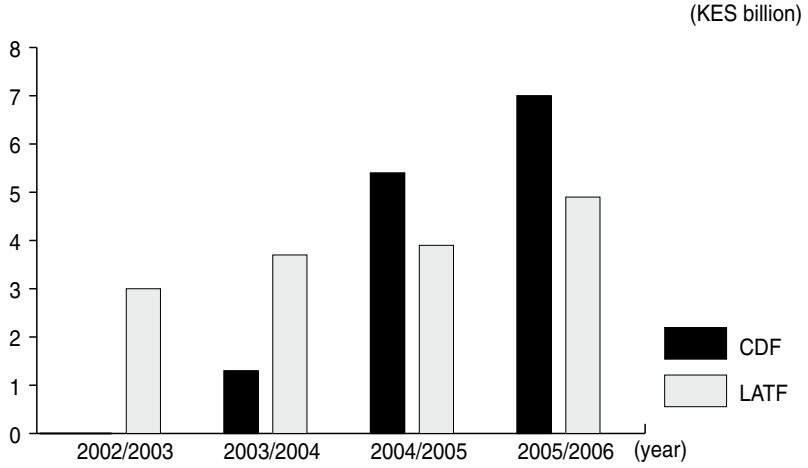
Second, it had been thought that the central bureaucracy was indifferent toward decentralisation, but as financial decentralisation through MPs and local councillors progresses this far, incentives will

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

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

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

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




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

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

(KES billion)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### (2) Perspectives for reforms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Human resources management authority**

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

**Human Resources Development**

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

**Remuneration and Welfare Services**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### (1) Education

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

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

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

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

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

**(2) Health and medical care**

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

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

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

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

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

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

**(3) Agricultural extension**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Chapter 3
# How to Understand Decentralisation in Africa

# Chapter 3 How to Understand Decentralisation in Africa

## 3-1 Introduction

In Chapter 2, we studied the current state of local administration in each of the three countries as well as their decentralisation reforms, based on which it was intended to identify and analyse the major issues that affect the outcomes of the reforms and derive some important lessons that could be learned. We could appreciate, at first glance, that: Uganda has vigorously promoted innovative reforms under the strong leadership of the president himself; Tanzania has also been struggling with ambitious reforms advocating D by D[67]; while Kenya is in its preparatory stage where national discussions have been going on including the arguments on the constitutional amendment, but for the moment, still with a strong tinge of a centralised structure remaining. However, when we look into the details of each case from the perspective of the improvement of service delivery, the picture is not all that simple. Furthermore, the factors that influence the success of the reforms are extremely diverse and intricately intertwined with each other.

On the other hand, decentralisation is not always bringing about positive results. It may confuse the concerned parties and the system itself sometimes, only to make the service delivery stagnant. Furthermore, the development partners are facing the need to adapt and redefine their strategies to deal with this drastic change in the overall government system, even in the cases of conventional cooperation to each sector.

How should we understand the decentralisation reforms and their consequences that are emerging in many African countries in such a rapid and drastic manner? This question has become a major issue for JICA as well.

In this chapter, we start our analyses posing the following question; ***"Will decentralisation really lead to improvements in service delivery to the people?"*** Thereafter we attempt to extract and analyse major factors related to this question from amongst the phenomena that are occurring in the decentralisation reforms of the three target countries (Section 3-2).

In section 3-3, we will further analyse the factors identified in section 3-2 to reorganise them so as to be used as checklists when looking at the conditions in other countries. We will also attempt to

[67] For further details, see Box 3-1.

develop a "Systemic Analysis Framework" with a view to this serving as a guideline when examining support for decentralisation in each country: that is, a guideline to clarify the points that need to be kept in mind when analysing the current situation as to what are the problems and what are the most effective forms of support.

## 3-2 Decentralisation Reforms in Africa — Evaluation and lessons learned from the perspective of improving service delivery to the people (outcome)

**< Analytical framework in this section >**

Based on the three countries' experiences examined in Chapter 2, we will pursue the analysis of the following questions from the perspective of the "Outcomes" of Decentralisation:

- As a result of decentralisation reforms, can we confirm that the concerned service delivery has been improved?
- What is necessary to ensure the expected improvement in case the above is not happening?

In order to examine the above, we will verify the following four questions.

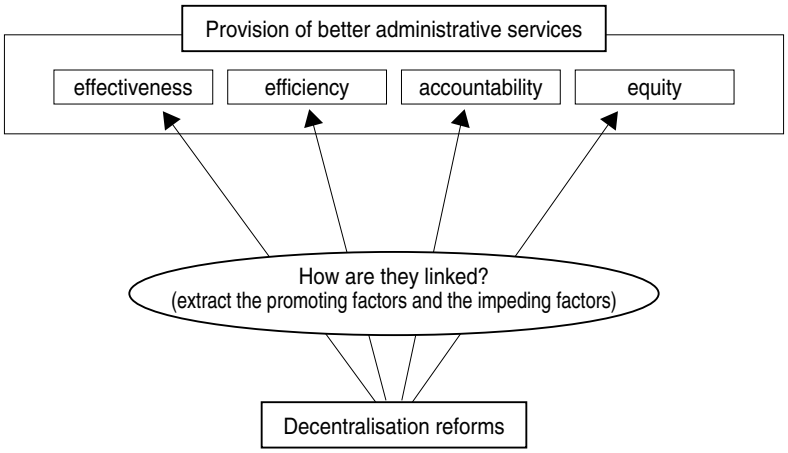
As a result of promoting decentralisation reforms, did the service delivery really become:

- more effective now? (**effectiveness**)
- more efficient now? (**efficiency**)
- more accountable to local residents and more transparent? (**accountability**)
- equitable enough, (not worsened instead)? (**equity**)

The above-mentioned four factors (effectiveness, efficiency, accountability and equity) are those comprising the analytical framework that was defined in Chapter 1. Here, in this chapter, we will extract the phenomena that are considered to have impacted upon each of these four questions. Then, we will identify both the facilitating as well as the impeding factors for the generation of respective outcomes in terms of the four questions, and eventually extract the lessons learned.

Figure 3-1 visualises the analysis in this section.

**Figure 3-1 Analytical framework in this section**




Source: Compiled by the author.

### 3-2-1 Before arguing "how to decentralise": Decentralisation itself is not an objective but a means to achieve something

The purpose of section 3-2 is to analyse whether decentralisation leads to the improvement of service delivery. However, before entering this analysis, it is important to reconfirm that decentralisation is only a means and not an objective. Decentralisation is not always a proper measure of the economic and social development of a state, or for the reduction of poverty. Here we touch upon some of the principal points that should be kept in mind as preconditions for analysing decentralisation in any country.

#### (1) The adequate level and mode of decentralisation differs from service to service

Looking at the decentralisation reforms of Tanzania and Uganda, D by D is emphasised so much that it appears as if all services should be decentralised. Some also argue that the role of the central ministries should be limited to regulation, supervision and support. But looking at the realities more closely, we can see that, as alluded to in section 2-5-9, Uganda and Tanzania are far from merely promoting only D by D. Thus, it would not be appropriate to criticise them just for not obeying D by D.

It is not appropriate to consider that everything should be decentralised. There are definitely certain types of services for which centralised systems have merits. This can be understood well looking at a classic example of infectious disease control in the health sector services. In order to prevent the spread of infectious diseases, there needs to be wide-area strategic measures and a solid vertical chain of command to attack them. Decentralising these kinds of duties to local governments at their respective discretion is not an appropriate choice. On the other hand, in terms of preventive and primary health care, it is more important to ensure a thorough response tailored to the needs of local residents and services that reflect intrinsic local conditions, thus decentralised systems have clear advantages.

As shown in the above examples, it is essential to first analyse and appropriately define what kind of delivery system best suits their purposes according to the nature of each service, and to which level of government to allocate the responsibility for the provision of that service. This kind of examination needs to be carried out for each service.

Moreover, the most appropriate system will also vary from country to country in accordance with its conditions, timing, level of development, etc. This is one of the fundamental points that ought to be carefully discussed as a prerequisite when considering decentralisation and local administrations.

**(2) It is important to always view the decentralisation Reforms with a vision of the Country's CG-LG System as a whole**

It is also important to realise that even in the decentralised services, there are cases where effective and efficient service delivery is not possible without involving the CG.

Even in the promotion of D by D, it would be over-optimistic to expect that individual LGs will suddenly be able to provide adequate services independently. As a matter of fact, both in Uganda and Tanzania, the importance of technical backstopping from the CG and/or its local branch offices is drawing attention again these days, and various actions are being taken to this end (2-5-6).

On the other hand, looking at the contents of services in each sector and their implementation mechanisms, we can also witness some instances where it is better to operate with close cooperation between the CG and LGs to take full advantage of the both capacities towards one end. (For example, health workers employed by LGs for primary health care services for the communities could assume an additional duty to help in the CG's function of infectious disease control and vaccination operations at the community level, in view of the limited human as well as financial resources that the country counts on.) Indeed, coordination and collaboration between the CG and LGs should be considered as one of the important means for the efficient and effective provision of services.

Furthermore, in most African countries, the resources available in the country for development and the welfare of the people are severely limited. Decentralisation must not result in any further fragmentation of these already limited resources [68]. Decentralisation Reforms should never be meant to create an "antagonistic relationship between the CG and LGs" by being seen as measures to deprive the central ministries of their power to be given to LGs. To the contrary, decentralisation reforms should be

[68] We should take note the fact that in the advanced Western nations, decentralisation had been laid on the table for discussion only after a centralised regime had been well established and a solid national governance system had already been built together with sufficient economic development. In contrast, the developing countries of today, particularly African countries, are trying to introduce decentralisation reforms without going through such a strong nation-building process beforehand. There is strong concern about this. The biggest question here is whether it is possible at all to ensure the full mobilisation of limited resources for the development of the country even under a decentralised structure despite the above-cited background.

something that build systems with an optimum balance and mode of collaboration/work-sharing between the CG and LGs, with a view to enabling the entire government system to provide the most effective and efficient services to the population. The principle of producing the maximum synergies through the optimal division of functions and responsibilities between the CG and LGs, as well as their collaborative relationships is fundamental. We should avoid, by all means, creating circumstances where the central ministries put up resistance and make it difficult to build collaborative relationships, like the situation that has been pointed out in Tanzania in the review of their reform programme (United Republic of Tanzania, 2004, p. 6).

**(3) Institutional reforms vs. capacity development of LGs**

One of the fears that occur when we look at the decentralisation reforms in African countries is the question of whether too much emphasis is being put on institutional reforms in a too drastic manner for the LGs' absorptive capacities to catch up with them. Devolution (D by D) that has been pursued by Uganda and Tanzania as the guiding principle of their reforms, is the purest form of decentralisation (see Box 3-1). However, compared to the other two forms, the devolution requires LGs to have much higher capacities to perform large independent functions and responsibility assigned to them. Unless these LGs possess the necessary capacities to fulfil all the responsibilities and authority devolved to them, they can never achieve improved effectiveness, efficiency or accountability for their administrative services, but instead, there is a danger of drastically worsening them. It is therefore important to carefully review the previous experiences and the capacity accumulated in each entity of local administration first, based on which the following questions should be examined; (a) to which entities and to what extent should the responsibilities and authority of each service delivery be given; (b) whether it is necessary to establish certain support systems in order for (a) to function, as well as their feasibility; and consequently based on all of the above analysis, (c) the most reasonable transition process of institutional reforms while developing an adequate capacity among LGs.

In this sense, though it might be true that the ultimate goal of decentralisation reforms is devolution, we have to be aware that a lengthy process is needed to reach it. During the transitional phase of reforms therefore, it could also be prudent in some circumstances to consider strategic processes including options of applying "delegation" or "deconcentration" types of decentralisation as provisional measures. For example, in the case of Kenya, one possibility of the process could be as described in Box 3-4. The curious experience of Japan's "*Agency Delegated Functions*", an example of "delegation", could be one of the useful examples to share with the African countries, in view of the fact that this delegation system functioned quite positively for the capacity development of LGs that were very weak at the initial stages[69].

[69] For information on Japan's unique CG-LG relationship and its effect on the capacity development of LGs, see Muramatsu et al. (eds.) (2001), Muramatsu (1994), Muramatsu (1988) and Muramatsu (ed.) (2006). For an analysis of the characteristics of Japan's civil service system, including CG-LG personnel exchanges, see Inatsugu (2000) and Inatsugu (1996).

## Box 3-1 Three types of Decentralisation: Devolution, Delegation, Deconcentration [70]

Recently, we frequently hear the term "D by D" in the decentralisation reforms of various African countries. D by D is an abbreviation for "Decentralisation by Devolution".

The other classifications in looking at the type of decentralisation in each country, are "deconcentration" and "delegation". An overview of each is provided below.

a) **Deconcentration**: is a dispersal of authority. Deconcentration refers to a way of decentralisation arrangements to give a certain level of discretionary power to the local branch offices within organisations of the central government. An example of deconcentration is the relationship between CG ministries and their local branch offices at the district level in Kenya where some authority is being given given from the former to the latter.

b) **Delegation**: is an entrustment of duties to other entities. Delegation refers to the act of entrusting duties that are supposed to be performed by the CG to external institutions, while keeping the eventual responsibility and authority with the CG. (In the context of decentralisation, this entrustment is most often to LGs.) The "*agency delegated functions*" that were practiced in Japan prior to the Year 2000 Decentralisation Reforms can be classified in this category. Under the "*Agency Delegated Functions,*" most of the daily operations of the relevant services were undertaken by LGs, but the final discretionary power was kept by the central ministries. They were criticised as CG control over the LGs, hence were finally abolished during the Year 2000 Decentralisation Reforms. However on the other hand, it was a undeniable reality that in this system the LGs in Japan were highly active in the country's service delivery compared to other countries (ratio of CG:LG expenditure = 35:65). Furthermore, because of this system, the LGs could develop their capacities, through OJT over several decades, so as to eventually be able to provide appropriate service delivery, thanks to the know-how transfer from the CG without resistance from the central ministries. It should be appreciated that this process of know-how transfer and capacity development of the LGs led to the eventual D by D that occurred in 2000 in Japan.

c) **Devolution**: is a transfer of authority. Devolution refers to cases where the responsibilities as well as the authority and discretionary powers for administration are transferred to LGs. Unlike deconcentration where the responsibilities and authority are transferred only within the CG, devolution is where responsibilities for specific administrative service delivery are transferred to LGs with councils that represent the local people, together with the discretionary powers, human resources management and fiscal authority for operations related to these services,.

As mentioned earlier, devolution is regarded as the purest of the three forms of decentralisation. When D by D is mentioned in Uganda and Tanzania, what they are aiming at is this, at least theoretically.

However, devolution is not necessarily the optimum form of decentralisation in all cases and for all kinds of administrative services at any stage of development. If we take another look from the perspective of the effectiveness, efficiency, accountability and equity of service delivery, there could be cases where other systems result in better delivery (at least for the moment) depending on the conditions of that country. Devolution requires a much higher level of absorptive capacity of the LGs compared to the other two forms. In circumstances where the capacity has not been properly developed on the side of LGs, rather disorder can be brought about by imposing D by D. Furthermore, this kind of classification normally indicates only a general direction of the reforms. In actuality, if we take a closer look, we can confirm that devolution has not necessarily been applied in all the services even in countries that promote D by D, including in institutional aspects such as human resources and finance. This should not necessarily be criticised. For more information on the analysis of devolution, delegation and deconcentration, see 3-3-1 (1) and Attachment "Systemic Analysis Framework," 1 (1) 2.

[70] For more information on the three types of decentralisation, see Litvack et al. (1998), Litvack et al. (eds.) (1999) and Yuliani (2004), etc.

**Box 3-2 "Separated model" versus "intertwined model"** [71]

The "*separated model*" is a system where there is little overlap in the areas of jurisdiction between the CG and LGs. In contrast, the "*intertwined model*" is a system where both the CG and the LGs frequently have jurisdiction over the same issues and administrative services. Typical examples of the "*separated model*" are the British and U.S. systems, and examples of the "*intertwined model*" are the French and German systems. Japan is classified as an "*intertwined model*".

This analytical framework is highly effective for examining the characteristics of decentralisation of each country, in addition to the criteria for centralisation/decentralisation (centralisation-deconcentration-delegation-devolution).

A merit of the "*separated model*" is its clearness in demarcation of the responsibility for each particular duty. For this reason, a separated system has a clear merit from the perspective of accountability. Conversely, in this system, cooperation, collaboration and coordination between the CG and LGs are not easy.

On the other hand, in an "*intertwined model*", the CG and LGs collaborate to provide the same services, and links between the two are maintained in a variety of ways, including collaboration, coordination, support and supervision. There is potential for various advantages compared to the "*separated model,*" including: that the maximum mobilisation of available resources in the country to derive synergies is relatively easy; and that it is easier to coordinate and harmonise local autonomy with national strategies. Another considerable merit is the fact that it allows LGs to develop their capacity based on OJT through direct and indirect instruction, supervision and collaboration from CG by working together practically. On the contrary, a possible drawback is that, compared with the "*separated model,*" the demarcation of CG-LG responsibilities tends to be vague (see Attachment "Systemic Analysis Framework," 1 (1) 2).

### (4) Endogenous development and the importance of national debate

Observing the recent decentralisation reforms in African countries, it is worrying that they lack real nationwide discussions and that the reforms have been promoted without this indispensable process for endogenous development. Because of their harsh economic conditions, African countries are largely dependent on assistance from the international community. Amid these circumstances, structural adjustment programmes were uniformly promoted in many developing countries in the 1980s irrespective of the particularities of each country, as was the governance reform support including decentralisation during the 1990s. However, to what extent were these reforms decided endogenously based on the real needs of the people and their will? [72] Furthermore, is it OK to promote these kinds of

[71] The separated-intertwined analytical framework was first put forward by Akira Amakawa (Amakawa, 1986). Other references on this framework include Akizuki (2001) pp. 109-115, Nishio (1993) pp. 63-66, Soga (1998) Chapter 2.

[72] Japan has an experience of adopting external models for the nation building when it started its development as a tiny backward country outside the western civilisation 140 years ago. At that time, while eagerly studying external models and trying to apply them in our own society, we gradually realised that it does not function in our country by simply copying the models of the others, and eventually reached the establishment of a so-called "half-Japanese half-Western model" ("Wayo-Secchu"). It was a long and winding process of seeking a style that best suited its own country's context, picking and choosing those aspects that were relevant and modifying them. These experiences of learning from external models are something that could be shared with developing countries and that Western countries do not have. The development of the LG system is among them. Based on these experiences, Japan has been focusing its cooperation on "awareness building" type of support, with the intention of facilitating the process of the recipient country's "self-help efforts" (endogenous development process) through offering relevant information including Japan's own experiences and the lessons learned. It was to play the role of "catalyst," rather than imposing some external models (See Box 3-3). For more information on Japan's experiences in selecting external models and creating Japanese models, see Ishikawa (1995) and Muramatsu (1994), etc.

reforms based on the assumption that "there is a universal model applicable to any country and they should drive themselves along the track designed for them to follow as fast as possible without deviation"? We pose a question as to whether it is not more important to pursue their own way forward through discussions among themselves and repeated "trial and error," which is an endogenous development process (experience-based learning process), even though it appears slow and imperfect. As was touched on in section 2-5-2, one of the possible causes for the success of the Ugandan reforms compared to other countries was the existence of this endogenous will.

**Box 3-3 Example of "awareness building" type of support: Country-focused training programme: "Support for the Local Government Reform Programme in Tanzania"**

The country-focused training programme "Support for the Local Government Reform Programme in Tanzania" was conducted from fiscal year 2002 to 2006 at JICA Osaka with cooperation of the Graduate School of Law and Politics of Osaka University. Under this programme, leaders from LGs as well as other key persons involved in decentralisation reforms in Tanzania were invited from all 21 regions over a period of five years. Through this programme, JICA tried to pose all the questions described in 3-2-1 (4) above to the Tanzanian participants, sharing Japan's experiences in decentralisation reforms and nation building together with the lessons learned there, with a view to providing them with an "opportunity for awareness-building".

During the training programme, the following issues were raised with the Tanzanian participants:

① Rather than indiscriminately accepting a model presented from outside as if it is the only model, perhaps they had better collect more examples from various different country's experiences so that they can relativize them and then consider the best way forward on their own. This endogenous development process through active discussions to decide the future of their own country is of vital importance.
② Too hasty decentralisation (institutional reforms) without the LGs' absorptive capacities being sufficiently developed may lead to a disastrous stagnation of indispensable basic service delivery.
③ Thus, although the model of decentralisation itself might be correct, the process of applying such a model is also important. It requires careful consideration of the appropriate strategic process to reach the goal, taking into account the specific conditions of the country.
④ In this context, as a reference, it could be useful to study the experience of Japan in its efforts towards nation building by creating a "half-Japanese half-Western model" after a long process of "trial and error" during the Meiji era.
⑤ Japan followed a rather slow process in its decentralisation reforms ensuring the capacity development of the LGs before drastic devolution so that the LGs could assume the devolved duties well when they arose, or at least follow a parallel process between the two, always ensuring that the devolved services are delivered well without stagnation. And the system that Japan adopted to secure the above-mentioned process was a more intertwined relationship between the CG and LGs, thanks to which the transfer of know-how from CG to LGs was naturally realised through OJT by routine collaboration between the two. It served as a built-in mechanism for technical backstopping at the same time. This experience could be useful in the sense that it offers a different model of decentralisation process in addition to the one offered by Western donors.

Based on the above, the following topics were presented during the training, through a combination of lectures and observation trips to the LGs and the local societies.

(1) Process towards the eventual creation of a "half-Japanese half-Western model" during the Meiji era concerning local administrative system
(2) Post-war LG system and post-war reconstruction/economic development
(3) Process for the slow-but-steady LG absorptive capacity development oriented type of decentralisation, including "Agency Delegated Functions"
(4) Role played by the personnel exchange system between the CG and LGs for the OJT of LG personnel
(5) Personnel management system to maximise mobilisation of the limited human resources
(6) "Local Allocation Tax" (Japanese unique unconditional grant system) and ensuring national minimum standards
(7) Local economic development in Japan and the roles played by the LGs in it
(8) Case study of local agricultural development through collaboration among the CG, LGs, Agricultural Cooperatives (JA) and farmers

This was a tailor-made programme designed especially for Tanzania, with cooperation from Japanese researchers on Tanzania, and was made as interactive as possible with facilitation by a JICA Senior Advisor throughout the Programme, which made it truly Tanzania-oriented. Towards the end of the training, each of the participants summarised the lessons learned in Japan and made action plans considering how they could apply them to the reform in Tanzania. Furthermore, on their return to Tanzania, the participants held local seminars in their respective regions to share the experiences with their colleagues. In this way, the number of direct and indirect beneficiaries of the training reached up to 1,500.

Furthermore, an association of the ex-participants of this programme was established on their own initiative. It is serving as their groundwork to get together to follow up on their action plans, and share the experience of each member as well as their good practices. It is anticipated that the association will function as an entity for disseminating information and voices from LGs nationwide in Tanzania. The members are made up of leaders and prominent scholars on Decentralisation, including the chief executive officers from LGs and Regional Secretariats, as well as the executive members of the PMO-RALG; therefore the association has a strong influence and could play a highly significant role in the reforms of the country.

In addition to the above, it is also noteworthy that the outcomes of the training are also being fully utilised in the formulation of JICA's future cooperation programme for decentralisation reforms in Tanzania.

The role played by JICA Tanzania Office as well as the JICA expert assigned in PMO-RALG was extremely significant in all the above-mentioned processes of development after the Osaka Training. It is believed that this form of development of support programmes – designing the future cooperation programme through mutual consultations with the recipient country, by way of "awareness building" type training in Japan and the subsequent follow-up by the JICA Country Office – is highly effective and relevant, taking full advantage of the merits of the Japanese style cooperation which pays maximum attention to the self-help efforts and the endogenous development processes of the partner country. We also believe that this style of cooperation should be an effective way of supporting reforms in developing counties.

### 3-2-2 From the perspective of effectiveness

It is said that decentralisation makes service delivery more effective, since it allows the administration to reflect local needs and particular conditions of each area of its services more accurately. Is this really true?

Are services being effectively delivered under the current administrative system? Will the delivery of sector services become more effective by promoting decentralisation reforms? What should be done so that the local needs and particularity of the area can be best reflected in administrative services? What are the impeding factors, and what are the important matters to be kept in mind?

The main aim of this section is to pick out issues and phenomena related to the above questions from the experience of the three countries, and to verify their significance.

**(1) Funds and services that have come to reach local areas in one way or another, thanks to the decentralisation reforms**

What is frequently given as a political and administrative problem for African countries is the problem of centralised politics exhibiting a strong tendency toward neo-patrimonialism and administrations that have become corrupt. This led to the problem of the benefits of administrative services and development activities not reaching most of the residents in local areas, except for certain privileged regions or individuals. Against this background, it is noteworthy to be able to observe cases where certain funds are coming to reach the local areas thanks to the decentralisation reforms by means of development grants or various other grant systems. Furthermore, as was touched on in sections 2-5-3 and 2-5-4, by introducing a formula-based grant system and by combining it with a system for participatory local development planning, regional allocation of funds became clearly fairer and more equitable than before. It would be fair to recognise this as one of the advantages of decentralisation reforms in Africa.

**(2) Bottom-up participatory local planning: Its ideal versus reality**

In addition to the above, another aspect that has been commonly emphasised and prioritised in most of the recent decentralisation reforms in African countries, is the policy of formulating local development plans in a bottom-up and participatory manner. The concept is to take maximum advantage of the funds that are now reaching the local areas as seen above, to lead to really effective service delivery by ensuring people's real needs and voices being reflected on their contents. For the citizens of most African countries who had never benefited from their government in the past, this concept is revolutionary.

Thus, theoretically speaking, the concept of the participatory local development planning is

something that guarantees an effective administration and an ideal form of local autonomy. However in reality, there are a number of hurdles which must be overcome in order to truly achieve this aim. There exist various fundamental and difficult challenges. For example, how should cross-sector and across-the-board participatory community development plans that emerge from the villages be integrated with sector plans that are vertically formulated for each sector at the district level? To what extent and how should bottom-up local plans and top-down plans be combined? How should consistency be maintained between local characteristics and national strategies?

Furthermore, the presence of too many kinds of grant systems makes actual planning and budgeting at local level more difficult. Complicated procedures hamper the efficiency. Unconditional grants hinder flexible allocation of the available funds, which may not allow the planning officers allocate funds required for realisation of the projects and services prioritised in the bottom-up plans. If we want the participatory planning mechanisms to function as expected, it is indispensable to rationalise the grant systems and to make them unconditional as much as possible (As seen in 2-5-4).

On the other hand, as was also seen in section 2-5-3, careful checks need to be made to see the "participatory planning" whether it is really designed and realised in a way to guarantee the needs of local residents be truly reflected. There are still many aspects that must be improved in this regard, for example, the capacity of facilitators, the way workshops are conducted, the selection of participants, and how to guarantee sustainability of the planning exercise in a periodical manner. There are some cases - Kenya's CDF, for instance - where problems can be indicated regarding the transparency of the actual selection of members to take part in the planning process as representatives of the residents. Observing all the above-mentioned challenges, there still remain quite a lot of needs for further research, application and verification as to how to proceed with participatory local social development.

Finally, with regard to the question of integration of respective sector plans into this participatory local development planning process, careful examination is needed as well. There is a problem of resistance from each sector against it, as touched on in section 2-5-3. On the other hand, there is more fundamental question as to whether it is really feasible and effective to do so in the first place. Sectors cannot make their plans on the basis of the "wishes of the public" alone, but technical analyses as well as strategic perspectives of each sector is indispensable even for the local service delivery.

There is also a problem of the inconsistency of the development projects planned and implemented in a participatory manner, with the recurrent budgets. For example, there were cases observed where schools or dispensaries were built but no arrangements have been made for the assignment of teachers or medical staff to work there nor recurrent funds for actual operations. Consideration must also be given to the consistency with national sector policies. Rather than consecrating "participatory local development" to an extreme degree, there needs to be objective

analyses and discussions to see what is the most adequate form in the present context of the country towards the aim of "maximising the effectiveness of administrative services" [73].

### (3) Optimal level and setting of service delivery points to guarantee effective administrative services and the optimum size of LGs

Looking at the objective of effective administrative services, there are two different factors in the meaning of "local administrative units" [74]. One is the role as the provider of administrative services (implementer of policies), and the other is the role as the unit to organise local residents and integrate local demands (unit of local residents autonomy). From the perspective of the former, each unit must be large enough to possess the functions and capacity required to provide the services. In contrast, from the perspective of the latter, each unit needs to be as close to the residents as possible and small enough to enable local autonomy.

It is important to keep this question in mind when looking at the cases of African countries as well. It is important to check each level of local administration units to clarify which of the above two roles are they designed to cover, or whether they cover both [75]. In addition, it is also necessary to verify whether service delivery points have been set at optimum levels so that the current structure can guarantee the effective provision of services.

This point is very much related to the "efficiency" of administrative services as well, thus will be examined further at 3-2-3 (3) bellow.

### (4) Technical backstopping and the intertwined system between the CG and the LGs

Although the promotion of decentralisation reforms can be regarded as a positive move in many senses, if authority is devolved too suddenly and drastically, there is a risk that the LGs will not have developed enough capacity to fulfil the substantial responsibilities and authority devolved to them.

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[73] Incidentally, in the case of the formulation of the comprehensive development plan in municipalities in Japan, a number of activities are conducted as a means of ensuring community participation and the reflection of local residents' views and needs, including public questionnaires, public hearings, and discussions with community development committees at the community and neighbourhood association levels. However, eventually it is each technical department of the municipal government coordinated by the general affairs and planning department, to formulate the municipal development plan. Looking at the cases of Iida City in Nagano Prefecture and Kora Town in Shiga Prefecture that are two examples famous for their well functioning participatory development in collaboration with local communities, they have established "regular meetings" and/or "community development committees" that are self-organising community organ based on the traditional communities (natural villages). Then, in addition to the above-mentioned comprehensive municipal development plan, each community separately formulate a development plan that incorporates the priority projects of them, and they promote the resident-led implementation of these plans.

[74] It is important to note here that we are referring to "local administrative units" and not "local governments". The units that implement services do not necessarily have to be LGs. Wards in Tanzania and Divisions in Kenya do not have a council function, but they can still be described as important administrative units. Furthermore, in the case of Kenya, the unit that is mostly responsible for local administrative services is "District administration" which is not LG, but is in fact the local branch offices of different central government ministries at the District level. The analysis here also includes these levels.

[75] Attachment "Systemic Analysis Framework", 1 (1) explains how different the structure of local administration in African countries (Regions, Districts, Wards, Villages and other levels) from the image based on Japan's administrative structure in terms of population, land area, staff numbers and other elements.

Under such circumstances, decentralisation can, instead, lead to reductions in the effectiveness and efficiency of administrative services. Considering the above, it is extremely important to carefully ensure a system of technical backstopping from the CG to provide support for the successful implementation of the reform (See 3-2-1 (2), (3)).

**(5) Other issues**

**< Staff who are still not able to reach out to the communities even after decentralisation >**

From the perspective of the objective to provide effective administrative services, decentralisation is supposed to make the government staff closer to the residents, thus they should be able to reach out to the community much more frequently than before. However, as explained in section 3-2-3, in reality, there are serious constraints on LG staff in visiting communities: there are very few staff; the scope of the work to be covered by the staff is very wide; the budget is extremely limited; access to the communities including roads and transportation is poor, etc. In this sense, the situation can not be expected to differ so much whether the administrative system is decentralised or centralised as far as the above-mentioned conditions remains as it is.

On the other hand, it is noteworthy that amid all these harsh conditions, complementary attempts through collaboration with the community's self-help actions have been witnessed, such as cooperation with SC and other user groups, as well as collaborative structures with community health workers and other resident volunteers. From this perspective, it could be very significant to pay attention to the potential role that the lower unit of local administration (including lower LGs) can play. The LC1s (Villages) in Uganda, Kitongoji in Tanzania, and the Division, Location and Sub-Location levels in Kenya (with populations of several hundreds) can be examples of these cases.

**< Balance of centralisation and decentralisation against all the harsh realities at present >**

As seen in section 2-5-5, in both Tanzania and Uganda, a "recentralisation" type of move is occurring in which appointment of the top bureaucrats of LG is reverting back to the CG after several years of the start of the decentralisation reforms. As alluded to in Atachment "Systemic Analysis Framework" 1 (3) 2, , there are unavoidable circumstances indeed due to practical personnel-related difficulties such as the need to secure personnel in remote rural areas and the need to guarantee career incentives for capable professionals. However, from the perspective of the effectiveness of service delivery and its accountability to local societies, it could also be argued that the practice of top LG executives being appointed by the CG runs counter to one of the most fundamental principle of local autonomy. The question of where to find solutions between the two above-mentioned requirements is a difficult challenge.

A similar phenomenon in public finance is the abolition of local taxes, which was also referred to in section 2-5-4. The abolition of unreasonable taxes (nuisance taxes) itself was an inevitable measure.

However, in such cases, a countermeasure to cover the gap created by this abolition must be taken, so as to enable LGs to maintain their important activities. In reality, this countermeasure will be based mainly on fiscal transfers from the CG, but in this case, they should be in the form of unconditional grants in order to guarantee fiscal discretion to the LGs. On the other hand, we should be aware that it is indispensable for the LGs to remain with a minimum amount of their own sources of revenue from the perspective of the principle of autonomy. This is because LGs need at least funds to convene council meetings, pay the membership fees and share of expenditures for the LG Associations, etc. that must be paid from their own sources of revenue. Discussion should be made to secure the above as minimum conditions for local autonomy.

### 3-2-3 From the perspective of efficiency

Are services being able to be efficiently delivered under the current administrative system? Will the delivery of sector services become more efficient by promoting decentralisation reforms?

**(1) Improved operational efficiencies resulting from the acquisition of discretionary power**

Decentralisation reforms brought about the transfer of discretionary powers to local administrations in relation to budget implementation, procurement and other operations which used to be under CG control. This has clearly contributed to improved operational efficiencies. The procurement of medical supplies is a good example. Whereas local administrations used to be able only to wait for supplies to be centrally determined, procured and sent in the past, now that discretionary powers have been decentralised to the local level, the necessary medical supplies can be procured whenever necessary without delay.

However, if we look at this through the devolution-delegation-deconcentration analytical framework, we realise that it does not necessarily have to be the purer form of devolution to achieve efficiency of administrative services. But even with the Kenyan form of deconcentration, this efficiency could be achieved if discretionary powers are properly given to the local administrations.

**(2) The basic problem: an absolute insufficiency of personnel, and poor support systems**

Instead, the biggest and the most fundamental problem in terms of the efficiency of service delivery, is the categorically insufficient number of personnel assigned to the local administrations [76]. Moreover, as seen in section 3-2-2 (5), the logistic support systems needed for the staff to work steadily and closely with the community (means of transport, equipment and materials, budgets, etc.) are also categorically scarce. Without some kind of solution to this, improvements to services cannot be

[76] However, as seen in section 2-5-5, the extent of this varies from country to country. In Kenya, they have about twice as many personnel as Tanzania and Uganda, although they have problems in the quality of these LG employees. In any case, the problem of personnel assigned to the local administrations in African countries, either in number or in quality, is a serious one.

expected regardless of whether the system is decentralised or centralised. Decentralisation by itself will not serve as a fundamental solution in this regard.

However, we cannot expect that the above staffing problem will be resolved overnight. Under these circumstances, we must think about how to maximise the effectiveness and efficiency of service delivery in the given conditions with this limited complement of personnel.

As mentioned above, the capacity of administrations to provide services is extremely limited at present, and so it would be difficult for them to achieve objectives only using conventional approaches by themselves. What must be considered therefore is how to put together all the existing capacities of the local society as a whole to move toward achieving the objectives together. In other words, build a total system that works best in a particular local society, by identifying the available actors which exist in that region, including community members themselves, their organisations, NGOs, FBOs as well as private sector entities, and then fully mobilising these resources [77] (See 3-3-3). This is difficult to achieve by remote control from the CG with their standard policy nationwide. A system needs to be built based on the particular circumstances of each local society to take full advantage of them. This is where the decentralised system has a great advantage, which forms one of the key elements of the justification of decentralisation reforms for better service delivery.

### (3) Optimal level and setting of service delivery points and the size of local governments: the effectiveness of multilayered structures

It is essential to define appropriate levels of administrative units and service delivery points for many different reasons including for the above-mentioned objective. For the sake of coordinating and collaborating with the local community and for identifying local needs, it is important to establish service delivery points as close as possible to the residents, in most cases to be based on the level of natural villages. Conversely, from the viewpoint of capacity for service delivery, an administrative unit of a certain size is required, and from the viewpoint of fiscal capacity, even larger size is needed. This point was also mentioned in section 3-2-2 (3). The best outcome would be to find an appropriate level that satisfies all three aspects; but in reality, it is difficult to do this. One should be fully aware that there are the above-cited three aspects, and it might be necessary in many cases to prepare a multilayered structure to respond to each of the three respective aspects.

In this context, it is not only the higher level LGs (Districts) that is important, but the structure of the lower levels is as important as the higher LGs. Uganda's LG multilayer structure is one of the good examples in this regard, and it could be a reference for other countries. Uganda's local administrative units are divided into five levels from LC1 (Villages) to LC5 (Districts). The highest of these levels,

[77] Support for the development of such mechanisms could also be an effective means of our cooperation.

namely Districts (LC5), have about the same population as the other two countries (approximately 300,000), and in terms of land area, they are about one third the size of a Japanese prefecture (they are slightly smaller than the Districts in Tanzania and Kenya). While it seems that about this size is needed in terms of fiscal capacity and personnel management, from the perspective of providing more responsive service delivery, a smaller scale would be appropriate. In this respect, Uganda also has a lower level local government, Sub-Counties (LC3), and the existence of this level keeps local autonomy and administrative services effective. LC3s are headed by a university graduate Sub-County Chief, and the technical staff for the respective sectors are assigned to them (2-2-7 (1)). Then, for the purpose of identifying local needs, Villages (LC1) are positioned as the smallest unit of local community autonomy. LC1s are established at sufficiently small population levels of about 500.

When considering the circumstances of local autonomy in various African countries, this multilayered Ugandan type structure could be a highly effective system. In fact, since all countries have similar layers traditionally, if they decide to take advantage of these structures, it is very possible.

**Box 3-4 How to design decentralisation reforms in a centralised structure — the case of Kenya**

Examining the possible ways to design future decentralisation strategy for Kenya could serve as a good basis for considering what points should be kept in mind when designing decentralisation reforms from scratch in a country that still has a centralised system.

Looking at the actual state of local administration in Kenya, LGs (Cities, Municipalities, Towns and Counties) are practically not given any important authority nor do they possess the absorptive capacity to assume large responsibilities, except for a few big cities like Nairobi.

On the other hand, the local branch offices of different sector ministries exist at the district level. Moreover, at the district level, there exists certain mechanisms and experience in the local development planning process with the presence of the DDC, which used to function well during the 1980s. In light of these past experiences and of the actual state of the organisation as well as personnel, districts are considered to be more suitable to be higher level units of local government rather than the current LGs.

Below this level there is a unit called a Division. Each Division has a Division Officer, and the frontline of each sector ministry also function at this level. Moreover, the sector administration at the division level is closer to local residents and is better at identifying community needs. It also has a characteristic of achieving better cross-sector collaboration and coordination than the higher level administration units. Furthermore, below each division, there are units called Locations and Sub-Locations, which correspond to natural villages. Traditional community activities can be seen at this level, including community assemblies called Baraza and cooperation among residents called Harambee. It is preferable that local administration systems be built based on such existing local social and administrative structures.

In the short term, the reform could be designed with “deconcentration” to the district level as most realistic way. However, it is fortunate that in many cases districts tend to coincide geographically with counties which are the current local government units. It is conceivable that the administration of districts could be made accountable to the county council. Then eventually, it could be the design of Kenya’s future LG system in which Districts become a unit of local autonomy through “devolution”.

And if they can assign the right personnel and right roles to the right level of local administration, there could be a significant improvement in the functions of overall local administration.

It is also important to establish a system of support from the CG to the higher levels of LG, as well as a system of collaboration and support from the higher level LGs to the lower level LGs and to the service delivery points (e.g. chains of command, technical backstopping systems, coordination and collaboration mechanisms). Each of the above mentioned layers has its own significance and roles. It is important to build a total system that connects and strengthens each of these layers in a multilayered fashion [78].

**(4) Adverse effects of too many channels of grants**

In section 3-2-2 (2), it was confirmed that the existence of too many kinds of grants is impeding the effectiveness of administrative services, but it also has adverse effects on the efficiency of services. LGs are required to set up and manage a separate account for each of the different grants, and they are obliged to report on them in line with the separate conditions required one by one. This situation is making the volume of operations required for each LG increase unnecessarily, while reducing the efficiency of administration. Both in Uganda and Tanzania, efforts are under way to rationalise these grants and make more grants unconditional.

**(5) Introduction of performance-based incentive system into grant programmes**

As was mentioned in section 2-5-3, systems in which grant allocations to respective LG are defined according to the performance of them, have been introduced to development grant programmes such as LGDP in Uganda (2-2-7 (2)) and LGCDG in Tanzania (2-3-3 (2), (3)). Furthermore, in Tanzania, by creating capacity building grants called LGCBG (2-3-3 (3)) with LGCDG, a measure has been devised to provide opportunities for poor performing LGs to train personnel and facilitate capacity development with a view to improving their performance. These systems have been recognised and are receiving attention as being a possibly effective measure to improve the operations of LGs (**efficiency perspective**).

Conversely, there is also some anxiety that it would be unfair to put small LGs in poor remote areas in competition with large and rich urban LGs. The performance of the former can never be the same as the latter at initial stage of decentralisation even though LGCBG provide a certain degree of guarantee for capacity development. Thus it is indispensable to consider how to avoid the potential for

[78] Considering the importance of this point, there is an interesting possibility that we can discover new merits in one of the typical ways of Japan's technical cooperation which is an area-based approach with pilot project implementation for community development. In this approach, a hypothesis is given and a development model is designed based on it, which is to be verified through pilot projects implemented in some communities. The intention is to demonstrate the effectiveness of the hypothesised model so that it could replicated in other regions by proposing political recommendations to the CG based on such pilot experience. For this scenario, it is important to have a multilayered approach to deal with each level of administration from the lowest to the CG level. This type of Japanese cooperation may lead to strengthening the community, the lowest level local administration and/or LGs, higher level LGs, and up to CG, as well as the interlinkage and coordination between each of them to eventually consolidate overall local administration system in a multilayered manner (See Chapter 4). There are also cases where this kind of support has been provided by NGOs in Uganda, and positive outcomes have been produced.

such arrangements to widen regional disparities (**equity perspective**).

**(6) Challenges in technical/administrative aspects**

**< Development of financial management capacity >**

There are some specific factors in technical/administrative aspects of LG operations, improvement of which can lead to a remarkable betterment in the efficiency and accountability of their performance. Strengthening of financial management capacity is one of them. MTEF, which have been widely introduced in developing countries promoting reforms, as well as the financial management system in Tanzania called EPICOR and their associated training courses, are examples that have produced tangible results.

**< Grants not reaching governments in a timely manner >**

On the other hand, a typical example of an impediment to the outcomes of the reforms due to a purely technical problem, is the delay in sending grants from CG to each LG. The following situation frequently occurs: Particularly during the first few months of a fiscal year, there are hardly any remittances, and so LGs can not conduct operations. Conversely, it is often the case that there is a surge in remittances towards the end of the fiscal year, and that LGs are compelled to work very hard to spend their budgets. And if they are unable to fully expend the remitted funds in the end, they have to repay them to the National Treasury. It is really a pity that the already limited financial resources are unreasonably underutilised in this way. A serious solution in this regard is desperately required.

### 3-2-4 From the perspective of accountability

Can the current administrative system ensure accountability of service delivery to the local residents? Is the current service delivery transparent? Will promotion of the decentralisation reforms facilitate them?

There are various parties to whom accountability is directed, including upward and downward. Here the main object of our analysis is accountability to the local residents. As the means to guarantee accountability to and transparency for the residents, we will verify: (1) direct accountability to the residents; (2) accountability to the councils; and (3) disclosure of information in a form that can be accessed by the residents.

**(1) Merits of being close to the residents (from the viewpoints of devolution, delegation and deconcentration [79])**

From the perspective of accountability, being close to the residents has its advantages.

[79] See Box 3-1 and Attachment "Systemic Analysis Framework", 1 (1) 2.

Accordingly, devolution certainly makes it easier to guarantee (1) and (2) above compared to the other two forms of decentralisation. Even with delegation, since LGs are the ones that are entrusted with operations and act as the service provider, they are relatively visible to the residents. Under such circumstances, it is possible that (1) and (2) above can be improved even with delegated services, provided that a certain degree of checks by the local councils are guaranteed.

However, with both delegation and deconcentration, accountability for administrative services tends to be directed upwards by nature. In such cases, the issue becomes: Is there any way to make checks possible not only by the CG but by the local councils as well? Is it possible to establish some easily visible mechanisms for the local residents?

It is necessary to analyse whether there are certain ways to overcome the above-mentioned issues in a deconcentrated system such as in Kenya. Because, if devolution-type decentralisation reforms cannot be introduced in the short term, seeking these possibilities would be the only possibility to somehow ensure accountability as a second best.

**(2) How can information be disclosed in an accessible form to the residents?**

With regard to disclosure of information to the residents, various technical devices can be utilised to contribute to it with deliberate designing. In Uganda, key information, including approved budgets and accounts, are disclosed at LC3 offices. Furthermore, where the contact between LC1 (Village) chairpersons and LC3s is well established, information flows well to the villages through the chairpersons [80].

In Kenya, the "*Baraza*" of "Locations" and "Sub-Locations" can be similarly utilised. In Tanzania, the Village Assembly and "Kitongoji" could be used. In Tanzania, there used to be a system of ten-person neighbourhood organisations below the "Kitongoji" as well. It could be also a pertinent means to review these traditional local systems. In addition, systems like the circulars used by neighbourhood associations in Japan might also be of some reference (though there is a problem of literacy rates for them to work).

**(3) Ensuring accountability through councils**

Not only for the guaranteeing of (2) above but for the purpose of promoting (1) and (3) as well, it is extremely important that the local councils be equipped with the appropriate capacity to check the performance of the local administration, which could even be regarded as one of the essential

[80] In Uganda, in local areas where the LC system functions well, it is observed that close and smooth contact is maintained in the LC5-LC3-LC1 links. LC3s are the smallest unit of local government having administrative functions, but residents feel neither physically nor psychologically close to these units. Nevertheless, LC1 chairpersons function effectively as a liaison or bridge between LC3s and community (For further details, see 2-2-5 and 2-2-6).

conditions for local autonomy to function properly. However in reality, local councils have not been able to fully function as they are supposed to in this regard, due to the fact that: There are problems with the competence of councillors; the conditions for councillors to actively fulfil these duties have not been provided for. Starting from their remuneration, councillors are working only on an allowances basis without a proper salary (Tanzania, Kenya)[81].

With regard to the role of local council to check on local administration, it would be even more important in a country like Tanzania where the chairperson of the local council also directs the executive branch of the LG as the mayor, compared to other systems like Uganda where the heads of the LGs are elected through direct popular vote thus checking over performance of the local administration is in the hands of somebody apart from the council itself that directly represents the people (For further details, see 2-1).

Thus, it is considered essential that more emphasis be placed on strengthening the functions of local councils, including the training of councillors.

**(4) Relationship between the promotion of participatory local administration and accountability**

From the perspective of accountability, efforts for collaboration between local administration and communities are considered to be a highly desirable trend. Cases can be seen such as; the introduction of participatory local development planning processes, the activities of user groups including school committees, health committees and community health workers. Monitoring of service delivery based on involvement of the residents themselves is considered to be the most direct means of ensuring accountability[82].

However, there are still some challenges to be tackled with even in these hopeful practices. As mentioned in section 3-2-2 (2), in reality, the residents who participate in these kinds of activities are limited. Consequently, close attention needs to be paid to ensure transparency of the selection process and its results. Furthermore, there is still much room for improvement for the participation of local residents, not only at the planning stage, but also during implementation as well as at the evaluation stage.

Talking about free service delivery such as free primary education under UPE policy, while this is a good policy in itself with the intention to benefit the poor, some cases of negative impact were reported during the present survey, where the level of parents' participation in the school activities as well as monitoring of the same have been lowered (See Box 3-5).

[81] In Uganda, local councillors are paid a salary. It should be recognised that these differences impact on the performance of local councils.

[82] If NGOs and FBOs can be involved here to contribute to the monitoring of local administration performance, this will also complement the limited function of local councils.

### Box 3-5 Relationship between decentralisation of primary education and UPE

If decentralisation of primary education and FPE/UPE (the name varies from country to country) policies are implemented simultaneously, there would be areas of contradiction. This is because, under FPE policy, the political intent of the Central Government to "disseminate" primary education "equally" to all the people in the Country, has the potential to become a move to suppress diverse identities of different local areas as well as individual parents' opinions. Let us look at some of the relationships of "division" at the local government level and at the school level.

First, at the local government level, a "divide" is occurring especially between politicians and education administrators. Local politicians do not necessarily have a strong interest in the education sector, and they prefer developing infrastructure, such as the construction of primary schools, where the individual politician cuts a conspicuous figure to the public in making a sizable contribution. Furthermore, while there are differences among different countries, generally, politicians have less schooling experience than administrators, and so they are unable to fully deliberate on specialised measures.

Second, at the school level, "divides" can be seen between public schools and private schools, and between urban areas and rural areas. Prior to the FPE policy, public schools had been delegated the authority to collect and use tuition fees that are almost the same as private schools. In conjunction with the FPE policy, these autonomous powers were uniformly abolished, and instead, financial decentralisation was introduced from the central government to schools (via local governments in Uganda and Tanzania, and directly in Kenya). Previously, schools had received requests from parents and the community, and so they were expected to fulfil a kind of "downward accountability". But under the new conditions, schools have become devoted to dealing with the "upward accountability" to the central government, which is the source of their revenue.

Another "divide" that is occurring is between schools in urban areas and schools in rural areas, or between schools in affluent areas and schools in poor areas. At schools in affluent areas, the abolition of tuition fees and financing of school funds were nuisances, because it meant a reduction in school revenue, and it led to a decrease in the quality of education due to the influx of large numbers of students from outside areas. On the other hand, at poor schools in rural areas, because the collected funds had been meagre, in many cases, financing of school funds meant that they could now conduct a standard level of school administration for the first time. Thus, for wealthy schools in urban areas, the decentralisation of education accompanied by the FPE policy brought about the effect of narrowing the options and activities that a school could manage. For this reason, parents came up with various adaptive strategies, such as giving incentives to teachers and children by paying them in kind with goods, and moving children from a public school to a private school, which was thought to be advantageous to proceed to the secondary education, once they reached grade four. On the other hand, at poor schools, while many children are able to start schooling for the first time, there are many parents who do not understand that they can make requests and express opinions regarding the management of the school.

### (5) The uncertainties of current reforms from the perspective of accountability

Amid the current decentralisation reforms, the greatest element of concern from the perspective of accountability is the problem regarding the influence of the CG in personnel and financial affairs. As was mentioned in the section 3-2-2 (5) <*Balance of centralisation and decentralisation against all the harsh realities at present*>, the recent move of "recentralisation of appointment of the high-rank LG officials, and the high degree of dependence on grants have meant that the direction of accountability cannot help becoming towards the CG who is the appointer of officials and the patron of funds. While it is true that there is an unavoidable background underpinning these "recentralisation-oriented"

arrangements, we still need to be aware of the fact that they bring some serious problems regarding accountability, as we have repeatedly stated.

### 3-2-5 From the perspective of equity

Can equity of service delivery be guaranteed under the current administrative system? Has the promotion of decentralisation reforms made this fairer, or has the opposite occurred?

**Ensuring the national minimum standard**

While devolution of responsibility and authority can be regarded as a good move in many aspects, there is a risk that it might lead to widening disparities between LGs in poor remote areas and wealthy LGs in large cities.

Decentralisation of human resource management may create undesirable situations where the weaker LGs in remote rural areas suffer from difficulties in securing competent personnel. Similarly, promotion of fiscal decentralisation with devolution of tax revenue sources, may lead to a situation where poor LGs in rural areas are unable to secure the necessary revenue to provide services.

On the other hand, those LGs in poorer areas are more burdened with the needs of service delivery to the people. The poorer the area is, the more needs are there for administrative services since more vulnerable people are living there.

This is the paradox of decentralisation. Measures need to be taken to ensure a national minimum standard so that the above-cited realities do not lead to widening disparities in service delivery, both in quality and quantity.

With respect to personnel affairs, in both Uganda and Tanzania, appointment of the heads of LG administrations were "recentralised" as mentioned repeatedly. However, it has fundamental effects on effectiveness and accountability of decentralised administrative services, as we have reiterated (3-2-2 (5), 3-2-4 (5)).

On the other hand, the problem of absolute shortage of personnel in local areas is really in a worrying state. Only a minimum number of staff posts are allocated that is far from the level to satisfy the huge need, but may also make matters worse, and the governments are not even able to fill them. In response to such circumstances, certain safety nets need to be prepared by all means, including pooling of CG staff to be assigned to LGs [83].

[83] See the section "Existence of measures to redress shortcomings in the devolution of personnel management authority" in 1 (3) 2 of Attachment "Systemic Analysis Framework".

As far as the fiscal decentralisation aspect is concerned, it can be appreciated that fairly adequate measures are being taken in both Uganda and Tanzania from the viewpoint of equity. Rather than blindly seeking a purer style of fiscal decentralisation with "revenue autonomy" through the transfer of tax revenue sources, reforms have been promoted along the line of first ensuring "expenditure autonomy" by way of unconditional grants. Moreover, put in the context of Africa, we should appreciate that it has been a remarkable impact of decentralisation reforms that regional disparities and unfairness in the distribution of financial benefits that used to be fatal due to neo-patrimonialism, tribal discrimination, etc., have now proceeded to be alleviated thanks to the introduction of the grant systems with objective formula-based calculation mechanisms (3-2-2 (1)).

Finally, introduction of a performance-based incentive system for the allocation of grants, as mentioned earlier in section 3-2-3 (5), involves a risk of widening regional disparities. From the perspective of equity, this fact also needs to be kept in mind.

## 3-3 Systemic analysis framework and important check points for analysis of the local administration system as well as the decentralisation reforms of different countries

**< Analytical framework of this Section and its utilisation >**

In the previous section 3-2, we analysed experiences of the three countries, and we derived lessons to be learned with respect to the two questions: Are decentralisation reforms really leading to better service delivery? What points need to be kept in mind for achieving these outcomes?

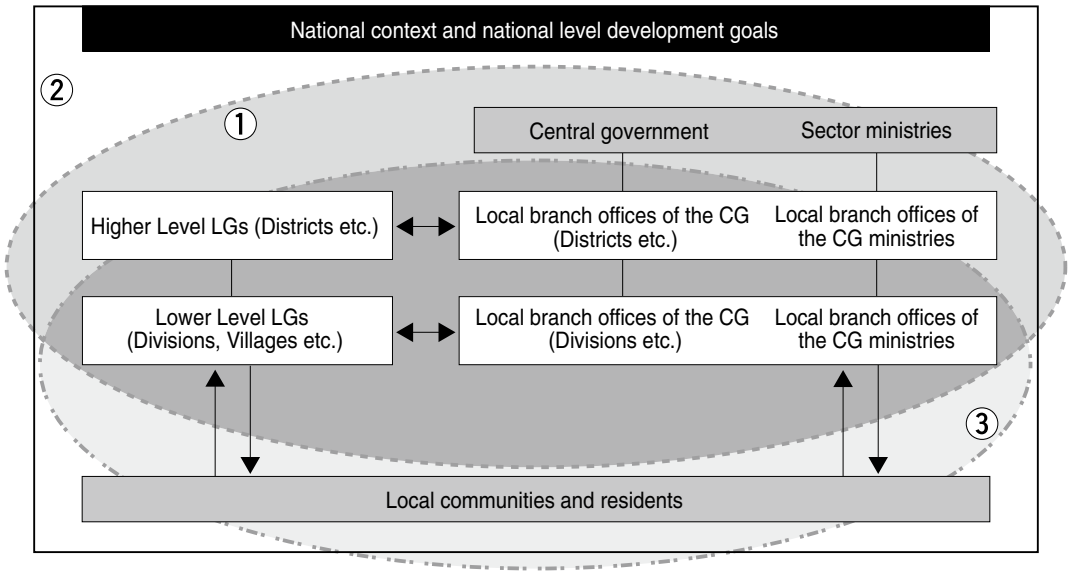
In this section, we will first delve deeper into the lessons and important points that were extracted from the analysis mentioned above. We will then reorganise these findings to come up with guidelines indicating what sorts of information should be obtained and what kinds of important points should be kept in mind and paid attention to when looking at the state of local administration and decentralisation reforms of each country, to eventually elaborate "systemic analysis framework". (Accordingly, please note that much of the analysis done in the previous sections are repeated and reworked in this section.)

Figure 3-2 shows an overall image of the objects of our analysis.

As we have reiterated many times, the main focus of this study is on verifying decentralisation reforms from the perspective of improving service delivery. Consequently, the fundamental objects of analysis in this section is also government administrative systems, centring on the CG-LG relationship in the respective countries, as well as the service delivery systems of different sectors (Figure 3-2(1)).

However, in order to examine precisely the state of governance and administrative systems in Africa, it is indispensable to understand their historical, social and political backgrounds. Furthermore,

**Figure 3-2 Overall image of the objects of analysis on local administration and decentralisation reforms**




(1): Administrative system (CG-LG relationships, service delivery systems of different sectors)
(2): National context, relationship between decentralisation reforms and national level development goals
(3): Relationship between local communities/residents and local administration

Source: Compiled by the author.

unlike the advanced countries that set about decentralisation reforms only after they had built a solid system of national governance, African countries have started their decentralisation reforms without consolidating their national governance system yet. Thus there are serious fears of risks that the decentralisation reforms might lead to the fragmentation of already limited national resources, and difficulties in maintaining consistency with national strategies. On the other hand, a distinguishing feature of the recent decentralisation reforms is that they are placed within the nationwide trends for poverty reduction, and they have characteristics of being part of higher-level programme called PSRs. Therefore, when looking at the decentralisation reforms, their relationship with these kinds of national goals also needs to be sorted out (Figure 3-2 (2)).

As we have seen earlier, even before discussing centralisation or decentralisation, more fundamental problem is that of the extremely weak lowest level local administrations which are being unable to fulfil the duty to provide service delivery to the local people on their own. However, there are some hopeful moves emerging amid this harsh reality. Some interesting cases of collective action have begun to be seen, where solutions to problems are being sought based on the self-help efforts of local communities in the most basic sectors such as primary education, primary healthcare, water supply, roads construction and maintenance, etc. There have also been instances of activities in cooperation with support organisations such as local NGOs, faith based organisations (FBOs) and universities.

Looking at these examples of collective action, there are three positive aspects that attract our attention. The first aspect is the fact that local residents themselves, through collective action, are complementing the functions of LGs/local administration, which enables service delivery to be provided in some way or other. The second aspect is an advantage in that the views and the needs of the residents could be reflected directly in the service delivery through this kind of resident involvement (effectiveness perspective). The third is that through the same process of involvement of the residents, accountability would be improved. Furthermore, these specific experiences of collaboration among the entire local society including the local administration, the local residents, NGOs and other support organisations, have an effect of nurturing mutual trust between the local administration and the residents, something that has hardly been developed ever before. Furthermore, by accumulating these kinds of practical experiences of "local autonomy" unifying the efforts of the entire local society, it is expected to bring about the development of civil society towards the eventual achievement of "substantial decentralisation based on real local autonomy and bottom-up demands from the local society" in future.

Considering all the perspectives described above, it is very important to pay special attention to the relationships between local administrations and local communities/residents when looking at local service delivery system and decentralisation, particularly in African context (Figure 3-2 (3)).

As described above, while the principal object for analysis in this section is "1. the state of administrative systems", it is considered important to widen the scope of analysis, both upwards to its relationship with "2. the national background as well as with national level goals", and downwards to "3. the relationship between local administration and local communities/residents".

Due to space constraints, the full contents of "Systemic Analysis Framework" will be put in the Attachment, while in this section itself, only a summary of it is described.

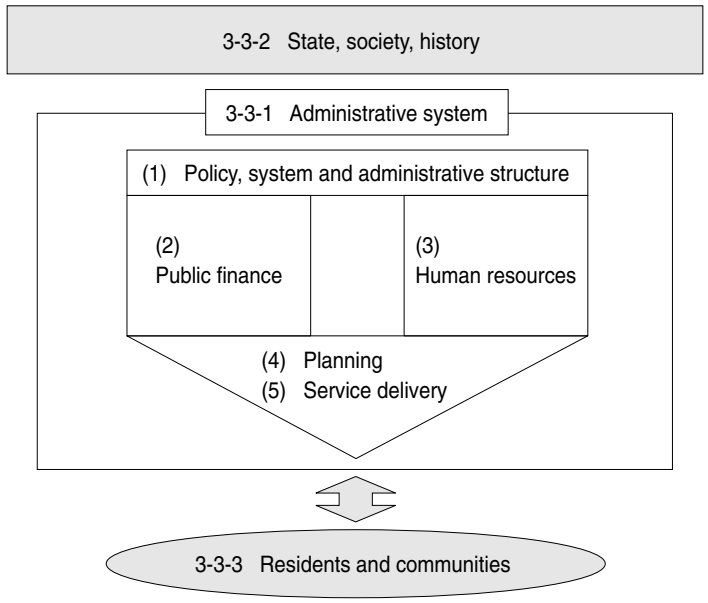
### 3-3-1 Check points on the structure of administrative system (CG-LG relationships, service delivery systems in different sectors)

We will make an analysis of the nature of administrative systems according to the following five pillars:

(1) Policy, system and administrative structure
(2) Fiscal decentralisation
(3) Decentralisation of human resource management
(4) Decentralisation of the development planning process
(5) Decentralisation of service delivery operation

Overlooking the whole picture of the present analysis, it is composed of 1. the nature of administrative systems composed of the above-mentioned five elements; 2. the national perspective; and 3. the local communities/residents perspective. Figure 3-3 shows an overall image of them.

**Figure 3-3 Conceptual Image of the Systemic Analysis Framework**




**(1) Policy, system and administrative structure**

The LG system of each country is something that strongly reflects the historical and social background of the country, thus the contents and nature of it varies significantly from country to country. Accordingly, if we interpret different country's system based on assumptions from Japanese experience, we will end up seriously misreading the situation. It is essential therefore to properly grasp the image of "Regions/Provinces", "Districts", "Villages", etc., on a basis of objective data such as population size, land area, and staff numbers. This is our starting point. (The importance of this is apparent if we look at the specific conditions in the three target countries of our study which is shown in Attachment "Systemic Analysis Framework", 1 (1) 1.

Next, we will see at which levels the respective responsibilities and authorities are given to among various entities of CG (as well as its local branch offices of different levels) and different levels LGs. This varies depending on the sector and depending on the type of services. It is also important to look at the current status of the relationships of authority between the CG and LGs in such aspects as fiscal and personnel affairs.

In addition to the above, the "devolution-delegation-deconcentration" framework as well as the "intertwined system - separated system" framework are effective in examining nature of

decentralisation reforms of different countries [84]. By using these frameworks in combination, analysis would be easier and more precise concerning the degree of decentralisation as well as the LG-CG relationship of the target country.

With regard to "decentralisation," many countries are advocating D by D to promote their reforms, and many people tend to believe that the "devolution" type decentralisation with a "separated" CG-LG relation system is the best form, being the opposite extreme of centralisation. However, this is not always true. The optimum system differs depending on each country's specific conditions of the moment. For example, if LGs are not equipped with sufficient absorptive capacity to assume the responsibilities to be given, any sudden reforms may instead bring about disastrous stagnation of the services that are devolved to them [85]. It is often observed in many African countries which are promoting decentralisation reforms, that their local administrative units are extremely weak. Under these circumstances, it is considered to be more prudent to provide LGs with adequate technical backstopping together with transfer of know-how from CG as a support for decentralisation, so that the LGs can perform necessary duties devolved to them. Therefore, rather than a "separated" model in which the CG and LGs are completely divorced, an "intertwined" model which more easily guarantees such support, is possibly more appropriate, at least as a "transition measure." Furthermore, in African countries that are struggling against poverty, the resources available in the country for national development and welfare for the people are severely limited. Decentralisation must not result in any further fragmentation of these already limited resources. This perspective is highly important to bear in mind when we think of reforms. Thus, it should be emphasised that any decentralisation reforms must be seen from the overall national context as well, not regarding them as an attempt to separate LGs from the CG, but to improve the total system of the country placing LGs as an integral part of the entire system for administrative services and other purposes, thinking of the best division of functions and responsibilities together with an adequate collaborative relationship between the CG and LGs.

On the other hand, with decentralisation reforms, there is one important point about which we must be careful, as being potentially detrimental. That is the widening of regional disparities between wealthy and convenient large cities and poor remote areas. Although transferring tax revenue sources for the purpose of fiscal decentralisation is important for local autonomy, what would happen to poor areas without strong economic activities to form a tax base? Similarly, although there are clear merits in the decentralisation of human resources management from the perspective of local autonomy, will LGs in remote areas be able to secure a sufficient number of well qualified personnel? We need to be aware of this side of the coin when looking at local government systems.

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[84] For definitions of "devolution-delegation-deconcentration", see Box 3-1 and Attachment "Systemic Analysis Framework", 1 (2) 2. For information on "separated system/intertwined system" models, see Box 3-2 and Attachment, 1 (2).

[85] See 3-2-1 (3).

**< Check points >**

- Types of local governments, their sizes (population, area), and their hierarchical structures. The same information for CG local branch offices
- Divisions of responsibility and authority relationships among different layers of LGs, CG and its local branch offices
- Is the nature of decentralisation reforms based on "devolution", "delegation" or "deconcentration"? Is the CG-LG relationship "intertwined" or "separated"?
- Are there any measures that guarantee the mitigation of disparities among regions?
- Are decentralisation and local autonomy stipulated clearly and in detail in the constitution and laws?
- How is the coordinating relationship between the central ministry in charge of decentralisation and each of the sector ministries?

### (2) Fiscal Decentralisation

In this section we will look at the levels of activities of LGs and their degrees of autonomy from the perspective of public finance.

To this end, first we will look at the share of LG expenditure in the total government expenditure. By doing so, we will be able to get a rough idea of how much of the work is being borne by LGs within the total government activities. (Incidentally, in Japan's case, LGs account for 65 % of the total, and the CG only 35 %. You can see that Japanese LGs are responsible for a lot of the administrative services and activities of the government.)

Next, we will measure the degree of autonomy in terms of financial aspects: To what extent are the LGs free to decide on how money is spent and allocate budgets to activities that they see as necessary under their jurisdiction? The revenue sources of LGs can be broadly divided into the following categories: (1) own sources of revenue, such as local taxes and service fees; (2) conditional grants from CG (subsidies, sector grants, etc.); and (3) unconditional grants from CG. Increasing "(1) own sources of revenue" is called "revenue autonomy", and is the highest degree of fiscal autonomy. This is realised by transferring certain tax bases from national taxes to local taxes (devolving certain taxation authority from the CG to LGs). This type of fiscal decentralisation is the one that corresponds to the so-called "Trinity Reforms" which has been the subject of debate in Japan in recent years. (Of course, efforts to search for new tax revenue sources or to expand the tax base through economic stimulation, etc. are important means of increasing own sources of revenue as well.) However, considering the current state of local economies in African countries, it would be unrealistic and even unreasonable to immediately aim at "revenue autonomy" (See Attachment "Systemic Analysis Framework", 1 (2) 2).

The second highest degree of fiscal autonomy is "expenditure autonomy". This is the aggregate of "(1) own sources of revenue" and "(3) unconditional grants", and is so named because the discretion

for deciding where to spend the budget rests with LGs. Securing "expenditure autonomy" has important implications in guaranteeing local fiscal autonomy. For the most part, fiscal decentralisation that is being promoted as part of decentralisation reforms in African countries, aims for this type of autonomy. When examining the state of fiscal decentralisation in individual countries, it is imperative that we have a grasp of the degree of "expenditure autonomy" and "revenue autonomy" described above (For further details, see Attachment "Systemic Analysis Framework", 1 (2) 2).

African countries have some characteristic elements with regard to their grant systems. One of them is that development grants are separated from recurrent grants. However, coordinating the two is not easy and often discrepancies arise, such as staff or funds for activities not being guaranteed despite the facilities having been built (See Attachment "Systemic Analysis Framework", 1 (2) 2 "Development grants and recurrent grants"). The second characteristic challenge is that there are numerous complex and wide-ranging grants. Consequently, the management of many accounts and obligation to make complicated financial reports weighs heavily on LGs, and it leads to administrative inefficiencies. In Uganda and Tanzania, rationalisation of the grant systems is being promoted to tackle this problem, based on the consolidation of diverse grants. Furthermore, with respect to the types of grants channelled through members of parliament such as Kenya's CDF, although it is true that they somewhat enabled national funds to reach each local area to benefit people (something that used to fail), it would be difficult to accept that they are a sound system that should be permanent, in view of the fact that they have also introduced confusion to the administrative channels (3-2-2 (2), 3-2-3 (4)).

In addition to the above, what is of particular significance in the African context is the establishment of objective and fair standards for calculating grants as being promoted in Tanzania and Uganda, called a formula-based grant allocation system (3-2-2 (1)). Previously, against a background of tribal conflicts and neo-patrimonialism, unfair allocation of resources by political leaders had been prevalent, and there was a strong sense of inequity. The establishment of these standards is attracting attention as something to try to rectify. Such standards are expected to be a tangible positive impact of decentralisation reforms in Africa (see Attachment "Systemic Analysis Framework", 1 (2) 2 "Calculation of local grants").

**< Check points >**

- Size of LG budgets (their share of the total national budget – revenue as well as expenditure base)
- Degree of autonomy in LG finances (amount and proportion of own sources of revenue, amount and proportion of unconditional grants, amount and proportion of conditional grants, number of grant types)
- Method of calculating grants (Are there fair and clear criteria and formula?)
- To whom is accountability directed concerning budgeting and budget implementation of LGs?
- Capacity of LGs to manage public finances

### (3) Decentralisation of human resource management

On this matter, it is important to grasp the situation with regard to the following three broad aspects:

a) Number of personnel assigned to individual entities in local areas (LGs, local branch offices of CG, etc.) (Compared with the volume of work and responsibilities assigned, are they enough?)
b) Current state of local personnel management systems of the country, in view of the merits and risks that can be brought about by the decentralisation of human resources management
c) Systems for the capacity development of LG personnel

#### a) The importance of grasping the state of personnel assignment in local administration as basic information

Looking at the situation of the personnel assigned to local administrations in Africa, we can see that, without exception, it is an extremely difficult situation, both in terms of number and capacity. Even before discussing centralisation versus decentralisation, we cannot help wondering what we can expect them to perform with this personnel provision. It is important to understand this situation objectively before anything.

Then analyse to what extent it is possible for the LGs with this staff to assume duties that are planned to be devolved to them through the current decentralisation reforms. It is important to understand this situation to objectively analyse the current state of decentralisation reform programmes and for sketching out necessary countermeasures. Furthermore, in places like Kenya where the service delivery is made mainly by the local branch offices of central ministries, we need to grasp the conditions of these offices as well (See Box 3-4).

#### b) Merits, risks and points to be considered regarding the decentralisation of human resources management, and the current state of personnel systems

Once we have understood the basic situation mentioned above, we look into the degree of decentralisation for human resource management. There are several advantages in decentralising human resources management, such as: the accountability of staff to local residents improves; the overall management of LGs becomes easier enabling them to allocate required personnel for each prioritised activity, which consolidates the structure for autonomous administration of the LGs to effectively respond to local needs; and it will facilitate the appointment of local people who have more knowledge of and devotion to the local society (For further details, see section 1 (3) 2 “Merits of devolving Personnel Management Authority” in Attachment “Systemic Analysis Framework”).

On the other hand, human resource management is not an easy task. For example, the following questions have to be sorted out: If it is decentralised, will sufficient numbers of competent people be able to be secured by LGs? What will happen in particularly remote LGs with poor conditions? Also,

from the perspective of incentives and careers as professionals, decentralisation may deprive the professionals of opportunities for relocation and promotion to the CG and other LGs, thus concern remains over whether LGs will still be able to attract these professionals (See the section 3-2-2 (5) "Balance of centralisation and decentralisation against all the harsh realities at present").

There is another possibility of adverse effects in this regard where human resources management is inappropriately influenced by some local councillors or other prominent persons (local bosses). Due consideration is also required to avoid such situations. Taking all these points into account, analysis needs to be done on the current status of personnel management systems as well as their decentralisation reforms (For further details, see section 1 (3) 2 "Matters requiring attention in the devolution of personnel management authority" in Attachment "Systemic Analysis Framework").

**c) Systems for the capacity development of LG personnel**

Decentralisation of human resources development systems has advantages from the perspectives of effectiveness of training (training contents that meet region-specific needs) and efficiency (reasonable training at locations close to the workplaces). However, it would be unrealistic for each and every LG to have its own training system and facility. Therefore, it would be more feasible to start with developing a total national training delivery system in coordination with the CG, and involving various training providers (public as well as private) that exist in the Country. Nevertheless, it should be noted that it is important to take adequate measures to ensure room for the specific needs of each region and LGs to be responded to in the contents of training provided under this system.

On the other hand, OJT is considered to be very important and even indispensable for the capacity development of LG personnel, in addition to formal training. We can learn from the Japanese experience that it is highly effective to promote capacity development of LGs through OJT based on technical backstopping from the CG ministries on the service delivery operations, and CG-LG personnel exchanges/collaboration. It is significant as well to see if there exist any cases of this nature in the target country.

**< Check points >**

- Number of personnel assigned in the LGs and their capacity (Is the number of personnel assigned to LGs appropriate for the scale and substance of the responsibilities and authority devolved to them? What levels of qualifications are required?)
- Who has authority over the personnel management of LG officials (recruitment, appointment, promotion, transfer, dismissal, salaries and wages, etc.)?
- Have any disparities developed among different LGs in terms of personnel numbers and capacity, that is, between LGs of big cities and those in remote rural areas?
- What is the situation regarding the training system for LG personnel?
- Are there any sorts of OJT mechanisms, such as technical backstopping from higher level governments, personnel exchange systems, etc.?

### (4) Decentralisation of the local development planning process

One of the characteristics that are common among the decentralisation reforms in various African countries is the fact that local development planning processes are being promoted with a bottom-up and participatory approach. Even in Kenya that has not yet initiated substantial decentralisation reforms *per se*, each of its ministries as well as the district administration have begun pursuing community participation methods in the formulation of its sector plans. This is considered to be a positive move. However, under a centralised system like that in Kenya, even this kind of participatory local plan cannot escape from the strong ministry chains of command and vertical budget formulation processes. Comparing them with the local planning processes of Uganda and Tanzania where authority has been transferred to LGs by way of D by D, the picture is completely different even though the same terms "participatory", "bottom-up" and "local development plans" are used. Consequently, it is of foremost importance to grasp the nature of the local planning processes, including the above-mentioned points, checking as well who formulates plans, and how they are formulated (For further details, see the section 1 (4) 1 "Modes of decentralisation in the formulation of plans" in Attachment "Systemic Analysis Framework").

From the perspective of the principle of decentralisation, one of the most fundamental authorities required for local autonomy is that the LGs be entitled to formulate their own local development plans addressing individual intrinsic local conditions and needs. In Uganda and Tanzania, where decentralisation reforms are underway, this kind of authority has been institutionally devolved to LGs. However, in reality, this bottom-up and participatory local development planning process still remains with a variety of challenges to overcome (2-5-3, 3-2-2 (2)). The key issues and impeding factors are listed below, and for each of them, we need to see: How do things stand at the moment? To what extent are countermeasures to overcome these factors ensured?

a) The participatory planning process has been emphasised, but to what extent is the current process of this kind that is applied in the field, actually guaranteeing fair participation of the residents to identify and reflect the real needs of the residents on the formulated plan? (For further details, see 1, 1 (4) 1 "Methods of community participation" in Attachment "Systemic Analysis Framework")
b) Since what eventually counts in decentralisation reforms is improvement of service delivery, the local development plans are practically broken down to each sector's service delivery plans as the main pillars supporting their contents. Moreover, in reality, sector plans are being formulated by the respective technical departments of the LGs in accordance with their technical standpoints, even though attempts at participatory measures are adopted into each of them. In parallel with the above, cross-sectoral participatory local development plans, like O&OD in Tanzania, are brought up from each Village. The task of integrating these plans is normally assigned to planning officers at the district level, and it is an extremely complicated and arduous task.

Can such a system really function effectively? (For further details, see Attachment "Systemic Analysis Framework", 1 (4) 2 "Actual circumstances surrounding the formulation of local sector plans")

c) How are bottom-up local development plans and top-down national plans and strategies reconciled, and how is their consistency guaranteed? (For further details, see the section 1 (4) 3 "Harmonisation between bottom-up and top-down plans" in Attachment "Systemic Analysis Framework")

d) Even if local development plans are formulated, unless the necessary budget is allocated, they won't be realised. However, as seen in sections 3-2-2 (2), 3-2-3 (4) and 3-3-1 (2) above, LGs are heavily dependent on the grants from the CG, and these grants are complex, wide-ranging, and in many cases conditional. Systems of unconditional development grants, such as LGCDG (Tanzania) and LGDP (Uganda), were created for the purpose of implementing these participatory development plans. However, since they are not enough at all to cover all, the district planning officers eventually have to look at the diverse range of grants and manage to apply possible funds piece by piece like a patchwork. Under these circumstances, the effectiveness of "formulating one's own local development plans in a way that addresses individual intrinsic local conditions and needs" is logically hampered.

In this regard, concerning the budgets required for realising the formulated local plans, it is important to check the extent to which LGs have discretion in allocating them, that is, the extent to which "expenditure autonomy" is secured (For further details, see 1 (4) 4 "Local development plans and budgetary measures for planned programmes" in Attachment "Systemic Analysis Framework").

**< Check points >**

- Who formulates local development plans, and in what way are they formulated?
- To what extent and in what form is resident participation ensured in the local development planning process? In what way are the needs of the residents reflected on the plans?
- In what way are the local sector plans integrated into the overall local development plans, and how this is ensured?
- How are budgetary measures implemented for these local development plans?

### (5) Devolution of services implementation

The followings can be given as the merits of decentralising service implementation: (1) it becomes easier to grasp the local needs, which enables service provision to be more effective and relevant (**effectiveness**); (2) Services are able to be delivered more promptly (**efficiency**); and (3) Improvement in its monitoring by the residents can be expected (**accountability**).

On the other hand, in situations where the absorptive capacity of LGs is not sufficient, yet they are required to assume all the duties devolved to them; there is a risk that the technical quality of services

will deteriorate. Unless certain countermeasures are guaranteed to avoid such situations, the principal aim of the reforms would be imperilled.

In view of the above, it is extremely important to determine to what level and to which entity the authority and responsibilities of respective service delivery should be assigned, based on a careful analysis of the capacity of each entity in terms of personnel, budget, etc. as well as its closeness to the communities to enable it to assess their needs and reality (3-2-2 (3), 3-2-3 (3)). Therefore, when investigating the state of each country's service delivery implementation, the most important thing of all is to gain a clear understanding of the division of roles among respective entities (both CG and LGs). (Which entity has responsibility and authority over which services?) We must also take note of whether each of the different entities have personnel, funds and other conditions necessary to fulfil the responsibilities given to it.

Furthermore, with regard to the services devolved to LGs for their provision, it is also important to ensure technical backstopping and collaboration from the CG to LGs whenever they are required in order to guarantee the quality of services, depending on the capacity of the respective LGs. It should be checked whether any system to guarantee the above arrangements has been established (3-2-1 (3), 3-2-3 (3)).

On the other hand, from the viewpoint of the necessity for the decentralisation reforms to contribute to the improvement of service delivery, one of the important issues is the question of how the services of each sector are to be implemented under a decentralised structure. However, as with the countries that are being surveyed, sectors are carrying out respective SWAp-based reforms in addition to the decentralisation reforms, and harmonisation with these respective sector reforms has been a great challenge. Whereas consistency must be ensured at the central level between respective SWAps and the decentralisation reforms, at the local level, cross-sectoral coordination systems and central-local collaboration systems need to be established. The question of to what extent these systems have been developed should be covered in the analysis as well (2-5-3).

As was emphasised at the outset of 3-3, from the perspective of effectiveness, efficiency as well as accountability, we found great hope in the cases of local community collective action and collaboration between these efforts and the local administration for the implementation of services under a decentralised structure. Another impact that can be expected from these cases is the development of relationships of trust between governments and local residents through these types of practical collaborative experiences, and the foundations for a true local autonomy. With such expectations, we should verify what types of cases of such collaboration exist, and to what extent these cases hold promise for the above effects (This point is examined in more detail at 3-3-3). There is potential for these cases to develop themselves to become a basis for the support for area-based development which

combines sector administration support and local administration support with community development support that JICA has implemented in the past (See the footnote 78 in 3-2-3 (3) as well as Chapter 4.)

Finally, some unfortunate cases that were often observed during this study were those of stagnation in service delivery under decentralisation reforms, due to some simple logistic problem of a delay in sending grants from the CG to LGs (3-2-3 (6)). It is highly important to identify these problems since they can be resolved with comparatively simple technical support, and that their solution can have broad positive effects over the whole system.

**< Check points >**

- Division of the authority and responsibility for implementation of key services among different tiers of central and local administration
- What kinds of mechanisms have been established to provide LGs with technical backstopping from the CG, and to ensure necessary coordination between the CG and LGs?
- Are there examples of authority being devolved to user groups?
- Are the existing mechanisms functioning well for coordination between the chain of command of the respective sector ministries and that of the LGs in the local areas?
- To what extent are there examples of community participation in project implementation and service delivery? In what way is the collaboration between the local administration and the community residents functioning?

### 3-3-2 Check points on the relationship between decentralisation reforms and the national context and development goals at the national level

#### (1) History and society

By nature, modern states are “imagined communities”; but in Africa, because ethnic fragmentation is significant (and further accentuated by colonial systems), because they have a relatively short history, and because national borders were drawn in an extremely unnatural manner, states were formed that were markedly artificial. When many African countries achieved independence, they retained their internally fragmented and unstable nature; during their democratisation following the end of the Cold War, questions as to the legitimacy of this framework were revisited. (As a result, many countries experienced armed conflict.)

There are diverse ethnicities: sometimes there are disparities between the rich and the poor, and sometimes there are some regions within a country which identify with or have more historical connections with neighbouring countries. Furthermore, social cohesiveness also varies depending on the region. However, one can also recognise certain advance in integration and reconciliation due to modernisation, urbanisation as well as education policies.

In some cases, politics are governed by the links of the informal chain between influential patrons and clients, rather than by the formal institutional setups of the state. In case such informal human

relationships are formed to link between LGs and CG, decentralisation process may progress on a basis of such relationships. The CG devolves resources to the LGs, and in turn it acquires political support from local leaders.

**< Check points >**
- Relationship between the governance systems originated from the colonial period and the local societies
- Regional disparities attributable to ethnicities and other social aspects
- Effects of neo-patrimonialism on local governance

**(2) Political and governance systems**

Since the 1990s, there have been countries where democratisation evolved in consonance with decentralisation (Tanzania), while there have been countries where decentralisation evolved as a temporal alternative to democratisation (Uganda). Multi-party systems formed under democratisation due to pressures from outside and were driven from within, but as most political parties are organisations that reflect some ethnicity, multi-party systems had a function of encouraging ethnic conflict at the central level (Rwanda, Burundi). Decentralisation was also being recommended as a mechanism for alleviating that pressure (Uganda).

In order to extend control by the central state administration as far as local societies, to start with, a local organisation is necessary which functions to a certain degree. However, undemocratic central control has normally prioritised resource allocations and language policies that target specific ethnicities or regions. The very principle of decentralisation is to opposed this. It prevents any rise of discontent by giving a certain degree of autonomy to each level of local organisation.

**< Check points >**
- Relationship between a single-party dictatorship/multi-party system and political interventions in local areas
- Balance between central government control and local autonomy

**(3) Development strategies and economic growth**

Since many poor people live in rural areas, from a policy point of view, the principles of PRS accord with those of decentralisation in the sense that they direct resources to regional areas. Furthermore, as policy mechanisms, since budgets related to PRS (and Heavily Indebted Poor Countries (HIPCs), depending on the country) serve as funds for local grants that are directed toward rural areas, there was no conflict between the two (Although all three countries have raised PRS, Kenya is not a HIPC). Uganda and Tanzania are trying for MTEF and other initiatives, even at the district level.

Since centralised and repressive systems that followed independence tend to be systems of governance for specific ethnic groups, merely advocating decentralisation has a tendency of becoming

a symbolic gesture, promising a new style of governance to the people (However, there is also a tendency for the majority who have promoted centralisation to be wary of this). Furthermore, it can also alleviate the central government from assuming the major burden for policies or taking the rap for failed policies. Structural adjustments policy had led to local services being cut, and so in the 1990s, the public sector was called on to restore them. There was a point of view that local governments and the private sector should take charge of this task — rather than the former central government — and with the support of donors, this viewpoint came to the fore.

**< Check points >**
- Positioning of decentralisation in frameworks such as the PRSP and MTEF
- Effects of structural adjustment and other past policies on the current structure of local administration

### (4) Governance reform frameworks

As outlined above, in some respects, the philosophy of PSR, namely an appropriate balance between the public and private sectors, the provision of services to the citizens as a client, and an improvement in the efficiency of services, accords with the principles of decentralisation. Tanzania is the country that most attempted to promote decentralisation from this perspective. In Uganda, prior to making a dramatic push forward for decentralisation, it had already achieved a certain measure of PSR. Kenya had to work on PRS simultaneously without being able to achieve PRS prior to decentralisation reforms in this sense.

Furthermore, coordination and cooperation with public financial management reforms, legal and judicial reforms, and other administrative and financial reforms is also an important point.

**< Check points >**
- Positioning of decentralisation in PSR and other reform frameworks
- Relationship between PSR and PRS
- Coordination and cooperation with other governance-related reforms

### (5) Sector strategies

In order to supply resources to local service points, there needs to be definite sector policies and the formation of systems. However, because sector policies come under the jurisdiction of sector ministries and because decentralisation reduces these functions and budgets, there are also contradictory factors. Although conditional grants with no diversions of monies from budget items are suited for the purpose of monitoring and providing parity and consistency between the plans and budgets of the central government and the actual operations at the bottom, conversely, they also have the disadvantage of constraining the discretionary power of local governments.

**< Check points >**
- Positioning of the local service delivery in SWAp
- Relationship between sector budgets and grants (conditional, unconditional)

### 3-3-3 Check points on the relationship between local communities/residents and local administration

#### (1) Community participation as a complementary measure to the weak lower-level local administrations

It is common for the lowest-level local administrations in developing countries to be extremely weak, and it is virtually impossible for them to satisfactorily provide all necessary services independently. Now, as a way of supplementing this inadequacy, attention is being drawn to the collective action of residents and administrations as an alternative pattern for performing administrative services.

Here we identify cases of collaboration between administrations and residents and/or private sector entities, and examine to what extent these exercises fulfil the above function, as well as the extent to which this could be effective as one of the options for service delivery implementation by local administrations.

**< Check points >**
- Are there any cases where local residents are involved in the planning and implementation of some service delivery that is supposed to be covered by the government? Are there any cases where the residents/ communities are independently running some specific services?
- Are there any cases where NGOs or other local support organisations are shouldering the above-mentioned services?
- In cases like those described in the above two points, what kind of role does the government assume, and what kinds of relationships has the government built with these collective actions?
- To what extent has the coverage of administrative services broadened and how much more efficient have they become as a result of the participation and cooperation of residents?
- How large is the existing market in which administrative services can be outsourced to the private sector?

#### (2) Community participation as a means to reflect the needs of beneficiaries onto the administrative services

It is expected that the process of collaboration between local residents and administrations, namely participatory planning → involvement of residents in implementation → enjoyment of the benefits of services, can be an effective means of reflecting the needs of the beneficiaries. This point should be verified by analysing individual cases.

**< Check points >**

- In what manner and to what extent are residents participating in the planning processes for local administrative services?
- To what extent are there collaborative relationships between the local administration and local communities in the delivery of services? How are the needs and the opinions of residents being reflected in this?
- Are there examples where collaboration between local administration and people's collective actions has resulted in better access to services for the poor and the weak?
- What level of satisfaction have local residents felt through participating in the planning and/or implementation of service delivery and through benefiting the services?
- Have these kinds of collaborative relationships resulted in greater contact between the local administration and the local residents? Have the local administration and residents appreciably changed their perceptions and attitudes towards each other?

### (3) Improvement in accountability/transparency of administrative services as a result of community participation

It is expected that community participation in planning and implementation processes of administrative services can also be effective from the perspective of accountability/transparency to the local residents. We analyse individual cases to verify this point.

**< Check points >**

- What kinds of perceptions do local residents have with respect to the local administration and local administrative services?
- What kinds of information does the LG disclose/present to the local residents with respect to the relevant collaborative activities?
- Through collaborating with the administration, do the residents feel that the transparency of the administration has improved?

### (4) Development of credibility between the local administration and the residents/local communities through participation and collaboration (perspective of legitimacy)

In the past, African states and governments provided hardly any significant administrative services for the residents from which they were able to feel benefits. Therefore, building legitimacy as a state has been an important issue for the governments of various African countries. This also gives cause to the justification of decentralisation reforms, and it is said that, through decentralisation, governments will attempt to provide basic services from a position closer to the residents. From this perspective, development of concrete relationships of trust through collective action and collaborative experiences between residents and administrations is perceived as an effective means for achieving this. We will verify this point through examination of individual cases.

**< Check points >**

- Have there been appreciable changes in the perception of the residents/local community towards the government/administration through experiencing the relevant collaborative programmes?
- Similarly, have there been appreciable changes in the mindset/attitude of the local administration officials with respect to collaboration with the local community?

### (5) Enhancement of the self-organising capability of the smallest unit of local autonomy (communities/natural villages) and enhancement of networks between them and LGs [86]

As the smallest units of local autonomy, LC1s in Uganda, Villages and Kitongoji (Vitongoji) in Tanzania, and locations and Sub-Locations in Kenya have played a highly important role historically in the decision-making of the residents. At the national level and at the higher LG levels, relationships of trust have tended to be weak (at least as things currently stand) as a result of being influenced by tribes, political parties and other factors, and as a result of being further removed from the residents. From the perspective of self-governance, the lower units mentioned above have become extremely significant as being like natural villages. Also from the perspective of administration, in contrast to higher levels of government, which are more prone to being strongly influenced by the vertical administration of sector ministries, at the lower levels of LG, these effects are weaker. Moreover, being closer to the residents, they reflect community needs more easily, and they are relatively more conducive to relationships of collaboration and coordination among different sectors. Collective action and collaboration with administrations are expected to be valuable opportunities for the capacity development of each of these units, which is perceived as being tremendously important for development of local autonomy in Africa.

**< Check points >**

- Through collective action, what kinds of groups have been formed within the smallest unit of local autonomy (communities/natural villages)? In what way and to what extent have their self-organising capabilities been enhanced? (their institutional capacity to respond properly to changing external environments and to deal with the diverse range of emerging issues on their own)
- Similarly, in what ways have systems of collaboration and coordination between these communities and the local administration been developed and enhanced?

### (6) Nurturing a perception of self-governance (Village Autonomy) for residents and local communities through participatory development

It is expected that the experience of local communities resolving their own problems for themselves, and overcoming problems in cooperation with the administration and other support

[86] Ohama (2007) as well as Sharma and Ohama (2007) are informative regarding the concept of participatory local social development, collaboration and networking between local residents and administrations/other support organisations, as well as the consolidation of the self-organising capabilities of communities and development. Participatory Local Social Development (PLSD) has been put into practice in the Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Programmes in Indonesia as well as other JICA cooperation.

organisations will be a valuable opportunity to stimulate an awareness of self-governance by local communities. We will verify this point through looking at individual cases.

**< Check points >**
- Through collective action, to what extent has the perception of self-governance been enhanced, developing the awareness and willingness of the residents to participate to make their community better?

**(7) The experience of local autonomy as a "school of democracy" (experience-based learning process)** [87]

In order to realise true local autonomy and decentralisation, which is based on the development of a civil society, the local civil society needs to be enhanced through accumulation of these types of experiences over the long term.

**< Check points >**
- In view of all of the above, as an experience-based learning process, has the experience of collaboration through collective action between the local administration and the local community led to a stronger democracy?

### 3-3-4 Epilogue: How to use the "Systemic Analysis Framework"?

As noted at the outset of this section 3-3, due to space constraints, the "Systemic Analysis Framework" is not included in this main text, but attached as an Attachment. And in the sections 3-3-1 to 3-3-3, only the check points and brief comments on each issue are presented as a summary of this "Framework". Accordingly, if this paper is to be used as a systemic analysis framework, readers should also see Attachment as long as time permits. Another option could be to use sections 3-3-1 to 3-3-3 to gain an overall view, and then look at Attachment "Systemic Analysis Framework" for those topics that are of particular relevance to see further details.

This "Systemic Analysis Framework" is expected to be useful when considering and planning a cooperation programme to support a specific partner country's decentralisation reforms or strengthening of their local administration. In other words, it has been designed with the idea to elaborate "something that can actually be utilised" for JICA experts, the field offices of JICA, and relevant Departments of its HQ's together with their counterparts in the partner countries. In this "Framework", we have attempted to explain the important matters that should be checked carefully to understand the situation of any target country with regard to each of the aspects shown in the

[87] For information on the participatory approach and the experience-based learning process, see Ohama (2007), as well as Sharma and Ohama (2007).

conceptual diagram of Figure 3-3. These explanations include: What kind of issues needs to be focused on; What kind of information needs to be collected; What kind of analysis needs to be done. And similarly, as to the phenomena of great significance, we have tried to describe how they should be understood and interpreted. Of course, since the object of our study was only three countries, the scope of analysis is limited. Therefore, it is not a perfectly comprehensive analysis that covers all sorts of independent variables that determine the success or otherwise of decentralisation. Nonetheless, we believe that it at least provides many significant and useful points of view that are likely to be instructive for analysing other countries.

Needless to say, the framework can be used for formulating programmes and projects for governance support type of cooperation, including decentralisation. But we do hope that it could be put to use for the conventional cooperation programmes of each sector as well. Many of the sectors that have been the principal targets of technical cooperation are now subject to decentralisation, including such sectors as: education; health; agriculture; water supply and sanitation; roads; and waste disposal. In order to carry out effective and successful cooperation in these sectors, it is now inevitable to understand the structure of the respective sector's service delivery systems and their working mechanisms, as well as the demarcation of responsibilities and authority among the different entities of the CG and LGs. It is expected that this systemic analysis framework could be highly useful for these purposes.

# Chapter 4
# Decentralisation and Development Assistance in Africa

# Chapter 4 Decentralisation and Development Assistance in Africa

In the preceding Chapters 1-3, we have attempted to outline and categorise various decentralisation reforms in three countries in Eastern Africa, and through this exercise, we have attempted to evaluate the impact of these reforms on improvements in the delivery of public services. Based on this knowledge, in Chapter 4, we will review JICA's past and on-going projects/programmes in the areas of rural development and those supporting decentralisation reform from the perspective of their relationship with the local administration system in each country. By putting JICA's projects/programmes in their institutional context, we intend to clarify some of the potential and constraints that these projects/programmes have for achieving their objectives and further scaling up their benefits in relation to the institutional framework they are in. In addition, we will try to present some recommendations for future JICA projects and programmes in the areas of rural development and decentralisation support in Africa as seen from the institutional aspect.

In the past, it was a commmon practice for rural development projects/programmes to be designed and implemented from such perspectives as local natural environment or socio-economic conditions or from a technical perspective in a particular sector, or with a view to strengthening social capacity of local communities (and indeed, this has been appropriate and necessary). But given the current rapid developments in decentralisation reforms in African countries, the future cooperation in this field should be designed to incorporate a better understanding of the local administration system and the level of functioning thereof within and surrounding target areas (such attempts have already begun in certain areas though). Furthermore, as decentralisation reforms themselves are increasingly becoming the subject of cooperation, based on the wide-ranging views on decentralisation that have been gained through this study, there needs to be a rethink of how cooperation to this new subject ought to be designed and implemented so that it can be of use when formulating and implementing future projects and programmes.

## 4-1 Characteristics of JICA's Rural Development Projects/Programmes

### 4-1-1 Categorisation of Projects/Programmes to be Reviewed

In this section, we have selected some development projects/programmes that JICA has implemented in rural Africa to date, and attempted to divide them into the following four types and to clarify their respective characteristics.

① Sector-specific support
② Community development support
③ Support for decentralisation reform
④ Area-based development support

① refers to those projects which are designed to improve service delivery in specific sectors, such as education or health and medicine, and which target specific regional units, such as Regions/ Provinces and Districts. In the health and medical sector, for instance, this category includes those projects that mainly target the improvement of services in rural hospitals, primary health care services, and overall community health services, including strengthening the referral system. A new mode of cooperation that is beginning to appear is projects which, while not directly aiming to improve health and medical services, aim to improve the management of health and medical administration in local administrative units (such projects assumes that there will be indirect effects on the improvement of actual service delivery on the ground via the improved management of health administration).

② refers mostly to those projects with target areas geographically smaller than administrative units such as Regions, Provinces, and Districts [88]. These projects are designed for overall socio-economic development of the target areas, including the improvement of income levels and living conditions for all people living in a particular community or for specific groups, such as women and youths. Village administration and higher administrative units that have jurisdiction over Villages are partly involved as one of the actors in local development. But due to their inadequate functioning, it has been common that project interventions directly approach local residents, and such being the case, NGOs and CBOs, which are regarded as having comparative advantages in development activities at this level, are often chosen as the agent of development activities.

③ refers to those projects that intend to contribute to the implementation of the reform programmes or to the capacity building of local administration personnel who are part and parcel of the reforms. This type of assistance is emerging in recent years in response to the growing popularity of decentralisation reforms in Africa. Generally, decentralisation reforms cover a broad range of activities, ranging from the introduction of grant systems and civil service reform at the local level to the capacity building of local governments, and usually, they are implemented over a long period of time. One of the features of this type of support in Africa is the way various activities, such as the drafting of new institutional set-ups and personnel training, are implemented as components of an overarching "sector

[88] The term "community" used here, though recognising some form of cohesion by way of sharing the locality of residence or based on certain functional relationships, does not necessarily mean community in the sense of a social unit which embraces a common set of values or strong sense of interdependence within a group (e.g. natural village, etc.). It includes various sizes of groups, ranging from those functional groups composed of several households bound together for certain specific activities, to those residential units, like a village, composed of several hundreds of households. Since the character of targeted groups varies according to the nature of the projects, we intentionally use the term "community" here to broadly refer to those small groups of various functions and sizes.

programme" agreed upon between the government and donors, Many donors provide financial resources for one form of pooling fund mechanism or another (basket funds, etc.) to support the programme in its entirety. But in the case of JICA, which adopts project-type support as its main aid modality, most of its support focuses around the capacity building of local administration personnel, who are actually engaged in day-to-day running of local administrations [89].

④ refers to an integrated form of assistance of a combination of the above three approaches. This type of assistance aims at the overall development of specific target communities or the development of specific sectors for these communities, while intending to build the capacity of local administration units, which are responsible for the overall development of the targeted area. It resembles a form of assistance that other donors call "area-based programmes" [90]. A specific example of this type of assistance in JICA is, for instance, a project that implements "community development support" activities on the one hand, and that aims on the other hand to strengthen the planning, coordination and implementation capacity of the local administrative units that are responsible for the areas targeted. Recently, there have been some projects that aim to develop the planning, coordinating and implementing capacity of local administrative units through the implementation of sector specific activities mainitaining full alignment with existing administrative procedures, without providing direct support to the local residents [91].

### 4-1-2 Review of JICA Projects/Programmes by Category

Next, for each category listed above, we will try to review some JICA projects/programmes in Africa, and try to identify some characteristics – both positive and negative – in relation to the functioning of local administration system in each country and in relation to some of the aspects emphasised by decentralisation reforms. It should be noted, however, that the purpose of reviewing here is not to evaluate the projects/programmes against their original objectives, but to elucidate sustainablity and scaling-up issues in relation to local administrative systems and decentralisation reforms.

Firstly, the perspectives of the review are defined as follows. Although these are some of the issues that the recent decentralisation reforms in Africa have emphasised as key objectives, they are equally important as basic functions of the local administrative system as such. By looking at

[89] Section 2-5-10 also refers to the recent phenomena of new aid modalities, i.e. basket funds and budget support in various African countries and their implications for area-based development support activites.

[90] "Area-based programmes", conducted by other donors, usually intends to capacitate local administrative institutions and residents to manage local development processes in a relatively large administrative unit like a District, while supporting the implementation of micro-projects proposed by local residents through the participartory planning process. Examples include "CDF" projects supported by UNDP, and "Social Development/Action Fund" projects supported by the World Bank. Depending on the project in question, some place more emphasis on certain types of activities, like agriculture, soil conservation or local water supply.

[91] For example, the "Morogoro Health Project" in Tanzania (4-1-2 (1) b)), and the "The Project for Participatory Village Development in Isolated Areas" in Zambia.

cooperation projects/programmes from these perspectives, we will be able to assess them in terms of to what extent each project/programme is implemented in line with the institutional framework of local administration system in each country, and to what extent each project/programme is able to contribute to the capacity development of local administration units or system as a whole [92].

① **Relationship with local administration system**

Relationship between the project/programme and the local administration system, and the substance of cooperation in cases where capacity development is included in the scope of cooperation.

② **Community participation**

Approach toward community participation adopted in the project. For what purpose, at what level and to what extent is community participation intended, etc.

③ **Accountability**

Is external accountability enhanced through the cooperation? If so, to whom is the accountability owed (higher level administrative units, lower level administrative units, or local residents, etc.)?

④ **Financial arrangements**

What kinds of financial arrangements of the recipient government is it intended to be used to support project/programme activities during and after the termination of the cooperation? To what extent are such financial arrangements sustainable?

⑤ **Improvement of service delivery**

Is the improvement of service delivery included within the scope of cooperation? Or, can we reasonably expect improvement of service delivery as a result of the cooperation?

Based on these perspectives, we will conduct a review of the following JICA projects/ programmes. An overview of each project based on a project design matrix can be found in Appendix.

With regard to "community development support" type, we have selected the case of "Sokoine University of Agriculture, Centre for Sustainable Rural Development Project Sokoine in Tanzania" as a representative case. This was necessary because most of the JICA interventions in this category are

[92] It is to be noted that the review was conducted between 2005 and 2006, when this study was carried out, and the status of projects/programmes reviewed varies according to the progress of each project/programme. The review of completed projects/ programmes was based on the terminal evaluation reports, and the review of ongoing projects/programmes was based on the initial design documents.

implemented through direct support to NGOs/CBOs, and there are very few examples of regular technical cooperation projects: though the project's overall objective is to support a higher education institution, direct intervention in communities was prominent in this project.

(1) Sector support
  a) Kenya: Project for the Improvement of Health Service with a focus on Safe Motherhood in the Kisii and Kericho Districts
  b) Tanzania: Tanzania Morogoro Health Project
(2) Community development support
  a) Tanzania: Sokoine University of Agriculture, Centre for Sustainable Rural Development Project
(3) Support for decentralisation reform
  a) Tanzania: Local Government Capacity Development Support Programme
  b) Zambia: Programme for Capacity Development for Provision of Decentralised Services
(4) Area-based development support
  a) Kenya: The Regional Development Programme in Nyando District and Homa Bay District
  b) Ghana: Integrated Social Development Programme

**(1) Sector support**

a) Kenya: Project for the Improvement of Health Service with a focus on Safe Motherhood in the Kisii and Kericho Districts

- Project overview

The purpose of this project is to improve maternal health care in the areas covered by the project. The project aims to develop the capacity of service delivery at health centres, which are positioned as the lowest-level health service delivery point, and to improve the capacity of community level maternal care.

- Relationship with local administration system

In Kenya, there has been no decentralisation-by-devolution. Under a structure of decentralisation-by-deconcentration, each of the sector departments in local administrations (Provinces and Districts) are positioned as local offices of central ministries, and these offices bear the responsibility of providing public services.

Amid this structure, the head of the DHMT is set as the project counterpart. The project includes development of the management capacity of the DHMT, and improvement of its support capacity for health centres. While health centres are positioned at the core of local maternal care services, District administrations provide advice and supervision for the health centres, and community-level service providers also shoulder the burden for a portion of the health services. The project aims to enhance the capacity of both District administrations and community-level service providers, and to enhance the cooperation between all three entities.

- Community participation

Participation by residents plays an important role in the following three aspects: expressing local needs, maintaining and operating health centre facilities, and bearing part of the costs of health services. Although the doors for residents to participate in overall local health planning are closed under the structure of decentralisation-by-deconcentration, local representatives are permitted to participate in the running of health centre steering committees, through which, residents are able to become involved in the health services in their areas of residence.

- Accountability

Health centres are mostly accountable to the DHMT (upward accountability). The accountability toward residents (downward accountability) is to be strengthened through the participation by users in the steering committees.

- Financial arrangements

The main sources of revenue are the MoH budget and the contributions made by residents for medical fees. The project supports the costs involved in the training activities needed for capacity development.

- Improvement of service delivery

Through the project, we can expect improvements in health services related to maternal care in the target areas. However, since the Kenyan MoH is aiming for service improvements based on a uniform national standard (National Package), there are limits to providing overall health care services reflecting the various needs of each area.

- Issues in relation to the local administration system

Under a structure of decentralisation-by-deconcentration, narrowing down the target of cooperation to the improvement of health services in certain specific field appears appropriate. On the other hand, with limited health resources including revenues, human resources, equipment and materials, how the improvement of maternal care services can be institutionalised in a sustainable manner, by linking local health administration, healthcare delivery facilities and communities will remain as challenge to the project in the remainig period. In the future, reforms to allow the further devolution of decision making power to local offices would be required to make local health care services more demand-driven.

b) Tanzania: Morogoro Health Project

- Project overview

The decentralised health service delivery system was introduced in Tanzania as a result of the

Health Sector Reform, and was further promoted by Local Government Reform (LGR). Under this system, the project aims to strengthen the capacity of Regional Health Management Teams (RHMTs)to better manage, supervise and coordinate the district health planning and implementation process for the specific region, and thereby to strengthen the operational capacity of the regional health administration system.

- Relationship with the local administration system

The decentralisation-by-devolution structure in Tanzania was introduced amidst decentralisation reforms following the Health Sector Reform,had aimed to establish deconcentration-type service delivery systems. Under this devolution system, districts are now better positioned to provide discretionary health services based on their own health plans.

The project seeks to promote "evidence-based health service delivery" (planning and provision of health services based on health information) with a RHMT, which has several Districts under its jurisdiction working as the focal point. The project also involves strengthening the planning and management capacity of district health departments, which are in charge of formulating and implementing district health plans.

In addition, the project seeks to review the roles and functions of the Regions, which had their functions curtailed under the initial decentralisation programme. It aims to build a model case for the improvement of the Central-Regional-District relationship by assigning the Regions enhanced roles, as local offices of the central government, for policy dissemination (to Districts), technical backstopping, financial management and inter-district coordination.

- Community participation

Community participation is not included in the actual scope of the project: the main target for cooperation is regional health administrators. Community participation is, however, ensured in the process of formulating District development plans, which include the health sector.

- Accountability

The project aims to promote mutual information sharing between administrative units and to improve mutual accountability, with a view to improving the quality of services at the district level, through such activities as the "(Region-District) Two-Way Information Network System (TWINS)".

- Financial arrangements

The budget for recurrent expenditures in the Tanzanian health sector is covered by a number of sources; including central government allocations, the district's own budget, contribution from user fees for health services, and is supplemented by an allocation from the health sector basket fund and general budget support (which is also distributed as part of central government

allocations)[93]. District health plans prepared with the support of the project are supposed to be implemented using these funds.

Since the project's aim is to provide indirect support to facilitate Tanzania's administrative activities, there are only limited activities that are incurred by the project and require additional resources to implement, except for some training activities.

- Improvement of service delivery

A direct impact on the improvement of health services is not intended in this project. Instead, it aims to yield indirect effects on health service delivery through better management and more efficient use of the health budget.

- Issues in relation to the local administration system

It could be said that the project is well aligned with the local administration system in Tanzania, as the concept of the project itself presupposes the introduction of decentralisation-by-devolution in the health sector, and aims to strengthen the functioning of the new system.

On the other hand, it is anticipated that it will take some time before one can see an actual improvement in the local health services through the efficient management of health resources in the planning departments of local administrations. There is also a need for national efforts to disseminate and scale-up the "good practices" realised in the project area to other areas in the country. Further challenges for the local health administration in Tanzania will include the question of how to maintain coordination between planning and budgeting in the health sector with those in other sectors both at the regional and district levels; and how to strengthen the coordination capacity of the planning and management departments of local administrations.

**(2) Community development support**

a) Tanzania: Sokoine University of Agriculture, Centre for Sustainable Rural Development Project

- Project overview

The aim of the project is to strengthen the research and development capacity of an institute that has been established by the university to develop techniques for rural development. Two model areas were selected in Tanzania as fields for research and development. Based on the findings obtained from the field research conducted by university researchers in ecology, anthropology, agriculture, and other fields in the project areas, community development projects were implemented in the target areas by communities and NGOs.

[93] In the health sector, project funds and global funds, etc. are also utilised to cover expenses associated with the implementation of other specified activities.

- Relationship with the local administration system

The development projects in the model areas were mainly implemented by university researchers, NGOs, and communities. The staff of the local administration were involved in such aspects as the approval of projects and the provision of technical advice, but these relationships were somewhat limited. This was unavoidable because local administrations had not been incorporated into the scope of this project from the very beginning. However, there were some activities that local administrations appreciated and recommended their extension to other areas at a later stage of the project.

- Community participation

Extensive community participation was encouraged and realised, from identifying the community needs, the planning of development interventions as well as implementation processes (provision of labour, bearing part of the costs, operation, maintenance and management of the facilities). This is because the project placed emphasis on making residents aware of the existing local resources and of the potential capacity of residents, to realise "endogenous" development of the target communities.

- Accountability

Downward accountability to the residents was achieved throughout the processes of planning of the projects, their implementation and their management. However, (due to the project design constraints) the involvement of the local administration was limited, hence the improvement of upward accountability was not of primary concern in the project.

- Financial arrangements

The majority of the community development project costs were borne by the project, with residents contributing only a limited portion. During the operation stage, however, it was observed that some projects were running using the proceeds and user charges.

- Improvement of service delivery

From the outset, the project had only an indirect relationship with the local administration. Thus it is difficult to expect institutional improvements to public service delivery.

- Issues in relation to the local administration system

The purpose of this project was the capacity building of the university's research institute, and the wider extension of rural development techniques through the links with local administrative bodies was not included in the scope of the project. In Tanzania, institutions of higher education are required to make social contributions and to conduct field-oriented research. Thus, it was assumed in the beginning that the research institute would function as one of the rural

development agents. However, with the limitation of financial and human resources of research institutes in Tanzania, consideration should have been given to forging an alliance with the government administration, rather than working alone with the universities.

On the other hand, the techniques developed through this project — namely, techniques for local development planning based on an in-depth analysis and cross-sectoral understanding of local ecological and social context and resources, and practical techniques for facilitating awareness raising and self-discovery of the potential by the residents — are in themselves valuable. A major challenge for the future lies in how to make these unique techniques extensionable so that they lend themselves to further dissemination, taking into account the existing system of local administration in Tanzania and its capacity.

### (3) Support for decentralisation reform

a) Tanzania: Local Government Capacity Development Support Programme

- Programme overview

The LGRP is being implemented with a particular focus on policy and institutional reforms, and, as a result, not enough support has been directed to the capacity building of the local governments to whom authority is being devolved as a result of decentralisation. Amid these circumstances, JICA has been providing capacity building support for executive officers at the PMO-RALG — which is responsible for the LGRP — and local government personnel at the regional and dsitrict level. In a similar vein, JICA has been providing cooperation aimed at the dissemination of the techniques for participatory development planning at the district level as well as strengthening the training institute for local government personnel.

- Relationship with the local administration system

The programme aims to develop the operational capacity of local government personnel, which, while not necessarily in the spotlight, is regarded as important in the LGRP and is expected to contribute to the overall goals of the LGRP. Although the programme is designed to be mutually complementary to the LGRP, except for the support for the dissemination of O&OD planning techiniques and processes, consistency with the overall programme of the LGRP is not necessarily guaranteed a priori.

The programme also includes activities that are meant to provide an opportunity for awareness-raising for Tanzanian government officials, so that they can make independent judgements with regard to the direction and pace of the ongoing reforms (an opportunity to objectively assess their own situation through a comparison with the experience of different countries, including that of Japan, which is presented as a case for reference).

- Community participation

The programme supports the strengthening of community participation processes through support for the extension of O&OD.

- Accountability

In addition to strengthening the downward accountability for residents through the extension of O&OD, it is expected that the programme will also strengthen upward accountability through the operational capacity development of the local administration system.

- Financial arrangements

Enhancing the capacity of local administrations to manage public finances is included in the scope of cooperation. It is expected that this will contribute to the efficient management of grants from the central government.

- Improvement of service delivery

Although this is not directly covered by the programme, it is expected that the programme will indirectly contribute to the strengthening of service delivery through the overall operational improvement of local administration.

- Issues related to the local administration system

At first, Japan was not among the donor countries in general for the LGRP, much less a participant in the basket fund arrangements. With only a limited amount of information on the decentralisation reform, Japan started with providing technical assistance by engaging experts, whose main services were directed to providing training opportunities for LG personnel. This is thought to be important to make decentralisation reforms work. On the other hand, the cooperation programme includes some components aimed at producing "intangible" outcomes, which are designed to provide "cases of opportunities to review the ongoing process and think about how the decentralisation reform in Tanzania ought to look like in its specific context", and which are not necessarily included in the LGRP programme. It will be necessary to position these components within the overall LGRP programme, so that findings from these exercises are to be reflected in the future designs of local government reform, which is necessarily a long and self-adjusting process.

b) Zambia: Programme for Capacity Development for the Provision of Decentralised Services

- Programme overview

The main aim of the programme is to develop the personnel and policy management capacity of district governments under the decentralisation reform programme in Zambia. The programme

targets 72 Districts in 9 Provinces across Zambia, and seeks to achieve its objectives by producing operating/training manuals and by conducting training using these manuals on three components of the decentralisation programme formulated by the Zambian government. These components are: 1) the capacity development of institutional and human resources management (personnel management systems), 2) capacity development for the planning, budgeting, and monitoring of local development activities and 3) the development of financial management capacity.

- Relationship with local administrative system

JICA is providing support to three out of total ten componennts of the decentralisation reform programme, in cooperation with the World Bank and Germany, and it could be said that it is well aligned with the direction of decentralisation reform and with the local administration system in Zambia.

- Community participation

Community participation is not directly supported in this programme.

- Accountability

Although the programme aims to strengthen upward accountability mostly within the local administrative system, it is also expected to contribute to the strengthening of downward accountability through the training of district councillors (training in the policy management cycle).

- Financial arrangements

The programme includes the development of the District capacity to monitor financial management (internal auditing) as a key component of cooperation. The programme is expected to contribute to the efficient management of grants from the central government.

- Improvement of service delivery

Although this is not directly covered by the cooperation, it is expected that the programme will indirectly contribute to the strengthening of service delivery through the overall functional empowerment of local administrations.

- Issues in relation to the local administration system framework

In Zambia, JICA had implemented technical cooperation in relation to PRSP monitoring and local government capacity development (in 2004-2006), which paved the way to the succeeding cooperation programme in support of the local government reform undertaken by the Zambian government. Similar to the example in Tanzania, the future challenges in this type of cooperation will include how to reflect the findings from the field level activities, on which JICA places much emphasis, into the central reform processes by combining together lessons and experiences at both levels.

### (4) Support for area-based development

a) Kenya: The Regional Development Programme in Nyando District and Homa Bay District

- Project overview

This project supports the formulation of DDP in the two target Districts using community participation, and it supports the implementation of some of the small-scale development projects included in the plans. Through this process, the project aims to develop the capacity of District administrations to formulate, coordinate, and implement development plans, with a particular focus on DDOs.

- Relationship with the local administration system

The "district-focused development policy" (district-focused approach)[94] has been promoted in Kenya since the 1980s, and under this policy, a structure for promoting development was introduced in which DDCs (District Development Councils) and DDOs[95] play a central role. The current programme aims to strengthen this structure. Although the said policy had come to exist in name only, partly because of the insufficient allocation of development budgets for the implementation of the plan, this project is positioned as a new trial for promoting the policy.

In Kenya, the LATF and CDF were introduced in recent years[96] under the policy of decentralisation-by-deconcentration. However, because planning and budgeting were done mostly by the local offices of different sector ministries located at the District level, there has been limited coordination between the development projects implemented using these funds and other activites in each sectors. As a result, there are cases where the operation and maintenance costs for the facilities that have been established using CDF or LATF funds are sometimes not covered by the recurrent budget.

- Community participation

Direct participation by residents is assured in both the DDP formulation processes and in the processes of implementing pilot projects contained within the DDP.

- Accountability

Through the community participation processes mentioned above, it is expected that downward accountability to residents will be ensured.

- Financial arrangements

Except for the contributions in cash and in kind made by the residents themselves, most of

[94] The policy was implemented based on the "District Focus Strategy for Rural Development," which was formulated in 1983.
[95] For information on DDCs and district focused rural development related to Kenya's district focused approach, see 2-4 of Chapter 2.
[96] For information on LATF and CDF, see 2-4 of Chapter 2.

the costs for the pilot projects implemented as part of JICA's cooperation were funded by the project. It is expected that the costs necessary for the continuation of the programme will be covered by earnings from the project and by the recurrent expenditures of District administrations (payrolls of vocational schools, maintenance costs for the seedling nursery, and other expenses).

It is expected that the DDPs formulated through the project will be implemented using a combination of resources from the local offices of different ministries, government funds such as LATF and CDF, and external funds such as from NGOs and other donors. However, the challenge remains in how to maintain coordination among these funds.

- Improvement of service delivery

Direct improvements in the capacity of District administration in their formulation of DDPs are expected. In the limited areas that are targeted by the pilot projects, improvements to services are also expected in those particular sectors addressed by the project, such as health, agriculture and income generation activities.

The project was originally designed to support the improvement of cross-sectoral coordination through DDP formulation processes. Thus, it is expected that plans will have greater cross-sectoral consistency and more reliable financial foundations including the securing of recurrent budgets, and thus achieve improvements in service delivery as a result of these processes.

- Issues in relation to the local administration system framework

The project is commendable as an effort to strengthen the "district-focused approach" aimed at enhancing cross-sectoral coordination in local development, and also as an attempt to promote bottom-up development processes through community participation. This is taking place in a unique Kenyan environment where a new grant system oriented to funding rural development activities like LATFs and CDF has recently been introduced, while the structure of decentralisation-by-deconcentration still dominates, in which central sector ministries exercise strong control.

Still, there still remain many challenges to be overcome around the possibilities for scaling up the techniques for formulating and implementing integrated, cross sectoral and prioritised development plans, like those tried in the project. In Kenya, local offices of different sector ministries still maintain their independent mandates and budgets and thus find little incentive to undergo cross-sectoral prioritisation; Districts still lack sufficient budgetary resources to realise their plans except for the financially restricted LATF; and the unique feature of CDF funds where often one cannot avoid politics from intervening.

It is possible to expect that one day the grant allocation system to finance local development activities through administrative channels will become institutionalised in Kenya[97]. Although this

[97] In Kenya, a proposed amendment to the Constitution, which included decentralisation-by-devolution, was rejected by the 2005 national referendum.

programme can be regarded as a preparatory effort for such a time, in order to extend and entrench the outcomes of this project, separate efforts will be needed to link them to institutional reforms at the central government level.

b) Ghana: Integrated Social Development Programme

- Project overview

This programme targets three Regions in northern Ghana, which are categorised as relatively poor in the country. The aims of the programme are to strengthen the capacity of local administrations to formulate and implement development plans, and to improve the incomes and living conditions of residents by means of supporting the implementation of Village-level community development projects through NGOs; and supporting the formulation and implementation of development plans in certain Districts within these Regions. and to strengthen them.

- Relationship with the local administration system

DDOs are the main counterparts to JICA's support to the formulation of DDPs and the implementation of pilot projects included in DDPs. Community development projects are implemented directly with the local residents through NGOs, hence with the limited involvement of local administrations. There was little development budget allocation by the central government to be used for the implementation of DDPs, and it was a common practice for individual donors to independently support the formulation and implementation of District and Village development plans with little coordination among them [98].

- Community participation

In formulating DDPs, local needs were identified through holding interviews and participatory workshops. In implementing both pilot projects under DDPs and community development projects by NGOs, community participation was realised by the residents (the beneficiaries) contributing part of the project costs and providing the necessary labour.

- Accountability

Community participation was promoted in the DDP formulation processes, and explanations were given to residents by the Districts/JICA in implementing the projects. Under the decentralised structure, there was a working relationship of reporting and supervision between Districts and Regions, but technical backstopping from the Region in particular was restricted due to the limited financial resources of the Regions.

[98] In Ghana, although a system of local grants to Districts existed at the time of initiating this programme based on the 1993 decentralisation policy, there was only a limited amount of development budget allocation to districts on the ground.

- Financial arrangements

Apart from a portion of the expenses involved in the pilot projects and the cost of NGO supported community development projects that were borne by the residents, almost all of the operational and development costs were borne by the project. The likelihood that the counterpart institutions can bear the necessary costs after the termination of the project has not been confirmed.

- Improvement of service delivery

It has been reported that a certain impact has been observed in the capacity building of District executive officers and NGO staff through the OJT conducted during the term of the project. However, because there are only limited resources provided through local grant schemes, which guarantees the continued implementation of the projects contained in the plan, it will be difficult to continue the activities initiated by the project.

- Issues in relation to the local administration system framework

As with the case in Kenya, this project illustrates the limitations of supporing rural development activities in an environment that lacks institutional mechanisms and financial resources to implement local development projects. In the project evaluation document, two issues are mentioned as limitations to this project These were namely: 1) failure to institute a mechanism that links community needs with local development plans; and 2) failure to establish a system that ensures the sustainablity of the outcomes and benefits of the cooperation. This suggests that the existence of an institutional mechanism that promotes rural development in the country has a great bearing on realising project objectives.

## 4-2 Support for rural development based on local administrative systems

Up to this point, we have looked at what kinds of relationship JICA's past and ongoing support projects/programmes for rural development have had with the local administration systems of each country. We also looked at how they can be assessed in terms of their relationship with some of the aspects that are emphasised in the decentralisation process.

Table 4-1 summarises these characteristics on the basis of the above review [99].

As the table clearly shows, each of the approaches has its own areas of relative strength and weakness. The following section describes the points to be considered when adopting these four approaches in actual cooperation projects.

[99] This table describes the general characteristics of each approach highlighting salient features to allow for easy understanding and thus does not always hold for individual projects. In implementing actual projects, it is important to keep in mind the strengths and weaknesses of each approach.

**Table 4-1 Characteristics of rural development approaches**

| | Sector-specific support | Community development support | Support for decentralisation reforms | Support for area-specific development |
|---|---|---|---|---|
| Areas of relative strength | • Improvement of services reflecting the needs of residents<br>• Capacity building of residents through community participation in service provision<br>• Ensuring direct (downward) accountability to the participating residents<br>• Improvement of upward accountability within the administration system | • Direct support aimed at improving the welfare of the residents<br>• Capacity building of residents through active participation in development programmes<br>• Ensuring direct (downward) accountability to the participating residents | • Nationwide impact through support for national policies and institutional reforms<br>• Promotion of cross-sectoral integrated rural development<br>• Enhancement of downward accountability through community participation in rural development plans and the involvement of local councils in development processes<br>• Enhancement of the capacity of local government to manage public finances<br>• Improvement of the absorptive capacity of local administrations | • Promotion of cross-sectoral rural development<br>• Enhancement of downward accountability through participation in rural development plans<br>• Capacity building of local government to manage public finances<br>• Provision of opportunities for collaboration between local administrations and communities/residents |
| Areas of relative weakness | • Coordination with other sectors<br>• Promotion of cross-sectoral rural development<br>• Ensuring political accountability for local councils | • Limited number of beneficiaries<br>• Limited relationship with the local administration (limited scope for support by the administration)<br>• Limitations on replicability and dissemination in other areas | • Improvement of sectoral public services<br>• Enhancement of upward accountability to the sector ministries<br>• Direct impact on the residents | • Improvement of sectoral public services<br>• Enhancement of upward accountability to sector ministries<br>• Limitations on replicability and dissemination in other areas |

### 4-2-1 Issues around rural development approaches seen from the local administration system

#### (1) Sector-specific support

This approach is appropriate when promoting responses to the development needs of a particular target area or when promoting the extension of the central government's sector policies (specific disease control or sector programmes, etc.) to local areas. Naturally, it is preferable that a certain degree of public service delivery system is in place when this approach is considered.

Under a structure of decentralisation-by-deconcentration, where the allocation of resources to the relevant sectors is determined by the central government sector ministries, one of the issues is how to approach the central government to secure the necessary resources. On the other hand, under a structure of decentralisation-by-devolution, where the authority over the allocation of resources has been transferred to local governments, the cross-sectoral competition and coordination for the distribution of resources at the local government/administration level becomes important. Technically,

the question of how to reflect policy priorities and how to receive technical support from the central sector ministries becomes important.

Local governments/administrations in Africa are generally under severe resource constraints. Thus, there are considerable restrictions on projects being extended through the local administrations, when implementing small-scale pilot projects in such areas as agricultural development or rural development. Careful consideration should be given to replicability, selection and capacity of the project agent (community organisations, etc.), as well as the costs of the project (initial investment, operations, maintenance).

**(2) Community development support**

As is evident from the review on past examples of JICA projects, the biggest challenge facing community development support projects is the replicability and the possibility of scaling them up, let alone the sustainability of the project itself. If the aim of a project is to provide direct support to specific geographical areas or to specific groups in a certain area for a limited period of time, and if one does not expect the project to be replicated in other areas, then this concern does not apply [100]. But when this type of approach is adopted in JICA supported projects, then it is quite natural to expect replicability and the possiblity of scaling up of the activities implemented in the community.

On the other hand, some of the the advantages of this approach lie in the meticulousness that allows a deep understanding of the needs of specific areas or groups, and in the flexibility that allows trial and error in the course of implementing various activities. Therefore, when this approach is considered by JICA or any other donor, it will be useful to confirm the existence of a functioning institutional framework for local development that makes it possible to make the best use of these advantages. An example of this is the Poverty Action Fund (PAF) in Uganda, which is adopted as a national programme that supports small-scale community development activities. Where such institutional frameworks exist, it is possible to position community development support projects supported by donors as “pilot projects” (an experimental example of a new approach) or “model projects” (a prescriptive example of a project) of a national programme, and it is possible to make the relationship with the institutional framework clear.

Even where such a national framework does not exist, it should be possible to find a means of scaling up by linking project activities with some wider-area support programme such as the World Bank’s “Social Action Fund” programme or UNDP’s CDF programme.

[100] This kind of approach can be adopted for emergency assistance projects in post-conflict or post natural disaster conditions. In addition, this kind of approach, which has a limited duration and strong focus on a certain area and group of people, might be justified for NGO assisted projects.

On the other hand, even when there is a lack of the existence of an institutional framework, it is still possible to enhance the potential of sustainability and the scaling up of a project through the service delivery process. This can be achieved through formulating collaborative relationships with community development extension workers, public health nurses or other staff of local administrations who are engaged in the actual delivery of services in local areas.

**(3) Support for decentralisation reform**

In Africa today, the popularity of decentralisation-by-devolution is high. It is therefore quite natural that support for decentralisation reforms is being implemented with a view to promoting and strengthening decentralisation-by-devolution. Furthermore, under the influence of New Public Management thinking, privatisation and contracting out of services to the private sector will also come within the scope of decentralisation in the broader sense of the term.

In practice, this approach of support is adopted either as a part of or as a complement to the overall reform programme. Therefore consistency with the institutional framework is guaranteed from the very beginning. At the field level, this approach can support the integrated development of an area and comprehensive capacity building of the local administration which is in charge of developing the area in question by facilitating the existing systems and processes of local development.

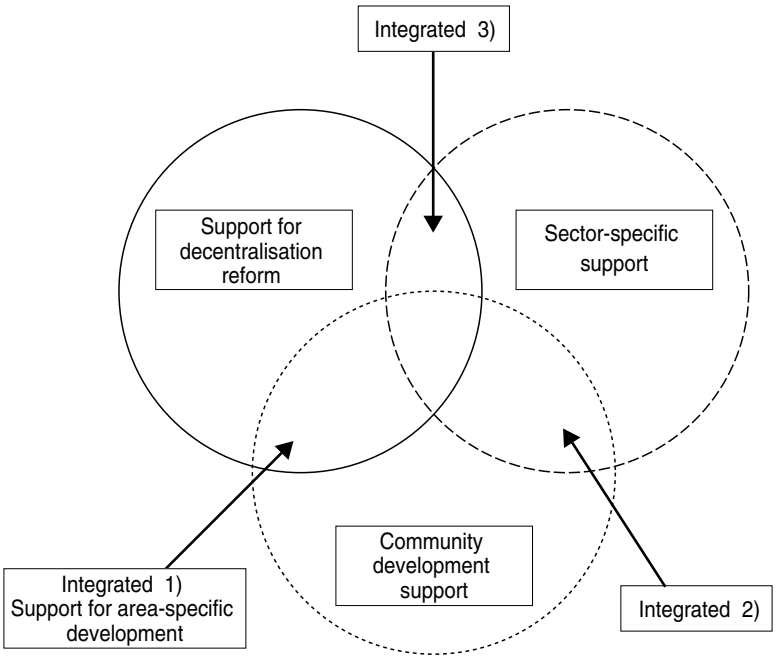
On the other hand, decentralisation reform is, by its nature, a process of institutional development for a country, and it is not easy to identify the tangible results of such an assistance programme within a relatively short period of time. Institutional development follows the process of system development-execution-evaluation/review-system improvement; hence it has a gradual and cyclical nature. It is therefore important to bear this nature in mind and accomodate the difficulties of setting short-term objectives. Consequently, if we intend to address the improvement of public service delivery in a specific area as a matter of priority, then it may be more effective and appropriate to adopt an approach that targets specific sectors.

It is also important to recognise that this process of decentralisation involves both aspects of institutional framework development and its implementation, and that there is a need to address both aspects by combining different approaches so that both aspects are covered in a mutually complementary manner (for further details, see 4-3).

**(4) Support for area-specific development**

With respect to the support for area-specific development type cooperation,which exists as an integration of the types of approach listed so far, we can envisage a number of different patterns comprised of combinations of the basic approaches. Figure 4-1 shows a schematic depiction of the patterns of integrated cooperation which are produced based on the reports of Helling, et al., 2005.

**Figure 4-1 Various approaches for rural development and their relationships to each other**




Source: Drawn by the author.

At this point, we will introduce three integrated approaches, and we will present the characteristics of each, as well as matters that should be kept in mind when adopting them. For this section, we have presumed that each of the approaches is implemented in a specific area.

1) Support for decentralisation reform + Community development support

This approach aims to realise tangible development outcomes (regional development, improvement in community welfare) by implementing development projects in specific target areas while attempting to institutionalise the mechanism of rural development within the administrative system. This is generically what the area-based development approach aspires to achieve.

The greatest challenge for this approach is whether a working administrative system for promoting rural development and a grant system that financially supports this development can be established. For this to happen, merely striving for the technical capacity building through community development programmes in a specific area is not enough. It is important to link this type of approach to the institution building activities at the central government level so that the lessons learned from the field level practices can be reflected in the institutionalisation of rural development and grant system.

Another challenge would include how to manage the relations with local political councils/elites in the local development process, as one of the priorities of the decentralisation reform is to revitalise local councils and promote their involvement in the development process. Ideally speaking, enhanced involvement of local councils should hold promise in terms of a better reflection of local needs,

improved monitoring, and enhanced accountability. However, in Africa, it may end up with a situation where their involvement may pose obstacles to project implementation, through such occasions as the project prioritisation and the procurement, as it is likely that local councils become an arena where the local political elites scramble for administrative resources.

2) Sector-specific support + Community development support

Probably the biggest challenge for this type of approach is the question of how to manage inter-sectoral coordination. This is not so much of a problem when the project deals with a single sector such as education or health. But in cases where the project addresses cross-sectoral issue such as agriculture and rural development, coordination with other sectors in planning and budget allocation becomes very important. Under the decentralisation-by-devolution structure, an institutional infrastructure is at least in place to enable this coordination. But under the structure of decentralisation-by-deconcentration, cross-sectoral coordination would not be easy in the absence of such institutional arrangements.

It would also be desirable for this type of intervention to maintain administrative linkages with the policy and planning departments of the central government, as it is important that projects at the local government/administration level need to be coordinated with the central government's policies and strategies. Close linkage with the central ministry is necessary when the lessons learned through the field practices are to be reflected in central policy discussions.

3) Support for decentralisation reform + Sector-specific support

This type of approach would be useful if one intends to improve service delivery in a specific sector, while also promoting the entrenchment of the decentralisation reform and the improvement of operational capacity of local administration in a specific area. It can also be employed when there is a need to disseminate good practices obtained through a sector-specific intervention to a wider area or to institutionalise them under the decentralised structure of local administration.

The Tanzania experience, which we examined earlier on, of capacity development in the health sector administration, presents a good example. If one intends to apply the good practice — enhanced management of health sector resources achieved in a specific region — on a wider scale, while working for greater conformity with the decentralised local government/administration structure, employment of this approach may be considered.

In this case as well, the relationship with the political process — how to involve local councils/elites would become an issue to be considered, as it did not feature very much when the project was operating in a specific sector.

In recent years in Africa, there has been a tendency for donors to refrain from implementing area

specific interventions like the ones mentioned above, especially those that are categorised as "Area Based Programmes". This derives from the fear that such intervention causes disparities among different regions/districts, and that the donor support tends to create parallel administrative systems to the government ones. While admitting these concerns, however, we believe that the area specic approach can still be justified under the three cases mentioned below, when one pays full attention to harmonisation with existing administrative system and co-ordination with other donor interventions.

**① when the support is implemented as a pilot project for a specific development method or a specific administration management method**

The term "pilot" mentioned here refers to those in which the hypotheses and the evaluation methods of the pilot are defined in advance, based on present situation analysis. During the development process, stakeholders can often react unexpectedly and there can often be changes in the external environment (although there should be much to learn from those). Wherever possible, these need to be identified and conditions stipulated, and clarified in advance what kind of "experiment" the pilot project is intended for. Otherwise, after the pilot project has terminated, it would be difficult to incorporate and institutionalise the lessons from the "pilot".

**② when the targeted area is assessed as lagging in its level of development or in administrative management capacity compared to other areas, and that gap needs to be filled**

It sometimes happens that regions where development intervention and assistance have not been sufficient in the past due to geographical conditions, accessibility, or donor's preferences, etc., suffer from an inadequate level of capacity to formulate development plans or deliver services. In such instances, it can be considered to provide intensive support for a specific area for a fixed period of time, to render the area more amenable to accomodate new approach or systems meant for nationwide application. This approach can be justified from the viewpoint of increasing the absorptive capacity of administration and residents to accept new way of doing business.

**③ when local administrative management capacity needs to be improved**

Lack of the administrative management capacity of local government/administration is often considered to be a serious obstacle to decentralisation. To overcome this problem, the local administrators need to aquire not only basic knowledge and skills for administration and service delivery, but also to apply and arrange what they have learned to the individual cases through their work. Thus, it is important to undergo intensive "OJT" and accumulate practical experiences as well as group training and seminars to learn the basic knowledge and skills.

While recognising the importance of the alignment of donor interventions with the government system and coordination among donors, if looked from the foregoing perspectives, area-specific intervention also deserves consideration in certain cases.

### 4-2-2 Selection of the intervention approach in relation to the local administration/ government system

Finally, we will take a moment to review the necessary steps to select any of these approaches of intervention.

① Though we have highlighted in this chapter how various development interventions can be appraised from the viewpoint of their relationship with the local administration/government system and its functioning, it goes without saying that the selection criteria for intervention lie also in the development issues in a target area, as well as the needs of local residents and the urgency of those needs. The selection of an intervention approach is influenced by the project objectives set against these issues and needs.

For instance, when the lives of residents in a particular area are threatened by conflict, disaster, or the sudden spread of an infectious disease, it would be appropriate to select a direct support approach for residents or support for a specific sector. These exist as a priority requirement before discussing the structure of the local administration or functioning level thereof.

② The next step involves evaluating the functioning level of the local administration system (the state of service provision based on the level of budget allocation and distribution of personnel) in the target country or region. Imagine that the functioning level of the local administration system in a particular region was evaluated as being markedly poor (such as for a post-conflict nation), and supposing the relationship with the local administration was limited, then a donor would possibly consider direct support aimed at residents. In such cases, compromising the scaling up and replicability in other regions will probably be necessary. Conversely, in cases where the local administration system is in relatively good condition and a level of functional sufficiency can be seen, it would be valid to provide support that targets the improvement of technology or management techniques for specific administrative services.

③ Furthermore,one needs to consider the question of whether the target country or region is under a structure of decentralisation-by-deconcentration or a structure of decentralisation-by-devolution. In a devolution structure, broader discretionary powers are given to local governments, and grants are distributed to effectuate these powers (in particular non-conditional grants); whereas in a deconcentration structure, local discretionary powers are limited, and the scope of the budget that a local government/administration can use at its own discretion is also limited. Naturally, these differences influence the selection of the intervention approach. Under a structure of decentralisation-by-devolution, providing cooperation aimed at the entrenchment of the system could be one option. If the structure is already functioning to some extent, then promoting integrated development for

a particular region relying on the existing local government/administration system can be considered. In these cases, in spite of various criticisms, there is still room for the area-specific approach to have positive meaning. On the other hand, under a structure of decentralisation-by-deconcentration, where it is difficult to employ such an approach, a sector specific approach is likely to be more effective [101].

④ Regardless of the functioning level and decentralised structure of the local administration system, using a cooperation project that targets a specific area to create a model case of improvement, and then linking this to broader, national institutional changes (as mentioned above in the section on Nyando and Homa Bay in Kenya) can be considered as an option. However, in this case, the following points should be noted: 1) there is uncertainty as to whether such a model case can be crafted, 2) as in many instances, model cases are often formed on the premise of excessive inputs or an exceptional environment, it is necessary to examine the possibility of scaling up the model, including costs and institutional arrangements, and 3) the efforts in the form of cooperation for institutional reform should ensue in the succeeding stage, which are in a completely different dimension to the construction of the model case. In other words, if one wishes to start with piloting to be followed by institutionalisation and larger-scale application, one would need to formulate a long-term programme for cooperation and clearly define both the positioning of the pilot/model (the relationship between the pilot/model and the system/programme to be introduced at a later stage) and the appropriate level of inputs (on the assumption of scaling up), even before the pilot/model is started.

The difficulty with this approach lies in the fact that the success or failure of the pilot/model is not known at the time of starting, and that the formulation of long-term programmes based on the assumption that the pilot would succeed is not tenable.

## 4-3 Approaches to support for decentralisation reforms

Up to this point, we have attempted to re-evaluate JICA's past and ongoing rural development projects, from the perspective of their relationship with the local administration/government system. We have also categorised the relative advantages and constraints of different approaches used for these projects, and have presented some issues to be considered when attempting similar cooperation projects in the future.

In this section, among the four approaches we have examined, we will take up the support for decentralisation reform in Africa, which is an emerging area of cooperation for JICA. Based on the knowledge of the current state of the local administration system and decentralisation reform in African countries, we will discuss the future direction of cooperation in this sector.

[101] As seen in the Tanzanian example, even under a structure of decentralisation-by-devolution, there is still more than a fair chance that a sector support approach merits adoption.

### 4-3-1 Significance of support for decentralisation reforms

Firstly, we would like to confirm the significance of cooperation in this particular area in which JICA has had limited experience.

First of all, the following points are worth mentioning as a backdrop to the recent surge in interest among donors in their support for decentralisation reforms in Africa.

① Since the 1990s, decentralisation has been implemented as one of the main agenda items of government reforms, especially in the Anglophone nations of southeastern Africa. Cooperation projects conducted by Japan across all sectors in the rural parts of Africa have been affected by this decentralisation reform, and it has become imperative for Japan to be conscious of the changes brought about by the reform (mainstreaming of decentralisation reform in Japan's interventions in Africa).

② Amid the growing recognition of the importance of governance in the development agenda, increased attention is being paid to the capacity building of the local administration/government that is responsible for the delivery of development programmes and public services at the grassroots level, as well as that of the central government, especially around public financial management of the ministry of finance (governance as an executive capacity of administration). This is even more so when one realises the role of the local administration/government in poverty reduction and the attainment of the Millennium Development Goals (MDGs) (mainstreaming of the governance agenda in development).

③ Amid the growing emphasis on a results-oriented approach, there has been increasing concern over the institutional and organisational impact of interventions as against the conventional approach of focusing on the individual capacity building of counterparts working in projects. As a result, donors now recognise the increased necessity for the institutional empowerment of the local administrations/governments in the recipient countries. (emphasis on institutional empowerment and CD in aid).

Based on the foregoing, JICA began to explore the possibility of initiating projects designed for strengthening decentralisation reform and local government capacity development in Africa [102] from the end of the 1990s. For JICA, the following constitutes the main rationale for supporting this subject.

JICA has provided a considerable amount of support in the area of rural development in Africa in the spirit of promoting a "field-oriented" approach. The capacity development of the local administration/government — who are one of the major players in rural development — is an

[102] One of the earliest examples of this is the dispatch of experts to Tanzania's PMO-RALG, which began in 1999.

extremely important issue for JICA in its effort to sustain, institutionalise and scale up the achievements of past efforts. Nevertheless, as we have seen so far, rural development projects had limitations in terms of their sustainability and potential for scaling up, mainly due to constraints in the capacity of the local administration/government. Each project has done its own part in strengthening the capacity of the local administration/government within the framework of the individual project. But as we have seen in this study, the issue of local administration/government capacity (planning and execution of policies, provision of public services) should be viewed as an institutional matter covering the entire nation, rather than merely as a problem of a particular region or a particular sector, let alone as a problem of the capacity of individual officers and personnel of the administration.

Studies of political economy in Africa point out that the key constraints on development in today's Africa are the "underdeveloped markets" and the "underdeveloped states" [103]. Much as the "physical" infrastructure such as roads and electricity supply are required for market development, the capacity development of local administration/government and public services provision is equally important as the "institutional" infrastructure for the development of states. Thus, capacity development support to local administrations/governments in Africa should be given high priority in governance assistance to Africa.

Naturally, a critical view has to be adopted as to whether all efforts in decentralisation-by-devolution being introduced in African countries will automatically lead to the capacity development of local administrations and the improvement of public service delivery in rural areas. Thus, it is not certain as to whether any support for decentralisation reform that JICA implements will directly contribute to the capacity development of local administrations/governments. However, if one can agree to the importance of governance and service delivery for Africa's development, then support for decentralisation reform should provide a significant entry point to answering the question of how one can support governance development. Criticising decentralisation reform as an imposition by donors and conducting parallel cooperation may not prove effective. Rather, it would be more productive to engage in decentralisation reform and attempt to ensure that the reform is more rewarding in terms of governance and service delivery improvements.

Secondly, support for decentralisation reform can be justified as an excellent platform for technical cooperation that aims at institutionalisation promoted in the name of CD. Decentralisation reform does not always guarantee the improvement of local administration/government capacity or governance. But by getting involved in the process, JICA's support for decentralisation reform can potentially contribute to capacity building in areas that require tacit knowledge and know-how, such as the empowerment of the executive and the operational capacity of administration management, and to

[103] See Takahashi (2006) p. 92. Also, for a review of various empirical analyses on factors underlying the low growth of African economies, see Fukunishi (2002).

the process of utilising lessons learned on the ground to bolster institutional framework development at the centre. These are the unique characteristics of Japan's technical cooperation.

After recognising the significance of support to decentralisation reform, there still remains a problem of how to evaluate the outcomes of cooperation provided to this sector (evaluation criteria and time span of evaluation). It is always difficult for donors who are faced with high expectations to produce immediate outputs within the limited time frame of cooperation. This has to be admitted by those who are concerned that this is not the case with support to decentralisation, as the subject relates to the institutional development of an entire country, and has to go through a long and reversible process. Thus stakeholders should share the understanding that short-term outcomes are not easily obtainable. If visible and tangible results are indispensable, one option would be to provide support in combination with an approach whereby short-term outcomes can be expected, such as support for area-specific development described above. In any case, institution building cannot be achieved overnight, and donors will need to be ready to provide cooperation with a long-term perspective while being patient with regard to short-term outcomes.

### 4-3-2 Approaches to support for decentralisation reforms

Next, let us look at some specific approaches that support decentralisation reform.

Below is a summary of the characteristics of decentralisation reform as currently practiced in African countries, which we examined in the previous chapters.

- In Africa, decentralisation reform is regarded as a means of promoting not only democratisation but poverty reduction, which is the biggest development challenge today. From this viewpoint, the focus of the decentralisation is on improving service delivery by local administrations/governments.
- Under the reform, local administrations/governments are allocated financial resources from the central government to cover the costs required for the delivery of public services and the implementation of development programmes. There are various types of grants from the central government. When reforms are promoted alongside the implementation of sector programmes, sector-specific grants are used. In other cases, general non-earmarked grants are used which give greater authority for local governments to manage the resources.
- At the same time, decentralisation reform has been implemented as part of the democratisation process that began in the 1990s. Decentralisation reform in this sense aims for the introduction of an elecetd democratic system in local areas, as well as those in central politics; As a result, the nature of a local authority has shifted from "local administration" to "local government".

- Reflecting the practice of participatory development advocated since the 1980s, the active participation of local residents has been incorporated systematically into the formulation of local development plans.
- Although there may be country specific reasons behind the introduction of decentralisation reform, the reform itself is often prompted by the failure of the centralised development approach after independence focusing on the urban and industrial sectors, and/or under strong pressures from the donors; hence the reform is often pursued with great haste, rather than going through a gradual process. As a result, local governments face an upheaval due to the sudden expansion of their mandates and financial resources that exceed their capacity.
- Amid such circumstances, the relationship between the central sector ministries and local governments has become weaker and central policies and technical guidelines do not reach the local governments, which leads to the fear that the reform may not have an immediate impact on the improvement of public services.

This broadly illustrates the current progress of decentralisation reform. Let us now look at what kinds of approaches are useful for donors, especially for JICA, under these circumstances.

① Firstly, it would be possible for JICA to provide technical cooperation for the executive capacity development of local administrations/governments for public service delivery. As in the cases of Tanzania and Zambia, efforts are already being made in support of the enhancement of basic administrative skills and the operational capacity of administrative services. These are meant for local civil servants to whom an increased mandate and financial sources have been allotted as a result of decentralisation. This form of cooperation may be termed "empowerment of the absorptive capacity", and is an approach that should be pursued vigorously by a development agency like JICA that emphasises the importance of practical skills and know-how. More specifically, this approach can be applied in the following areas.

- Training of local government personnel in basic administration skills
- Establishment and strengthening of training institutes for local government personnel
- Operational improvement of the administrative capacity in local governments

② On the other hand, as seen in the foregoing discussions, it is difficult to sustain the improvement of management capacity if there is no proper institutional system in place. Consequently, there is a need for Japan to actively become engaged in a country's institutional framework development, in addition to contributing to practical capacity development, including in the following areas:

- Support for the development of laws, rules and regulations, as part of the decentralisation reform programme

- Provision of advice and ideas on the overall programme design and implementation process

Up until now, it has not been common for Japan to become involved in the institutional framework development process. However, as in the case of Zambia, if Japan can provide support for "empowering the absorptive capacity" as an input that is clearly positioned in the overall programme, then it should be possible to contribute to the overall institutional framework development by providing feedback from the capacity development activities. It is important for Japan to continue providing cooperation that aims at both institutional framework development and "absorptive capacity empowerment." This approach fits well with the CD philosophy, which places emphasis on developing institutional capacity.

With the decentralisation reforms in many African countries being based on Anglo-Saxon experiences and models, what kind of added value can Japan offer to the institutional design of decentralisation? We will try to present some recommendations on the institutional aspects of decentralisation reform in Africa based on Japan's cooperation experience in Tanzania and the knowledge gained through this study.

If Japan was to make specific recommendations regarding the institutional aspects of decentralisation, making practical observations gained through field-level activities such as on the functioning status of local government is not enough (though this is quite important). It would be necessary to evaluate these hands-on observations in light of theoretical perspectives, and interpret them into concrete suggestions for the improvement of the system itself, so that these ideas and recommendations provide the basis for discussion among the stakeholders.

In terms of the evaluation, as has already been presented in this report, the following five criteria can be given: ① policy framework and administrative structure, ② fiscal decentralisation, ③ decentralisation of personnel management, ④ decentralisation of the development planning process, and ⑤ decentralisation of service delivery (for further details, see 3-3-1). In order to have an overall understanding of any system, it would also be useful to understand that there is a certain typology of the institutions of decentralisation. One typological set is that of "deconcentration, delegation, and devolution," which is a typology categorised according to the degree and contents of the transfer of authority. The other set is the "integrationist model of decentralisation" and the "separationist model of decentralisation" categorised according to the nature of the relationship between the central and the local governments [104]. These are approaches to categorising different systems of decentralisation in terms of both their form and operational quality.

[104] For views on the "separationist model of decentralisation" and the "integrationist model of decentralisation", see p. 181 in JICA (2001), and 3-1 in this report.

Let us discuss this with respect to an example. As has been pointed out before, one of the serious problems of the current decentralisation reform in Africa is that the relationship between the central sector ministries and the local authorities has become weaker, or the latter are more detached from the former due to the rapid promotion of the devolution type of reform. This might have resulted from the rapid application of the "separationist model of decentralisation" with the intention of establishing highly autonomous local governments, copied on the basis of Anglo-Saxon experience. Local authorities, to which only a limited role had been given, are now suddenly expected to play a major role as local governments in local development with an extensive mandate and responsibilities. Unless preceded by sector reforms, these local governments are not always prepared to take up the responsibilities assigned under the current arrangement,and there is a danger that the quality of services provided by these local governments may deteriorate in the absence of close guidance and technical backstopping from the central sector ministries.

Strong guidance by the central government given to the local authorities may be justified in developing countries such as in Africa where there is a need to address a nationwide programme like the MDGs or to achieve national minimum standards for service delivery. In such instances, it may be argued that the "integrationist model of decentralisation," which is based on the continental and Japanese experience, is more appropriate than the "separationist model of decentralisation" [105]. Thus, as a policy input to the current decentralisation reforms in Africa, Japan may insist on the merits of the "integrationist model of decentralisation," whereby one can suggest the need for a closer collaborative relationship between the central and local governments, a division of roles and responsibilities between them, and an appropriate coordination mechanism.

Although these are tentative propositions, one may be able to translate the limitations and difficulties encountered in the field into institutional issues and suggestions, rather than treat them as merely organisational or personnel capacity problems. To make further examination possible, comparative studies and analyses of local administration systems and/or decentralisation processes in various regions and countries will be important. Networking among experts and researchers in these fields will be of use to this end.

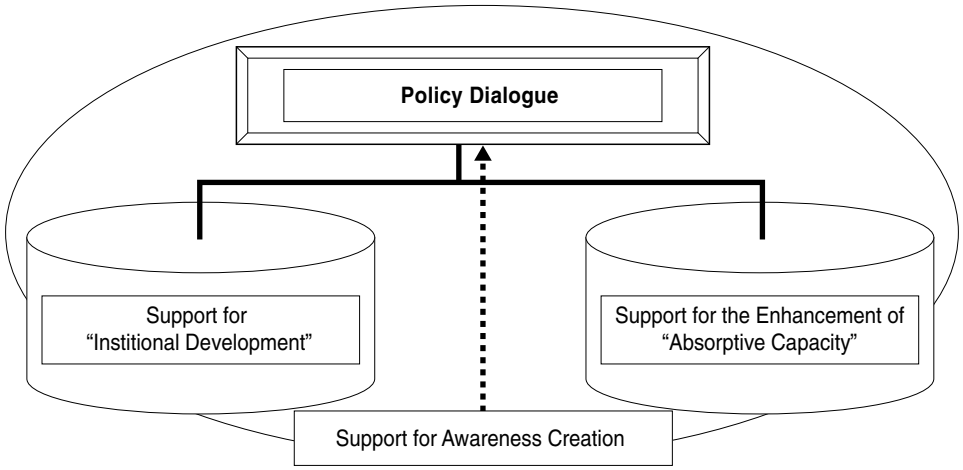
③ Furthermore, if Japan wishes to be closely engaged in the institutional aspects of decentralisation, it is advisable to create and make use of opportunities for a "policy dialogue" between Japan (preferrably jointly with other donors) and policy makers from the recipient country, which will provide an excellent opportunity for discussing policies and institutional arrangements.

[105] Pp. 182-183 of JICA (2001). In Japan's experience, it can be said that the integrationist model of decentralisation contributed to the improvement of services and the promotion of development. But the report also pointed out that accountability to the residents was not fully addressed under this system. This point was also indicated in the discussions of this study group.

One way to promote this policy dialogue could be to help African policy makers and administrators be exposed to the models of other countries, including that of Japan, than those of Europe. The case in Tanzania presents an interesting example. As part of the decentralisation support programme by JICA in Tanzania, about 100 Region and District administrators were invited to Japan over five years, and participants learned various aspects of the local government system of Japan covering the history, structure and administrative practices of decentralisation and local administration in Japan. The administrators were encouraged to compare Japan's experience with the case of Tanzania, and exchanged opinions with Japanese officials and academia on the future direction of decentralisation reform in Tanzania. This support for "awareness creation" can be recognised as another variation on institutional support provided by Japan.

Figure 4-2 shows the relationship between the various methods of assistance listed above.

**Figure 4-2 JICA's approaches to support for decentralisation reforms**




Source: Compiled by the author.

This figure demonstrates the following points. Firstly, support for "institutional development" and "absorptive capacity" need to be seen as mutually interdependent. Policy dialogue is important for linking the two. Secondly, support for "awareness creation" exists as an opportunity to objectively view an entire decentralisation structure. The "awareness" gained from this exercise could be linked to policy dialogue, and, in turn, to support for "institutional framework development."

It has to be borne in mind that it requires long-term commitment and concerted efforts to make effective contributions to institution building in decentralisation reform.

## 4-4 Decentralisation support and specific methods of assistance

### 4-4-1 Areas for support and methods of assistance

In conclusion, we will consider some modalities of support to decentralisation reforms through Japanese ODA.

As mentioned earlier, we can broadly categorise the thematic areas of support for this area into: support for "institutional development", "absorptive capacity" and "awareness creation." Table 4-2 shows Japan/JICA's instruments of assistance for each category of support.

Recently, there has been a general tendency among African countries and donors to prefer financial assistance in the form of pooling fund arrangements or direct budgetary support to the country's financial system, from the viewpoint of reducing transaction costs associated with the receipt/execution of assistance and as an attempt to increase the efficiency/effectiveness of the aid resources provided. For this reason, if activities to be supported are fully integrated with the overall reform programme, financial assistance should be preferable since it can avoid cumbersome coordination among the donors and can promote ownership by the recipient country [106]. However, when Japan is unable to provide this type of support due to its institutional limitations, then the support has to be provided as bilateral technical cooperation projects.

**Table 4-2 Areas for support and methods of assistance**

| | Description of activities to be supported | Modalities of assistance |
|---|---|---|
| Support for "institutional development" | ◎ Formulation of laws, systems, regulations, etc., related to decentralisation<br>◎ Advice on decentralisation processes and support for the implementation process (facilitation) | ○ Use of the output-oriented type of TA (hiring of consultants)<br>○ Use of the process-oriented type of TA (dispatch of advisory experts) |
| Support for "absorptive capacity" | ◎ Basic training of the administrative staff of local administrations, etc. (including the preparation of training materials)<br>◎ Establishment and strengthening of training institutes for local government personnel<br>◎ Operational capacity building of local government personnel | ○ Use of the output-oriented type of TA (hiring of consultants)<br>○ Financial assistance for facility development, and use of TA with capacity building<br>○ Use of the process-oriented type of TA (dispatch of experts) |
| Support for awareness creation | ◎ Exposure to alternative models of decentralisation, including non-Anglo-Saxon ones | ○ Observation of other countries, including Japan |

TA: technical assistance (including technical backstopping, technical cooperation)

On the other hand, support that aims at the improvement of administrative management may require a more OJT-oriented and person-to-person type of training, rather than giving general training

[106] The term "financial assistance" mentioned here includes everything from regular financial assistance to contributions to basket funds.

or transferring knowledge. This is because the management capacity of the administration can only be strengthened from the hands-on experience gained from dealing with actual cases. This type of TA is more suited to an agency like JICA, which has an edge in capacity building activities.

### 4-4-2 Recommendations on future assistance for decentralisation reform by Japan

The added value of Japan/JICA's technical cooperation lies in its "escorting type of approach" based on an equal footing with the recipient country, rather than a paternalistic mode of behaviour, with respect for ownership and dialogue with the recipient side. Based on this, support for "absorptive capacity buiding" could be an area where Japan/JICA can make a significant contribution to the overall decentralisation reform process.

On the other hand, because this "escorting type of approach" stresses the ownership of the process by the counterpart country, it may face certain difficulties in implementation side-by-side with the conventional "blueprint" approach (explicit improvements on indices in a relatively short time based on predetermined goals and an input schedule). Furthermore, the functioning of local authorities depends on numerous factors beyond the command of a single project. This also makes the application of the "blueprint" approach difficult. Moreover, because this is an area where many donors are providing support, it is technically difficult for Japan/JICA to single out the outcomes directly attributable to its own inputs.

Some of the unique characteristics associated with support to decentralisation reform are as discussed above, it is necessary for those who are directly involved within JICA to prepare for various critiques that may be encountered in the course of preparing and implementing a project. On the other hand, it will be necessary for JICA to accept new ways of thinking regarding how cooperation ought to be pursued in this new and growing area of cooperation. Below are some of the important points to be borne in mind in this connection.

- In view of the multidiciplinary nature of institutional reform and the long time frame for such reforms to be established, a long-term and holistic approach should be adopted.
- Given the reversible nature of institutional reforms, a certain degree of flexibility should be accommodated in the monitoring and evaluation of the project.
- JICA needs to treat such local programmes owned and run by the partner government with partial input from Japan/JICA as a "JICA assisted programme" proper and give them full recognition, instead of only acknowledging those comprised solely of Japanese inputs. This is necessitated by the fact that there are already decentralisation reform processes underway with a number of donors supporting them.
- Therefore, Japan/JICA does not necessarily need to set new goals and objectives for its cooperation programmes. Rather, it would be more appropriate to share the overall goals of the decentralisation programme, and to assess the achievements of cooperation by the level of contribution to these goals.
- To make a contribution to the overall decentralisation programme objectives, it would be more effective to combine technical cooperation with some form of financial assistance.
- To respond to the requirements from those who value tangible outputs, it may be necessary to combine support to decentralisation reform with specific projects that can produce outcomes in a relatively short time.

Japan/JICA does not necessarily have sufficient experience in providing support to decentralisation reforms. In addition, the nature of such support, which is highly institutional, makes it hard to see and measure the results and outcomes using clear-cut indices. Nevertheless, this is a very important area for support not only for poverty reduction through the improvement of public service delivery, but also for the improvement of local governance in Africa where the "underdevelopment of states" forms one of the reasons for underdevelopment in socio-economic terms. For this reason, Japan/JICA is expected to be more active in providing support to this area in the future. As conducted by this study group, it is important to analyse local administration systems from the historical and structural perspectives in the context of each country's different political and governance systems, so that realistic and practical recommendations for institutional improvement can be drawn from such analyses. In addition, it is crucial to promote a policy dialogue with African governments with a view to turning these recommendations into reality.

# Appendix
# JICA Project Information

# Appendix JICA Project Information

## 1. Project for the Improvement of Health Service with a Focus on Safe Motherhood in the Kisii and Kericho Districts

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| Project site | Nyanza Province and Rift Valley Province, Kenya |
| Project title (English) | Project for the Improvement of Health Service with a Focus on Safe Motherhood in the Kisii and Kericho Districts |
| Project title (Japanese) | ケニア西部地域保健医療サービス向上プロジェクト |
| Period of cooperation | 2005/3/31 - 2008/3/31 |
| Project overview | In western Kenya, many people are affected by infectious diseases, there is little social capital, health and medical facilities are aged, and the quality of care for expectant and nursing mothers is poor.<br>The Government of Kenya drew up the National Health Sector Strategic Plan 1999-2004, and has aimed for the improvement of regional health and medical services. Underlying the high maternal mortality rate are inadequate basic obstetrics, an inadequate referral system, and the fact that comprehensive obstetrical care in hospitals is not provided in a timely and appropriate manner. Because more than 50 % of deliveries are performed at home, it s important to increase the number of deliveries at a medical facility with well-trained midwives, and to establish strong links between primary health and medical facilities and communities. |
| Overall goal | Health conditions, particularly maternal health, in the Kisii and Kericho Districts, are improved. |
| Project goal | Maternal care in the project area with a focus on Health Centres (HCs) and communities is improved. |
| Outcomes | Outcome 1: Maternal care services at the HCs are upgraded.<br>Outcome 2: Maternal care at the community level is improved.<br>Outcome 3: A referral system is arranged and functioning between communities, HCs and District Hospitals.<br>Outcome 4: The Health Information System (HIS) and record keeping in place at the HCs is functioning and is utilised for service and management at the HCs.<br>Outcome 5: The management capability for drugs and medical supplies at the HCs are improved.<br>Outcome 6: The DHMTs system for their supportive supervision is strengthened. |
| Activities | Activity: (1) Improve maternal care services.<br>Outcome 1: Maternal care services at the HCs are upgraded.<br>1-1. Establish and function a maternal care training system.<br>1-2. Maintain and repair facilities, deploy equipment and materials, establish operational frameworks, formulate plans for facilities, equipment and materials, repair facilities, procure equipment and materials, and carry out maintenance based on manuals.<br>Outcome 2: Maternal care at the community level is improved.<br>2-1. Conduct community and household surveys at candidate communities.<br>2-2. Conduct training for HC staff, Community Resource Persons (CORPs) and HC management committee members for awareness and referral for maternal care.<br>2-3. Support CORPs and community to organise health learning groups and transportation system with community funds.<br>2-4. Monitor community activities through the supervision of CORP by HC staff.<br>2-5. Document the experiences in model areas. |

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| Activities (continued) | 2-6. Support the expansion of experiences in model areas to other areas, through mutual learning activities based on local exchange between residents and fellow CORP, and with the support of the DHMT.<br><br>Activity: (2) Strengthen operational management functions that support medical treatment at HCs (especially maternal care).<br>Outcome 3: A referral system is arranged and functioning between communities, HCs and District Hospitals.<br>3-1. Develop the infrastructure at District hospitals and HCs which is related to referrals. Install communication equipment at District hospitals and HCs, secure vehicles for District hospitals for the conveyance of patients, and conduct training for communication, transportation and maintenance.<br>3-2. Prepare referral guidelines, and conduct related training.<br>3-3. Hold meetings to review case referrals, and monitor the quality of referrals.<br><br>Outcome 4: The HIS and record-keeping system in place at the HCs is functioning and is utilized for service and management at the HCs.<br>4-1. Clarify the current state and any issues related to the records management or reporting of HC health information.<br>4-2. Conduct training to increase the simplicity, reliability and usability of the records management and reporting of information.<br>4-3. Facilitate the organisation of HC health information at the District level and feedback to HCs.<br>4-4. Support the use of HIS for monitoring and evaluation.<br><br>Outcome 5: Management capability for drugs and medical supplies at the HCs is improved.<br>5-1. Conduct surveys on the supply, stocks and prescription of drugs at HCs.<br>5-2. Develop inventory control ledgers and prescription ledgers at HCs, and support their appropriate use.<br>5-3. Promote the establishment of a system for the delivery of drugs from District warehouses to HCs.<br>5-4. Provide technical guidance on the correct prescription of drugs at HCs, based on the use of treatment guidelines.<br><br>Outcome 6: The DHMTs system for their supportive supervision is strengthened.<br>6-1. Clarify the current state and any issues related to the support for and supervision of HC by the DHMT.<br>6-2. Formulate a plan for strengthening the support for and supervision of HC by the DHMT.<br>6-3. Support training and logistics development for more enhanced support for and supervision of HC.<br>6-4. Support monitoring and feedback for the support for and supervision of HC by the DHMT. |
| Inputs | Inputs from Japan: dispatch of experts, acceptance of training participants (in Japan or neighbouring countries), equipment and materials, costs for local activities.<br>Inputs from partner country: counterparts, office facilities, basic infrastructure, maintenance costs, tax benefits, others. |
| Other | CORPs are local human resources, including traditional midwives, Community Health Workers (CHW) and Village Health Committee Members. |

## 2. Tanzania Morogoro Health Project

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| Project site | Morogoro, Tanzania |
| Project title (English) | Tanzania Morogoro Health Project |
| Project title (Japanese) | タンザニア国モロゴロ州保健行政強化プロジェクト |
| Period of cooperation | 2001/4/1 - 2006/3/31 |
| Project overview | In Tanzania, the Health Sector Reform (HSR) and the Local Government Reform (LGR) have been promoted in parallel, and progress has been made in devolving authority for health administration to Districts. It is expected that each District, in particular the CHMT, will independently manage the formulation of plans and the provision of services in the health sector. Meanwhile, Regions, in particular the RHMTs, are needed to provide effective guidance and support. Furthermore, in order that health sector activities at the District and Region level are promoted smoothly, mechanisms have been formed, where funds from foreign donors flow through basket funds to each Council and Region. Despite this, observations were made that there were delays in capacity development (development of human resources, guarantee of funds and resources, development of systems, etc.) at the Council and Region levels to which authority should be devolved, and urgent enhancements were required. Based on a request from the Tanzanian national government, the aim of this project is to strengthen the management capacity of the RHMT in the Morogoro Region and the CHMTs within the Region. The project was commenced in April 2001 as a five-year plan. |
| Overall goal | Quality of health services in the Morogoro region is improved. |
| Project goal | Health management skills of the target groups are improved in a self-reliant and sustainable manner. |
| Outcomes | Outcome 1: Health information systems with reporting and feedback are improved effectively and efficiently.<br>Outcome 2: Acceptability to the experiences and information related to health services between the RHMT/CHMTs and with other Regions is improved.<br>Outcome 3: Planning, implementation, monitoring and evaluation functions of the RHMT/CHMTs are improved. |
| Activities | <u>Outcome 1: Health information systems with reporting and feedback are improved effectively and efficiently.</u><br>1-1. Provide the necessary computer equipment.<br>1-2. Provide training on basic computer skills to the RHMT and CHMTs.<br>1-3. Provide training on the management of healthcare data (collection, storage, processing, use) to the RHMT and CHMTs.<br>1-4. Provide OJT skills training for healthcare workers to the RHMT and CHMTs.<br>1-5. Build a healthcare data feedback system.<br>1-6. Build an intra-Region communications system.<br>1-7. Provide the necessary communications equipment.<br>1-8. Link with other communications equipment.<br>1-9. Provide training on communications technology to the RHMT and CHMTs.<br><br><u>Outcome 2: Acceptability to the experiences and information related to health services between the RHMT/CHMTs and with other Regions is improved.</u><br>2-1. Build mechanisms to share information.<br>2-2. Provide training on skills for information dissemination to the RHMT/CHMTs.<br>2-3. Publish newsletters for health administrative services.<br>2-4. Conduct exchange visits and study tours between the RHMT/CHMTs.<br>2-5. Hold regular joint meetings between the RHMT/CHMTs.<br>2-6. Provide equipment and materials for the Information Resource Centre.<br>2-7. Provide training to the RHMT/CHMTs on management skills for the Information Resource Centre.<br>2-8. Promote the use of the Information Resource Centre. |

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| Activities (continued) | 2-9. Establish a mechanism for schedule management.<br>2-10. Establish a mechanism for taking over the job.<br>2-11. Develop and share an annual work plan for health projects in the Region.<br><br><u>Outcome 3: Planning, implementation, monitoring and evaluation functions of the RHMT/CHMTs are improved.</u><br>3-1. Train RHMT/CHMTs in planning, monitoring and evaluation skills.<br>3-2. Train RHMT/CHMTs for operational research methodologies.<br>3-3. Improve monitoring and evaluation tools for annual plan implementation.<br>3-4. RHMT and CHMTs collaborate in monitoring and evaluating annual plans.<br>3-5. RHMT participate in CHMTs planning sessions regularly.<br>3-6. Conduct an exit questionnaire for clients/patients. |
| Inputs | Inputs from Japan: dispatch of experts, acceptance of training participants, provision of equipment, local working costs.<br>Inputs from partner country: counterparts, facilities, operation costs, tax benefits for equipment and materials, etc., own budget. |
| Other | |

# 3. Sokoine University of Agriculture, Centre for Sustainable Rural Development

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|---|---|
| Project site | Uluguru, Mbinga, Morogoro, Tanzania |
| Project title (English) | Sokoine University of Agriculture Centre for Sustainable Rural Development: SCSRD |
| Project title (Japanese) | タンザニア国ソコイネ農業大学地域開発センター |
| Period of cooperation | 1999/5 - 2004/4 |
| Project overview | In 1998, the United Republic of Tanzania formulated "Tanzania Development Prospects toward the Year 2025", with a aim of poverty alleviation at a rate of 8-10 % per year. To attain this aim, human resources development is an urgent necessity. To cope with this, the Tanzanian Government requested project-type technical cooperation with Japan to establish a Regional Development Centre at Sokoine University of Agriculture as a base for the Tanzanian people to address the development of their own country on their own initiative and share and utilise the results with inhabitants in the region and neighboring countries and for establishing original regional development techniques through demonstrations and case studies in model districts while re-evaluating conventional techniques. |
| Overall goal | • Sokoine University of Agriculture (SUA) method is applied to other areas by the Centre and other organisations.<br>• The standard of living for rural people in model areas is improved. |
| Project goal | • Sustainable rural development methods (SUA methods) are developed in two model areas (Matengo Highland and Mt. Uluguru area) through capacity building of the SCSRD. |
| Outcomes | 1. The Centre is established and functional.<br>2. Relevant rural development experience in and outside Tanzania are surveyed and a database is established.<br>3. The practical reality of two model areas is understood.<br>4. Key community problems and potentials are identified and prioritised by the community in collaboration with other stakeholders.<br>5. The development plans of the community are formulated.<br>6. The implementation of community development plans is facilitated by SCSRD.<br>7. Information and experiences of SCSRD are disseminated inside and outside SUA.<br>8. Monitoring and evaluation are conducted. |
| Activities | Outcome 1: The Centre is established and functional.<br>1-1. Draw up an organizational structure<br>1-2. Acquire funds<br>1-3. Recruit personnel<br>1-4. Procure equipment, etc.<br>1-5. Establish outreach stations in model areas<br>1-6. Train staff for the Centre<br><br>Outcome 2: Relevant rural development experience in and outside Tanzania are surveyed and a database is established.<br>2-1. Conduct a literature review on relevant models and experience.<br>2-2. Organise panel discussions, workshops, seminars, etc. on rural development by the key stakeholders<br>2-3. Conduct case studies of specific indigenous efforts (institution, technologies, knowledge)<br>2-4. Establish database.<br><br>Outcome 3: The practical reality of two model areas is understood.<br>3-1. Collect basic and indigenous knowledge data from farmers in the model areas<br>3-2. Review past experiences in the model areas<br>3-3. Conduct in-depth studies on key issues<br>3-4. Undertake PRA activities<br>3-5. Conduct in-depth studies on the key issues. |

| | |
|---|---|
| Activities (continued) | Outcome 4: Key community problems and potential are identified and prioritised by the community in collaboration with other stakeholders.<br>4-1. Establish an organisation to coordinate development activities<br>4-2. Establish a framework of cooperation with other stakeholders<br>4-3. Implement PRA<br>4-4. Identify the key community needs and constraints<br>4-5. Analyse the correlation between the causes and effects for the clarified issues.<br><br>Outcome 5: The development plans of the community are formulated.<br>5-1. Build a mechanism to formulate plans.<br>5-2. Prepare community development plans that include objectives, strategies and inputs, etc.<br>5-3. Clarify the roles and responsibilities of the actors involved<br><br>Outcome 6: The implementation of community development plans is facilitated by SCSRD.<br>6-1. Collate various resources for implementing the plan.<br>6-2. Form an organisation for implementing the plan.<br><br>Outcome 7: Information and experience of the SCSRD are disseminated inside and outside SUA.<br>7-1. Package the information collected and disseminate to various stakeholders within and outside SUA<br>7-2. Organise open seminars, workshops and conference to share experience<br>7-3. Invite other SUA staff and students to work in the Centre<br>7-4. Organise training courses<br><br>Outcome 8: Monitoring and evaluation are conducted.<br>8-1. Compose monitoring and evaluation teams<br>8-2. Develop M&E framework<br>8-3. Monitor and evaluate the pilot projects in with the M&E framework.<br>8-4. Assess completion of the SUA method itself |
| Inputs | Inputs from Japan: experts, acceptance of training participants, provision of equipment<br>Inputs from partner country: personnel, development of facilities, etc. |
| Other | |

# 4. Local Government Capacity Development Support Programme, Tanzania

| | |
|---|---|
| Project site | Tanzania |
| Project title (English) | Local Government Capacity Development Support Programme |
| Project title (Japanese) | 地方行政能力強化支援サブ･プログラム |
| Period of cooperation | 2000 - (ongoing as of 2007) |
| Programme overview | Up until 1986, Tanzania was governed under a socialist centralised system; but in conjunction with its subsequent transition to a market economy, it put its efforts into decentralisation. However, it encountered a problem in that the administrative capacity of local areas had not been nurtured under the many years of colonisation and a socialist structure. Under these circumstances, in 1996, with the support of Western donors, full-scale efforts for decentralisation were launched. The plan that was formulated to implement this was the LGRP. The two key components of the LGRP are structural reform and capacity building of local government aimed at devolving considerable authority over administration and finances from the central government to local governments.<br><br>The necessary funds for the implementation of the LGRP are appropriated using a common basket fund. However, because the LGRP mainly focused on support at the structural reform and policy levels, their support has not been sufficiently reaching human resources empowerment at the local level to which the authority is devolved. Although Japan has not joined common basket funds up to this time, it has commenced its involvement and contribution to the policy level through the dispatch of experts to the PMO-RALG, and on the other hand, it has cooperated in the capacity building of local government officials through training schemes.<br><br>Furthermore, since 2005, JICA has focused on capacity building related to the formulation of District development plans by a bottom-up planning approach, and commenced support for local governments to formulate each district-level development plan in accordance with the needs of local residents. Continuing on from this support for local- government capacity building, in fiscal 2008, support for the PMO-RALG to formulate capacity building strategies for local governments and to strengthen a training institute is going to be initiated. Synergies with the LGRP have also begun to be recognised. Furthermore, as a component of the Administrative and Financial Management Capacity Development Support Programme, the Local Government Capacity Development Support Programme also aims for synergies with the support which has been provided by JICA for the Tanzanian Ministry of Finance and the National Bureau of Statistics. |
| Purpose of sub-programme | Provide support for Tanzaniaís local administration reform for the purpose of developing the capacity of local governments so that they can fulfil the duties devolved to them from the central government in a complete and ongoing manner. |
| Position of individual projects within the sub-programme | Through a combination of mostly the following projects, training and development studies, this programme provides support for Tanzaniaís local administration reform and local administration capacity building.<br>(1) Provide advice and guidance to the PMO-RALG, which serves as the organisation responsible for promoting Tanzaniaís decentralisation programme at the national level; and support the capacity development of staff to support local governments. Since 2008, the support is going to focus on developing local government training strategy and building capacity at leading training institutes. (→ individual project specialist: " Local Administration Advisor")<br>(2) Provide support for the implementation of training for the capacity development of government leaders at the District level and below. (→ overseas technical training: "Grassroots Training for MTAA Executive Officers: Phase 2")<br>(3) Strive to change the mental attitude and develop the capacity of central government and local government leaders, etc. (→ country-focused training: "Support Programme for the Reform of Local Government in Tanzania" and follow-up support on return to country) |

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| Position of individual projects within the sub-programme (continued) | (4) Make effective proposals so that O&OD — a technique for the formulation of participatory plans which was devised by the government — can function as an effective technique for the bottom-up capacity development of communities.<br>(→ development study: "Improvement of Techniques for the Formulation of Local Government Plans")<br>(5) Through the dispatch of Project Formulation Advisors, 1) provide overall direction for programmes, 2) ensure close coordination with projects related to decentralisation in other sectors, and 3) closely coordinate with common basket fund donors, etc.<br>(6) Dispatch Japan Overseas Cooperation Volunteers in the fields of rural community development and administrative services, as a form of direct support for local governments. |
| Inputs | |
| Other | |

# 5. Capacity Development Programme for Provision of Decentralised Services, Zambia

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| Project site | Zambia |
| Project title (English) | Capacity Development Programme for Provision of Decentralised Services |
| Project title (Japanese) | 地方分権化のための能力強化プログラム |
| Period of cooperation | 2006/8 - 2009/3 |
| Project overview | In 2004, the Zambian government launched its National Decentralisation Policy aimed at improving service delivery at the local level in accordance with the needs of residents. Decentralisation was to be promoted from 2006 to 2010 through the implementation of this policy.<br><br>To prepare the Fifth National Development Plan 2006-2010, a bottom-up planning approach was adopted, whereby District development plans were formulated and were to serve as one of the major inputs for the national plan. Fiscal decentralisation scheme is also under preparation to transfer more funds from the central government to the local governments (the Councils).<br><br>However, there have been indications that the administrative capacity of the Councils is insufficient, and so a review of systems and capacity development are essential. In response to these issues, the Ministry of Local Government and Housing (which is responsible for oversight of the Councils and for implementation of the Decentralisation Programme), the Ministry of Finance and National Planning (which is responsible for the management cycle of the governments at different levels) and the Cabinet Office (which is responsible for the organisational structure and human resources management of the governments at different levels) issued calls for support for the capacity development of the Councils.<br><br>In light of the principal of Aid Harmonisation, Division of Labour, this project is being implemented in collaboration with other donors, such as the World Bank, GTZ, SNV and so on. |
| Overall goal | The quality of planning/budgeting/implementation by District Councils and accountability of these to the communities are improved. |
| Project goal | Human and institutional capacity of the District Councils in the management cycle (planning/budgeting, implementation and coordination, monitoring/evaluation, and feedback to their plans/budget and policy) is strengthened. |
| Outcomes | Outcome 1: Human Resources Management Systems are developed by the District Councils.<br>Outcome 2: The capacity of the District Councils in development planning/budgeting, monitoring/evaluation, and feedback to policy is strengthened.<br>Outcome 3: The Internal Audit and Oversight Functions of the District Councils are strengthened.<br>Outcome 4: Systems and plans (including budget allocations) by the MLGH and Provincial administration to monitor and supervise councils are developed and the capacity of the government institutions that train, monitor and supervise District Councils is strengthened. |
| Activities | Outcome 1: Human Resources Management Systems are developed by the District Councils.<br>1-1. Review the current restructuring plans of core staff before devolution.<br>1-2. Assist Public Service Management (PSM) in developing prototypes structures for District Councils.<br>1-3. Assist Districts in adopting organisational structures and optimal staff levels after devolution based on the above 1-1 & 1-2.<br>1-4. Assist PSM in developing prototype job descriptions for City, Municipal, and District councils.<br>1-5. Develop performance management system for councils.<br>1-6. Conduct training for council officers and assist them to adopt the job descriptions and performance management system for their core senior management based on the above 1-4 and 1-5.<br>1-7. Conduct training for councilors and council staff for HR systems and team building including clarification of their responsibilities. |

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| Activities (continued) | Outcome 2: The capacity of District Councils in development planning/budgeting, monitoring/evaluation, and feedback to policy is strengthened.<br>2-1. Review and revise district development planning/budgeting manuals and procedures to conform to the Decentralisation Implementation Plan (DIP).<br>2-2. Training in annual investment planning/budgeting, monitoring/evaluation and follow-up<br>2-3. Training District Councilors (planning and finance committees) with District Officers in the policy management cycle (planning/budgeting, implementation and coordination, monitoring/evaluation, and feedback on their plans/budget and policy)<br>2-4. Conduct training for physical planning and assist so that the implementation is incorporated into the Integrated District Development Plan.<br><br>Outcome 3: Internal Audit and Oversight Functions of the District Councils are strengthened.<br>3-1. Update Internal Audit Guidelines<br>3-2. Train internal auditors/accountants from the districts<br>3-3. Train district councilors (planning and finance committees) in financial oversight<br>3-4. Follow-up of the above 3-2 and 3-3<br><br>Outcome 4: Systems and plans (including budget allocations) by the MLGH and Provincial administration to monitor and supervise councils are developed and the capacity of the government institutions that train, monitor and supervise District Councils is strengthened.<br>4-1. Develop the monitoring/supervising system and plans<br>4-2. Train MLGH/Provincial administration/institutions through the above activities for output 1 & 2 & 3 |
| Inputs | Inputs from Japan: experts, training in Japan, employment of local consultants, local activity expenses such as for training and follow-up by experts, provision of equipment, and other inputs.<br>Inputs from partner country: counterparts, facilities, recurrent expenditures, and operational costs such as salaries, business trip expenses, and monitoring and follow-up expenses of the GTZ officers. |
| Other | |

# 6. The Regional Development Programme in Nyando District and Homa-Bay District, Kenya

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| Project site | Nyando District and Homa-Bay District, Kenya |
| Project title (English) | The Regional Development Programme in Nyando District and Homa-Bay District |
| Project title (Japanese) | ニャンド及びホマベイ県における地方開発プログラム調査 |
| Period of cooperation | 2005/6 - 2007/5 |
| Project overview | In the Republic of Kenya about half the population is impoverished due to unseasonable weather and the political and economic stagnation since the 1990s. Most of the poor are either small agro-pastoralists living in rural communities or residents of urban areas who moved from the rural farming areas looking for work. However, improving the incomes and livelihood of the poor is extremely difficult due to several complex issues, such as the undeveloped infrastructure in both rural and urban areas, the fall in prices of key commercial crops and the fall in production of subsistence crops in rural areas, and, in regional urban areas, the difficulty in accessing education, medical and other social services, and the sluggish growth for small businesses due to few employment opportunities and undeveloped markets. In response to these circumstances, the Kenyan government formulated the "Kenyan Rural Development Strategy (KRDS) 2001-2016", and mainly deals with rural development. Regarding Japanís cooperation, it is agreed that constantly investigating more effective techniques for poverty reduction is important. Against this background, in April and May, 2003, JICA conducted a project formulation study in the Nyando and Homa-Bay Districts, and confirmed the necessity and validity of formulating a regional development master plan for poverty reduction. |
| Overall goal | It is expected that, by formulating a development programme, regional development and model techniques will be presented to relevant Kenyan government organisations, and they will be reflected in future system updates and in improvements to implementation structures. |
| Project goal | To formulate a District-level development programme for the Nyando District and the Homa-Bay District. |
| Outcomes | Production of the "Nyando and Homa-Bay Districts Regional Development Programme" including the following.<br>Outcome 1: District Development Programme (District development policies, area-specific development plans, action plans)<br>Outcome 2: Workshops for the dissemination of the District Development Programme<br>Outcome 3: Implementation of the District Development Programme and proposals and recommendations for the application to other areas |
| Activities | <u>Study item 1: Formulate District Development Programme (draft)</u><br>1-1. Collect information, and study the present situation.<br>1-2. Formulate the draft of District development policies.<br>1-3. Formulate area-specific development programmes (draft) for each Division using participatory planning techniques.<br><br><u>Study item 2: Implement and analyse pilot project</u><br>2-1. Examine the system for promoting the implementation of plans in local communities.<br>2-2. Make preparations for pilot project.<br>2-3. Implement and administer pilot project.<br><br><u>Study item 3: Reflect pilot project into District Development Programme.</u><br>3-1. Formulate the District Development Programme.<br>3-2. Prepare the findings and recommendations. |
| Inputs | Inputs from Japan: consultants<br>Inputs from partner country: counterparts |
| Other | |

# 7. Integrated Human Development Programme, Ghana

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| Project site | Upper East Region, Upper West Region, Northern Region (the three northern regions), Ghana |
| Project title (English) | Integrated Human Development Programme (IHDP) |
| Project title (Japanese) | ガーナ社会開発総合プログラム |
| Period of cooperation | 1998 - 2005 |
| Programme overview | The IHDP was formed from the need for a comprehensive approach to the multisectoral issue of poverty reduction contained in the Development Assistance Committee (DAC) New Development Strategy (OECD) and in the Tokyo International Conference on African Development II (TICAD II). The aim of the program is to improve the lives of people living in the three northern regions of Ghana, and it was started, in effect, in June 1999 with the dispatch of experts from Japan for the purpose of overall programme coordination. Subsequently, in 2002, two projects: (1) administrative support for development, and (2) the promotion of peopleís participation in community development were rolled out in predominantly the Upper East Region as a full-scale activity in the three northern regions. Up until June 2002, the government authority responsible for the programme was the National Development Planning Commission, but as activities shifted toward the local areas, the responsibility shifted to the Ministry of Local Government and Rural Development. |
| Main outcomes within programme | The outcomes that were initially planned for the programme as a whole are as follows:<br>(1) Establish Region/District local development administration/system.<br>(2) Improve agricultural production, and access to agricultural markets.<br>(3) Improve/expand non-agricultural production activities/markets.<br>(4) Improve primary education.<br>(5) Improve primary health (especially for women and children). |
| Main activities within programme | (1) Overall programme coordination (consistency with policies and national policies).<br>(2) Strengthen administration for local development planning (formulate annual/medium-term development plans).<br>(3) Strengthen community management organisation for small-scale irrigation facilities.<br>(4) Improve storage/marketing of agricultural produce (improve dissemination and access to proper storage facilities).<br>(5) Promote non-agricultural production activities.<br>(6) Improve social services (repair and improve primary schools and health centres, disseminate primary health and reproductive health, etc.) |
| Main input within programme | Inputs from Japan: experts (overall programme coordination, local development, rural development, participatory rural development)<br>Inputs from partner country: counterparts, facilities, recurrent expenditure |
| Other | |

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