

Decentralisation in Commonwealth Africa

Experiences from Botswana, Cameroon,
Ghana, Mozambique and Tanzania

*Edited by Janet Kathyola and
Oluwatoyin Job*



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Commonwealth Secretariat

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Foreword

Public sector development is integral to the work that we do at the Commonwealth Secretariat. Through the Governance and Institutional Development Division (GIDD), we support member countries and their public institutions with technical assistance, advisory services and training. The aim is to build institutional capacity to improve governance and public service delivery.

This book is a result of the agreement made during the 4th Commonwealth Heads of African Public Services meeting held in Magaliesburg, South Africa in July 2007, that the Commonwealth Secretariat should assist member countries in Africa to document and publish the progress that African public services are making in improving public services. One of the three areas in which the Commonwealth Secretariat was asked to document progress was decentralisation policy and practices, which is seen as crucial in getting services delivered to the people.

Two objectives that are central in most decentralisation programmes are: improvement in the provision of public services; and empowerment of local citizens and institutions for self-governance. These objectives are in line with global efforts to reduce poverty and open the democratic space. Most observers believe that these objectives are interrelated, in that empowered citizens drive local institutions to deliver services more effectively, efficiently, transparently, responsively and equitably.

It is against this background that research was undertaken in five countries: Botswana, Cameroon, Ghana, Mozambique and Tanzania, who were the first countries to submit their country reports to the Commonwealth Secretariat. They are considered representative of African decentralisation experience.

The findings on decentralisation policies and practices in these countries are presented in this book. It is divided into seven chapters, with the five country reports each constituting a chapter. The first chapter provides an overview of the study, the conceptual/literature review of decentralisation and the methodology that guided the research. The final chapter undertakes a comparative review and highlights the challenges presented, lessons learned and suggestions on ways to improve some of the weaknesses in implementation.

The Commonwealth Secretariat recognises the contributions of the leaders of the five countries that provided the initial country reports. They gave access to the consultants who worked with them to validate and document the facts on this critical part of African decentralisation. In particular, we appreciate the Botswana Government for hosting the stakeholders' workshop in Gaborone between 26 and 28 April 2010.

This provided the countries with an opportunity to review the final papers in their countries and provide input before publication of this book

We are grateful to the expert team led by Dr Dele Olowu, Director of Africa Europe Foundation and former Professor of Public Administration and Public Policy. Dr Olowu was assisted by two research consultants: Dr Nicholas Awortwi of the Institute of Social Studies in The Hague and Dr Akinyinka Akinyoade of the African Studies Center, University of Leiden. They brought broad teaching, research, advisory and practical experiences in Africa, Europe and a number of other international organisations. The team undertook rapid research to validate the papers written by member countries and finalised the papers based upon the research findings.

We also acknowledge the commendable effort of the Africa team in GIDD, which managed the process from conceptualising the methodology to getting this book published. The team was comprised of Mrs Janet Kathyola (Adviser, Southern Africa), Mrs Oluwatoyin Job (Adviser, West Africa), Ms Lorraine Howe (Programme Officer) and Ms Jacqueline Johnson (Programme Assistant).

This book is a good resource for academia, scholars and practitioners on decentralisation, both in Africa and other countries in the Commonwealth. We hope that the countries whose decentralisation experiences have been documented in this book will use the lessons learnt to advance their decentralisation agenda to get services closer to the people and to deepen democracy through active popular participation in local governance. The intent is for other Commonwealth countries to identify and adapt good practices from the experiences of the five countries to improve their own decentralisation processes. We will continue working with partners to support member countries' efforts to advance decentralisation.

Ransford Smith

Deputy Secretary-General
Commonwealth Secretariat

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Acronyms and Abbreviations

ALAT	Association of Local Authorities in Tanzania
ASP	Afro-Shirazi Party (Tanzania)
BAL	Botswana Association of Local Authorities
BCP	Botswana Congress Party
BDP	Botswana Democratic Party
BHC	Botswana Housing Corporation
BNF	Botswana National Front
BOCONGO	Botswana Council of Non-Governmental Organisations
BPC	Botswana Power Corporation
CC	Consultative Council (Mozambique)
CCM	Chama Cha Mapinduzi (Tanzania)
CEFAM	Centre de Formation Pour L'Administration Municipale (Cameroon)
CGT	Central government transfer
CHADEMA	Chama Cha Demokrasia na Maendeleo (Tanzania)
CPDM	Cameroon People's Democratic Movement
CPP	Convention People's Party (Ghana)
CPSAP	Certificate Programmes in Public Administration (Mozambique)
CSO	Civil society organisation
CSRП	Civil Service Reform Programme (Tanzania)
CUF	Civic United Front (Tanzania)
D-by-D	Decentralisation by devolution (Tanzania)
DA	District administration
DACF	District Assemblies Common Fund (Ghana)
DADP	District Agricultural Development Plan (Tanzania)
DAWASA	Dar es Salaam Water and Sewerage Authority
DC	District commissioner
DCE	District chief executives
DDC	District development committee
DFID	Department for International Development (UK)

DLGSM	Department of Local Government Service Management (Botswana)
DNP	National Directorate of Planning (Mozambique)
DP	Development partner
DPSM	Directorate of Public Service Management (Botswana)
EC	European Community
ELECAM	Elections Cameroon
ENAM	National School of Administration and Magistracy (Cameroon)
ERP	Economic Recovery Programme
EU	European Union
FBO	Faith-based organisations
FC	French Co-operation
FCA	Municipal Compensation Fund (Mozambique)
FEICOM	Fonds spécial d'Équipement et d'Intervention intercommunale (Cameroon)
FGD	Focus group discussions
FIIA	Investment Fund for Municipal Initiatives (Mozambique)
FIPAG	Mozambican Government's Water Supply Investment and Assets Fund
FRELIMO	Frente da Libertacã o de Mocambique (Liberation Front of Mozambique)
GBS	General budget support
GDP	Gross domestic product
GoB	Government of Botswana
GoM	Government of Mozambique
GoT	Government of Tanzania
GTZ	German Technical Co-operation
HRM	Human resource management
IEC	Information education and communication
IFAPA	Institute of Municipal and Public Administration (Mozambique)
IGR	Internally generated revenue
IGT	Intergovernmental revenue
IMF	International Monetary Fund
IMR	Infant mortality rate
IPP	Independent power producers

IPTL	Independent Power Tanzania Limited
ISAP	Higher Institute of Public Administration (Mozambique)
KDC	Kibaha District Council (Tanzania)
KTC	Kibaha Town Council (Tanzania)
LG	Local government
LGA	Local government authority
LGCDG	Local Government Capital Development Grant (Tanzania)
LGDG	Local Government Development Grant (Tanzania)
LGRP	Local Government Reform Programme (Tanzania)
LOLE	The Law of the Local Organs of State (Mozambique)
MAE	Ministry of State Administration (Mozambique)
MDA	Ministries, departments and agencies
MDGs	Millennium Development Goals
MESD	Ministry of Education and Skills Development (Botswana)
MFDP	Ministry of Finance and Development Planning (Botswana)
MG	Municipal government
MINATD	Ministry of Territorial Administration and Decentralisation (Cameroon)
MKUKUTA	National Strategy for Growth and Reduction of Poverty (Tanzania)
MLG	Ministry of Local Government (Botswana)
MLH	Ministry of Land and Housing (Botswana)
MMEWR	Ministry of Minerals, Energy and Water Resources (Botswana)
MMR	Maternal mortality rate
MoA	Ministry of Agriculture
MoE	Ministry of Education
MoF	Ministry of Finance
MOH	Ministry of Health
MoLG	Ministry of Local Government
MP	Members of parliament
MPD	Ministry of Planning and Development (Botswana)
MTEF	Medium-term expenditure frameworks
MWT	Ministry of Works and Transport (Botswana)
NALAG	National Association of Local Authorities (Ghana)
NCCOP	National Coordination Committee of Opposition Parties (Cameroon)

NCCR–Mageuzi	National Convention for Construction and Reform – Mageuzi (Tanzania)
NDP	National development plan
NGO	Non-governmental organisation
NPM	New public management
O&M	Organisation and method
O&OD	Opportunities and obstacles to development
ODA	Official development assistance
OLE	<i>orgãos locais do estado</i> (local organs of the state) (Mozambique)
PADDL	Programme d’Appui a la Decentralisation et Developpement Local (Cameroon)
PARDIC	Public Administration Restructuring and Decentralisation Implementation Committee (Ghana)
PARPA	Action Plan for the Reduction of Absolute Poverty (Mozambique)
PE	Public enterprise
PEDP	Primary Education Development Programme (Tanzania)
PG	Provincial government
PHC	Primary health care
PM	Prime minister
PMO	Prime Minister’s Office
PMO–RALG	Prime Minister’s Office–Regional Administration and Local Government (Tanzania)
PNDC	Provisional National Defence Council (Ghana)
PNP	People’s National Party (Ghana)
PO–PSM	President’s Office–Public Service Management (Tanzania)
PP	Progress Party (Ghana)
PPP	Public–private partnership
PROL	Programme for the Reform of Local Bodies (Mozambique)
PS	Permanent secretary
PSRC	Parastatal Sector Reform Commission (Tanzania)
RALG	Regional Administration and Local Government (Tanzania)
RENAMO	Resistência Nacional Mocambicana (Mozambique National Resistance)
RPDC	Rassemblement Démocratique du Peuple Camerounais
SADC	South African Development Community

SAP	Structural adjustment programme
SAU	Sauti ya Umma (Tanzania)
SDF	Social Democratic Front (Cameroon)
SHHA	Self-Help Housing Agency
SIFAP	System of Training in Public Administration (Mozambique)
SCNC	Southern Cameroons National Council
SNV	Netherlands Development Organisation
SSA	Sub-Saharan Africa
SWC	Solid waste collection
TANESCO	Tanzania Electricity Supply Company
TANU	Tanganyika Africa National Union
TASAF	Tanzania Social Action Fund
TLP	Tanzania Labour Party
TSM	Teaching Service Management (Botswana)
ULGS	Unified Local Government Service (Botswana)
UNC	Union Nationale Camerounaise
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
URT	United Republic of Tanzania
UTRESP	Technical Unit of Public Sector Reforms (Mozambique)
VAP	Voting age population
VDC	Village development committee
WUC	Water Utilities Corporation (Botswana)

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Summary

By the end of the last century, most African countries, like other countries in the world, had revisited decentralisation policies and programmes as a part of their overall governance and macro-economic reforms. The objectives were to ensure macro-economic stability and to improve governance by making it more participative, self-governing, transparent, efficient, equitable and accountable, as well as to deliver effective and sustainable services to all citizens. Decentralisation is one of the reform initiatives adopted by many countries in sub-Saharan Africa. This report analyses and assesses the decentralisation policies of five sub-Saharan African countries: Botswana, Cameroon, Ghana, Mozambique and Tanzania. The countries are Commonwealth countries in western, eastern, southern Africa. The reports are based on three main sources: national reports submitted by each country, rapid research undertaken by independent African consultants to validate and update these reports, and a review of the main findings of the rapid research by a stakeholder workshop organised in Gaborone, Botswana from 26–28 October 2010.

While each country's experience has been distinctive, eight recurring issues and challenges emerged from the analysis of these five national experiences. These are:

- Importance of context – geographic, historic, political and economic
- Close links between democratisation and decentralisation
- Conceptual and policy ambivalence and confusion in respect of decentralisation
- Governance of cities and rural communities
- Primacy of politics in the analysis of the sustenance of decentralisation reforms
- Role of donors vis-à-vis national and local governments
- Inadequate emphasis on the human and financial resources options
- Weak links to new institutional actors involved in local governance

On the whole, all countries have endeavoured to implement the devolution and deconcentration forms of decentralisation. However, whereas some have articulated the differences between the two forms and made a choice – for example Tanzania – others have not. Some have pursued devolution in their municipalities but not in the rural areas (Mozambique), others have not made such fine distinctions in policy but have pursued similar goals in practice.

Identified good practices include:

Clear articulation of policy choice: especially between deconcentration and decentralisation, as in Tanzania. It is not an accident that the Tanzanian decentralisation programme is one of the most outstanding in terms of the policy outputs of participation and service delivery.

Learning from past experiences: Every country must design a system that enables it to *learn* from their own past experiences, in terms of what has worked or not worked. Decentralisation may be a global phenomena but how it functions in each polity and political economy is bound to vary. Again the Tanzanian case shows that there has been learning from past experience.

Need for a decentralisation co-ordination agency: The multidisciplinary nature of decentralisation suggests that it is wise to have a central co-ordination agency with political and technical clout to guide, persuade, implement and co-ordinate decentralisation policy implementation. The existence of such a body in Tanzania, Ghana and Cameroon has helped in various ways.

Separation of urban and rural governance in policy and practice: This review suggests that the differences between urban and rural are so substantial that the countries that recognised these differences in both policy and practice (especially Mozambique) seem to have had a better handle on implementing their decentralisation programmes. However, it is not enough just to make a policy distinction; it is just as important to make clear the path of convergence over time, otherwise such a policy might be counter-productive both politically and economically.

Constitutional protection for local governments: This is a commendable practice that raises the legal status of local authorities and ensures that national governments cannot easily erode the powers of local authorities. The experience of Ghana shows that this can go a long way to help in the development of local governments (LGs) in an environment in which the senior officials resist devolution reforms.

Mandatory central transfers to local authorities: This has resulted in the effective transfer of resources to LGs, and in the two countries in which this has been practiced – Ghana and Tanzania – it has led to substantial improvements in service delivery. The flip side is that LGs can become excessively dependent on this source and be lax in mobilising their own revenues. The situation might also undermine effective accountability.

Enhancing the capacity of local government chief executives: Most local government chief executives find the inherited weak mayor system (in which mayors are elected by the local councillors, who also run the council via committees) a serious challenge, and one which makes it difficult for them to effectively co-ordinate the work of the councillors or the heads of technical departments. Most would prefer the strong

mayor system in which the mayor takes responsibility for the council. Of the countries studied only Mozambique has introduced this kind of innovation in its municipalities, although a few other countries in the region (such as Nigeria use it while Kenya has recently adopted it).

Human resource management (HRM) for effective decentralised governance:

It is important that HRM for decentralised governance operates separately from the national government. Mozambique's municipalities manage their own human resources, for example, and are able to offer compensation that is more attractive than is offered at the national level. The local government service commission model that is used in Tanzania, Uganda and Nigeria is also worth considering. This can be complemented with two other HRM initiatives, performance management (which is used in Botswana) and the mandatory training of local government officials. Tanzania sets aside a proportion of its personnel budget for training and this is commendable.

Quotas for women: One third of all positions in local government are reserved for women in Tanzania. This has led to some positive developments in participation and in the quality of services delivered.

Inclusion of traditional chiefs in local government: Botswana and Ghana have used different approaches to integrate traditional chiefs (who continue to be important in African cities and villages) into local government.

This publication raises many lessons in policy analysis in respect of decentralisation policy in developing countries in Africa. Policy analysis such as this helps countries to reflect and refine their policies and practices in the area of decentralisation and governance generally, and especially in improving public sector management. Finally, the publication recommends the following potential intervention entry points for tackling some of the challenges confronting countries in the region in implementing their decentralisation policies.

- Improve the capacity of national governments to support and sustain decentralisation through learning from their own past experiences, from the available literature on local government and from best practices on implementation of decentralisation policies.
- Use central transfers to mobilise potential domestic financial resources.
- Explore alternative human resource management possibilities other than central government control.
- Reconcile centrally-led planning with decentralisation.
- Mobilise external assistance to improve policy dialogue on decentralisation and domestic accountability and include more local organisations in monitoring and discussing progress on decentralisation.

In sum, the five countries analysed have all undertaken decentralisation reforms that aimed to promote improved governance and effective service delivery. These twin objectives have been partly achieved in most of the countries. Decentralisation policy implementation is a work in progress that needs deepening. It is also important for the countries to look inward and mobilise domestic resources to support and sustain decentralisation and other related governance reforms.

The country case studies provide insights about why decentralisation has not been as successful in Africa as in other regions of the world. Lessons from these experiences underscore the fact that decentralisation is advanced by the following actions:

- Constitutional protection and a clear, articulated sense of responsibilities assigned to local authorities rather than field administration agencies.
- Clear financial and human resources provision to match the level of decentralised responsibilities.
- Reconciliation of development planning to devolution to semi-autonomous regional and local authorities.
- Mobilisation of domestic resources not only in terms of finance, but also in terms of human, knowledge and institutional resources to complement and ultimately replace external inputs.
- Empowerment of citizens and local councils to contract, co-operate and compete with other governance bodies in the public and private realms to boost local development and local good governance.

This project can help to refine the policy discourse and practice on decentralisation in Africa in which local institutions and national institutions complement one another in improving development and governance. The proposed way forward is for development partners and African countries to focus on assisting the continent's rapidly growing cities as the continent goes through its triple revolutions: demographic, capitalist and electronic.

1

Introduction

1.1 Introduction

This chapter sets out the conceptual and methodological approaches of this study. It states why the research is being undertaken and describes how it was done.¹

During the past two decades more than two-thirds of the countries in sub-Saharan Africa (SSA) have implemented one or more decentralisation policy reform or programme, the focus of which has changed over the years (Olowu, 2003 and 2006; World Bank, 2004; UNDP 2007a). These nations' diverse rationales for taking on and implementing these reforms are political, economic, ethnic and territorial. According to Shah and Thompson (2004:3) ethnic-based political conflicts set off one type of decentralisation in Ethiopia, Nigeria, and South Africa, while territorial political conflicts lent weight to decentralisation initiatives in Madagascar, Mali, Senegal and Uganda. In a sense, improving service delivery was the impetus for decentralisation in Côte d'Ivoire, although that country has also been engulfed in ethnic/territorial conflicts for some time now. The designs of decentralisation policies also differ between countries and as a result of these variations in rationale, making comparison of progress and achievements among countries is problematic. Even though decentralisation starts in most countries to address one or two issues, as it progresses other interests are added that spark off new forms of rationale and design of the policy. However, two key objectives of most decentralisation intentions and programmes are: (1) to improve the provision of public services; and (2) to empower local citizens and institutions for self-governance. These two objectives have been coterminous with global efforts to reduce poverty and open the democratic space.

The Commonwealth Secretariat through a number of its divisions provides opportunities for member countries to share experiences on policy implementation and outcomes. The Governance and Institutional Development Division (GIDD) of the Commonwealth Secretariat provides technical assistance, advisory services and training to member countries to improve public sector governance and strengthen the capacity of the public sector to effectively deliver services to citizens and facilitate socio-economic development. During the 4th Commonwealth Heads of African Public Services meeting held in Magaliesburg, South Africa in July 2007, it was agreed that the Commonwealth Secretariat should document and publish the progress that African public services are making in improving services in three areas, one of which was decentralisation policy and practices – seen as crucial in getting services delivered

to the people. It is as a result of this agreement that rapid research was undertaken in five countries: Botswana, Cameroon, Ghana, Mozambique and Tanzania. These countries were chosen precisely because they were the first countries to have submitted their country reports to the Commonwealth Secretariat for validation. The findings on decentralisation policies and practices in these countries are presented in this publication, which is divided into three main sections.

This chapter, the first section, provides an overview of the study in three parts. The first part provides a conceptual/literature review of decentralisation, while the second lays out different approaches to the study of decentralisation and the analytical approaches adopted for this study. The final part discusses and explains the methods of data collection, including the guiding research questions.

The second section (chapters 2 to 6) presents the socio-cultural, political, economic and historical background of the analysis of decentralisation elements in each of the five countries (using sectoral, political, fiscal, human resource, and planning and budgetary parameters). It then reviews the progress of decentralisation in each of the five countries and analyses the opinions of the key stakeholders interviewed in each country. The final section (chapter seven) undertakes a comparative review and highlights the challenges presented, lessons learned, and suggestions on ways to improve some of the weaknesses in implementation.

1.2 Conceptual/Literature Review of Decentralisation

The state has a number of responsibilities to its citizens. Johnston (1982) identifies six roles: (1) a 'protector', protecting citizens against outside action; maintaining law and order and providing welfare for vulnerable citizens; (2) an 'arbitrator', mediating and resolving conflicts between citizens and groups; (3) a 'cohesive force', striving for national unity; (4) a 'facilitator', regulating the economic, social, political and administrative environment so as to facilitate or obstruct the interaction between economic units; (5) an 'investor', investing in social, economic, and physical infrastructure services to stimulate technological, capital and human development; and (6) a 'bureaucracy', providing organisational structures, procedures, protocols, regulations and management issues. The roles of the state may be delivered or shared by different levels of government and non-state actors. The extent to which the central government shares the role of the state with other organisations/institutions is the subject of decentralisation.

Decentralisation is a multifaceted concept that involves a transition from a governance structure where power, resources, and capacity are centrally concentrated to one in which they are dispersed to sub-national actors. Decentralisation involves many stakeholders, including central and local governments (LGs), citizens, non-governmental organisations (NGOs) and community-based organisations (CBOs), and the private sector.

Decentralisation is essentially the transfer of some authority, responsibilities, resources and accountability arrangements from the central government to a lower level of government, quasi-organisations or the private sector with the aim of achieving specific objectives. Decentralisation may be used to improve service delivery and bring government closer to citizens. It may also be used to improve participation, democratisation and accountability of the governors to the governed, to improve planning and decision-making, and to empower local institutions.

In some literature decentralisation is divided into *political*, *administrative* and *fiscal reforms* between central and sub-national governments. Others divide the concept into *deconcentration*, *delegation*, *devolution*, and *divestment*. Below we describe briefly various forms of decentralisation and their characteristics (for extensive reviews of definitions and typologies of decentralisation see UNDP, 1999; 2007b; Adamolekun, 1999; Brillantes and Cuachon, 2002; Litvack and Seddon, 1999; Olowu, 2006). While distinguishing these different forms of decentralisation is useful for analytical purposes, it is also important to note that there is considerable overlap.

1.2.1 Forms of decentralisation

The institutional structure that defines the relationship between central government and sub-national governments or organisations in terms of *authority*, *responsibility*, *accountability*, and *finances* has diverse forms. The degree of control or autonomy that sub-national governments have on these issues determines the form of decentralisation that is practised, from low density (lesser degree of control) to a high density (greater degree of control). Based on this characteristic, there are four forms of decentralisation: deconcentration, delegation, devolution and divestment.

Deconcentration

This form of decentralisation occurs when the central government redistributes some of its decision-making authority and financial and management responsibilities to its subordinate or field agencies. In this form of decentralisation, subordinate lower level units of the central government such as regional, district or local offices have very limited authority and independence in policy formulation, decision-making, financing and resource management. As the offices and employees at the local level fall under the jurisdictional authority of the central government, employees respond to the central government's direction and control even though they work at the local level. Thus, staff accountability is upwards to the central government that employs, hires, motivates and dismisses them. Deconcentration is often considered to be the most basic form of decentralisation. It is normally undertaken as the first step in improving service delivery.

Deconcentration can take three forms. First, there is the *functional* system whereby 'field officers belong to distinct functional hierarchies'. This is a system of diverse

functional territories that has no general or regional co-ordinator, instead co-ordination of the several policy areas is done at the centre (exemplified in Britain) (Rhodes, 1992). Second, there is the *integrated prefectural system* in which the central government is represented at regional level by a government commissioner or prefect who supervises both LG and central field officers. For example, prior to the 1982 Act of Decentralisation in France, there was a prefectural system whereby high-ranking officials appointed by presidential decree were charged with district-level co-ordination of a range of national programmes, including responsibility for the modernisation of public services at local level (Nelson, 2008). This was the most widely used form of decentralisation in colonial Africa in both French-speaking and English-speaking countries (Mawhood, 1983). The third form is the *un-integrated prefectural system* where the prefect supervises only the LG officers and is only one of a number of channels of communication with the centre; the prefect is not superior to and does not co-ordinate other field officers. Examples include the Italian prefect and the district officer in Nigeria (Rhodes, 1992; Adamolekun, 1999; Harris, 1980). The un-integrated prefectural system is 'difficult to manage and generates major administrative inefficiencies' (Prum, 2005), yet it is the model used by many post-colonial African countries.

Delegation

This form of decentralisation involves the transfer of responsibility for public functions from the central government to semi-autonomous organisations that are not wholly controlled by the central government, but are ultimately accountable to it. Usually these organisations have a great deal of discretion in decision-making, financing, administration of employees and management of public functions. For instance, employees of a semi-autonomous organisation may be exempt from constraints that apply to regular civil service personnel in deconcentrated government units. The organisation may be able to charge users directly for services that they deliver. Delegation is a more extensive form of decentralisation than deconcentration, and became increasingly popular in the 1980s and 1990s with the adoption of executive agencies under new public management (NPM) reforms.

Devolution

This is the most extensive and popular form of decentralisation whereby the central government transfers not only *responsibility* but also *authority* for *decision-making*, *resources*, and *accountability* to an autonomous and legally constituted LG. Devolution is considered a democratic form of decentralisation because it empowers LGs to carry out public functions effectively and efficiently by reforming state-local political and fiscal relations. The transfer of major decision-making powers or authority from central government to LG's own-constituted council is called political decentralisation, while the ability of LGs to raise and spend their own budget is fiscal

decentralisation. Devolution in its purest form has certain fundamental characteristics. First, local units of government are autonomous, independent and clearly perceived as separate levels of government over which central authorities exercise little or no direct control. Second, LGs have clear and legally recognised geographical boundaries within which they exercise authority and perform public functions. Third, LGs have corporate status and the power to secure resources to perform their functions. Fourth, devolution creates the need to 'develop LGs as institutions' that will be perceived by local citizens as organisations that provide services that satisfy their needs and as governmental units over which they have some influence. Finally, devolution is an arrangement in which there are reciprocal, mutually beneficial, and co-ordinated relationships between central government and LGs and between LGs and other organisations operating within that community (UNDP, 1999: 6).

While deconcentration and delegation do not provide the full range of benefits theoretically attached to devolution, in practical terms, a well-planned and properly implemented deconcentration could bring worthwhile developmental returns. The totality of all the various local organisations that can interact with one another – competing, co-operating or contracting – are referred to as local governance institutions (Olowu and Wunsch, 2004; UNDP, 2008). There is some controversy in the literature on whether LGs can promote pro-poor outcomes. Of the three economic functions of government, i.e. allocation, stabilisation and distribution, LGs can have the least impact on redistribution, which is the essence of poverty reduction (Jutting et al., 2005, Smoke, 2006). In the *World Development Report 2004*, however, the World Bank (2004: 74–75, 186–189) argued that decentralised organs do promote pro-poor development through direct action by sub-national governments (when there is devolution), by acting on service providers (through deconcentration) and through direct links between service providers and clients when there is delegation to special-purpose agencies. But poor-impact is a function of *the nature of the services* (whether easy or difficult to monitor), *the nature of politics* (whether pro-poor or clientelist) and *the type of community* (whether homogenous or heterogeneous). Of course, much depends on whether the national government adopts policies to empower LGs and/or the people and also whether LGs in turn empower other institutional actors and citizens.

Unlike deconcentration and delegation, where the central government appoints the organisational leadership, in a devolved system of government citizens living in LG jurisdictions would have the opportunity to elect their own leaders (executive and councils) and may be able to recall councillors for underperformance or vote them out during elections. The LG would also have greater authority to raise and spend its own revenues. Full LG autonomy is rarely practised anywhere in the world, otherwise an LG ceases to be local and assumes statehood (or nationhood). There are several reasons to justify central government control of LGs: (a) many of the services for which authorities are responsible (education, water, housing, public health) are national in

character and therefore there is a need to have a sustained level of standards across LG boundaries; (b) the central government has ultimate responsibility for public services and it is only the central government that is held responsible for management of the economy as a whole; (c) LGs may not be able to extract a substantial part of a nation's resources, so a substantial amount of LG income comes from the central government by way of grants, and any responsible government would ensure that such money is spent in the right way; (d) it is necessary to protect national and local taxpayers against possible financial mismanagement by LGs and ensure that LG spending priorities are consistent with central government and are aligned to national vision. This is why the relationship between central and local governments becomes particularly critical in any devolution programme.

Divestment and co-production

This form of decentralisation allows central government functions to be carried out by commercial private organisations via contracting out and other forms of public-private partnerships (PPPs) and privatisation. Deregulation reduces the legal constraints on private sector participation in the provision of public services. Some authors argue against inclusion of divestment in decentralisation discussions, but in Africa, where privatisation and PPPs have substantially reduced the role of the state, its inclusion is imperative (Plummer, 2002; Edigheji, 2007; Rwelamila et al., 2003; African Labour Research Network, 2002). Co-production, on the other hand, involves state collaboration with non-governmental organisations such as co-operatives and community-based organisations working together to provide public services (Ostrom, 1996). In some cases, indigenous local communities in Chad have financed schools and built water points and health clinics that the decentralised organs of LG could not – and did so at a time when the central state apparatus had collapsed. They did this either working alone or in collaboration with other local organisations (Fass and Desloovere, 2004).

Delivery of any public service entails two types of activities:

Provision activities: These relate to decisions governing what services to provide and to whom; quality assurance for service provided; financing the service; and ensuring the production of service.

Production activities: These entail the conversion of inputs into outputs.

This distinction, made by Ostrom and Bish (1988) and Ostrom et al. (1993) is necessary because the responsibility for providing a service can be assigned to LGs, even though LGs can also contract out to produce it.

It is significant to note that service requirements also differ between urban and rural areas. In addition, the differential assignment of service responsibilities may be the result of differences in the technical and administrative capacities of LGs.

Moreover, decentralisation of particular sectors may be phased due to the absence of the necessary capacity at the local level (Awortwi, 2002).

Although we have outlined here all four possible forms of decentralisation, the focus of the analysis in this report is deconcentration and devolution.

Sectoral decentralisation

Instead of a comprehensive decentralisation of all services, some countries settle for the decentralisation of a specific service or sector. Sectoral decentralisation aims at decongesting government ministries by delegating the delivery of services to sub-national field offices and other autonomous or semi-autonomous agencies to enable ministries to concentrate on policy formulation, supervision and regulation (Andrews and Schroeder, 2003). Examples of sectoral decentralisation in Africa exist in health services, education services, water and sanitation agencies, forestry department, agriculture extension services, land boards, etc. The main rationale for sectoral decentralisation is efficiency gain in the provision of public services. The argument is that such arrangements lead to a closer match between services provision and the preferences of beneficiaries, thereby increasing accountability. There is no single pattern or blueprint for sectoral decentralisation owing to differences in historical, political, cultural and economic conditions.

In Africa, popular targets for sectorally decentralised provision include: education, primary health care, rural roads, and drinking water. It must be noted that what governments purport to decentralise (stated in decentralised laws) and what is decentralised in practice does not always agree. Reasons for this variance include: intergovernmental and bureaucratic politics, local-level capacity constraints and service-specific production issues (Andrews and Schroeder, 2003). Some governments may decide to organise some services as special-purpose operations distinct from other general services. This is how school districts are organised in many American communities. Some African countries have also sought to organise specialised forms of decentralisation for some of the services normally devolved to local authorities. Donor initiatives, such as the sector-wide approach (SWAP), have tended to support and encourage sectoral decentralisation, especially in many donor-dependent African countries.

A gradual approach is sometimes advocated on the grounds that LGs have inadequate capacities to handle newly assigned responsibilities (Shah and Thompson, 2004: 18–20). The risk of this approach is that it might give too much time for those opposed to decentralisation to organise and neutralise such efforts.

Another approach, the *bottom-up process*, involves residents or voters getting organised in Tiebout-type communities, declaring home rule for local public services, and asking higher level governments to support these efforts. A *top-down process* of decentralisation,

on the other hand, is when a central government unilaterally draws up a blueprint to transfer some of its responsibilities downwards (Shah and Thompson, 2004: 18–20). Decentralisation initiatives are likely to be sustained if they were implemented after reaching a broad societal consensus. Since decentralisation in most countries is a top-down affair rather than the result of grassroots pressure, central government actors that benefit from the top-down process are very strong and organised enough to defend their interests against future reversals.

1.2.2 Components of decentralisation

Whether it is territorial or sectoral, decentralisation as a policy involves the transfer of some components of central government's (a) responsibilities, (b) authority, (c) resources, and (d) accountability to local institutions that are either part of the central government, semi-autonomous, or autonomous. In much of the literature, these key components are also described as constituting different forms of decentralisation. For instance, the transfer of responsibility may be defined as administrative decentralisation, the transfer of finances as fiscal decentralisation, and the transfer of authority as political decentralisation.

Transfer of responsibility

The transfer of central government responsibilities in service provision can be in the form of policy formulation, planning and budgeting, direct service delivery (major and basic services), and management of staff. Some of these responsibilities may be shared between the central government and either the field agencies or autonomous LGs. The type of services that are transferred from the central government to lower levels may be based on economies of scale, spill-over effect, specificity of the service, concern for distributional effect and capacity of LGs and field agents to deliver. Those components of a service that are decentralised or centralised vary from country to country.

Transfer of authority

As described earlier, the authority to make decisions regarding policy, planning and budgeting, human resource management, investment, leadership, etc., is low in deconcentration, moderate in delegation and high in devolution. Under devolution, citizens elect their own LG leaders and hold those leaders accountable for their performance. LG leaders can make byelaws that are binding in their jurisdiction, and normally have authority to hire, motivate, train, fire, and generally set conditions of service for personnel who work at the LG level without interference from the central government or higher authority.

Transfer of resources

Transfer of resources includes financial, human and natural resources. In a deconcentrated system of administration, sub-national organisations may depend wholly or substantially on transfers from the central government, while in delegated systems, semi-autonomous organisations may be self-financing using service charges, own taxes, indirect charges, and co-production. In a devolved system, fiscal decentralisation policy may be designed to increase fiscal autonomy of LGs. This involves the rationalisation of four policy issues: (i) expenditure assignment; (ii) revenue assignment; (iii) intergovernmental fiscal transfer; and (iv) regulation of LG finances. Expenditure assignment clearly delineates the central and local governments' responsibility for providing and paying for specific services to citizens. Revenue assignment policy demarcates both taxable revenue sources and tax-raising powers between the central government and LGs. It may also create a new sub-national tax to strengthen the fiscal base of LGs and give them authority to decide how to spend their revenue. Intergovernmental fiscal policy enables a central government to transfer financial resources in the form of grants to LGs, while regulatory policy tries to monitor and set limits on LG finances (including borrowing powers). An important objective of any intergovernmental fiscal system should be to achieve an acceptable level of equality or horizontal fiscal balance in a country. Horizontal imbalances exist when there are significant economic and fiscal disparities across regions or localities. Although horizontal imbalances are a natural occurrence in any country, it is the government's role to address imbalances while at the same time ensuring efficient allocation of resources. LGs may also be given some degree of control over the use and revenue generation of some *natural resources* such as land, water bodies, and forestry.

Transfer of accountability

Accountability involves the development of objective standards of evaluation of how work is carried out in an organisation. It is the means by which organisations and their leadership are held responsible for their actions (and inaction) in the use of public resources and authority. Any accountability system thus has three critical components-clear definition of responsibility, reporting modality and reward system (Olowu, 1999:140). Accountability can be vertical - *upwards* to central and regional governments and other higher tiers of decision-making bodies or *downwards* to citizens. *Horizontal* accountability may be transferred to organised civil society, community groups, and residents' associations or to the private sector (formal and informal enterprises). Accountability has political, financial and administrative dimensions. It is about whether decisions are made to address local preferences and needs and whether the mechanisms, such as the electoral process, are effective in signalling citizens' views. Accountability is also about the successful collection of revenues and subsequent use of public funds, which in turn requires financial information. Bird (1994) suggests regular financial reporting both to the local users and to independent

audit agencies. The quality of accountability depends on the ability of supporting institutions to both enforce fulfilment of commitments to local beneficiaries (for financial accounting) and provide technological assistance and expertise (Mody, 2004: 5).

Transfers of responsibility, resources, authority and accountability can be designed to take the shape of deconcentration, devolution, delegation, divestment or co-production depending on many factors. These may include historical context and initial conditions, geographical features (particularly the size of the country) and objectives. Given that all government systems are likely to include different elements of decentralisation there are sometimes considerable overlaps and therefore a clear taxonomy is always problematic.

1.3 Analytical Framework and Methodology

1.3.1 Analytical framework

This study uses a combination of three analytical frameworks. The first framework analyses the process of decentralisation, focusing on the transfer of the four key components of any decentralisation programme to local-level actors. These components are: responsibility, authority, resources (human, fiscal and natural) and accountability arrangements. The second approaches decentralisation as a policy process that must be initiated and sustained by a coalition of political forces in any polity. The strength or weakness of any of the three key policy elites active in decentralisation – namely, senior politicians, senior administrators and local level (political and administrative) leaders – determine the content of decentralisation policy and its success at the levels of initiation, implementation and sustenance respectively (Ndegwa and Levy, 2003). Finally, we use an institutional analytical framework that focuses on the existing institutional incentives and constraints on decentralised structures (Ostrom, 1990; Ostrom et al., 1993). The search focuses on four institutional incentives for collective action, collective choice, principal-agency and constitutional choice. The framework is built on the assumption of human rationality. Humans are likely to co-operate when they find themselves in institutional constructs in which they can take collective action, make collective choices, ensure that agents are accountable to the principal and have the freedom to design or redesign their organisations in light of experience.

These frameworks, as well as a close reading of the literature, helped us to develop a number of guiding propositions for the research. These are described below.

1.3.2 Guiding propositions and questions

Based on the literature review, the following propositions are made to contextualise decentralisation policy and practices:

1. The design of decentralisation is crucial to determining whether its impact will be good or bad. If designed well, decentralisation can improve service delivery,

expand the democratisation process, enhance accountability mechanisms, improve local governance, and reduce poverty. However, design is extremely complicated since it involves a number of components which individually and interactively affect outcomes. If decentralisation is not designed well and supported by (a) political commitments to transfer authority, (b) adequate resource capacity, (c) clear allocation and balance of responsibility and resources, and (d) an effective accountability mechanism, it might lead to unintended consequences.

2. Not all government functions should be entirely decentralised. Following the principle of subsidiarity, a function should not be decentralised to a lower level if (a) it is critical for the achievement of central-level goals and its sustainability at the local level cannot be guaranteed and (b) if the capacity to perform the function does not exist or the function at this level is not cost-effective. In fact, most services have differing ranges of complexity and integration between their primary, secondary and tertiary aspects. In light of this fact, we give particular emphasis to basic education, health care, land, water and sanitation, and how they have been decentralised to ensure a cost-effective outcome.
3. Decentralisation policy in Africa (as elsewhere) is driven by politics and interests. The gains of local politicians and bureaucrats are perceived as loss of power, prestige, and budgetary (and sometimes human) resources for their counterparts at the centre. Since it is perceived as a zero-sum game, central government politicians and bureaucrats who believe that they stand to lose from decentralisation are likely to hold back the policy initiative. In spite of pretences to the contrary in formal policy-making, as central government actors sabotage the decentralisation process, they continue to make local units weak, subservient and redundant. Without effective pressure groups at the local level to push for decentralisation, the timing, pace and control of the decentralisation process would be driven by (or become the preserve of) central government politicians and bureaucrats. The ability of those promoting decentralisation to transform what is widely perceived as a zero-sum (win-lose) game to a positive-sum (win-win) game is important to the overall success of this policy. Central government leadership is critical to ensuring that administrative, political, and fiscal decentralisation operate in tandem. In this regard, one would like to ask: Who are the protagonists of decentralisation reforms in a country? What are their interests? How have they promoted their interests? How have various actors and institutions (formal and informal, public, private, and civil society) reacted? To what extent have central politicians perceived decentralisation not as a zero-sum game (in which they gain or lose) but as a positive-sum game for both central and local actors?
4. There is often a big difference between formal arrangements for decentralisation and what is actually practiced in the country. Thus, an analysis of

decentralisation that only examines the formal arrangements (i.e., constitution, laws, regulations and policy discussions) will be inadequate. In the countries selected for this study, therefore, we seek to identify the gaps between policy intentions (as stated in statutory books) and actual practice.

5. There is no 'one size fits all' design of decentralisation policy. Instead decentralisation has to be sensitive to the existing cultural, political, and institutional arrangements within a given country. This means that historical context and initial conditions, geographical and climatic features, natural resource base, existing patterns of service provision, or traditional methods of addressing user's need and economic conditions all significantly influence the pattern of decentralisation in a country. In the five countries selected for the study, how have these factors influenced the types and methods of decentralisation policies, programmes and their implementation? What are the consequences of these for equity, inequality and quality of local governance and service delivery?
6. The state has a key role to play in facilitating decentralisation processes through initiating forums for discourse, establishing financial guidelines, building capacity, setting a timetable, legislating, and setting up advisory bodies and resource institutions that are interested in understanding local problems and finding solutions that work locally. Therefore, the success of any decentralised form of government and policy would critically depend on strongly responsive and accountable government at the national level. In this regard, how have central governments in the five countries facilitated accountable political, economic, and financial decentralisation policies in favour of lower levels of government, semi-autonomous organisations and field agencies?
7. Donors play a critical role in promoting decentralisation in Africa. Donor programmes assist central government to design and implement plans, reform legal, political and fiscal systems, and carry out sectoral programmes. Donors also help to build local capacity and exert important leverage in LG negotiations with central government, thereby combating central domination and promoting genuine devolution (Nielsen, 2002). However, donors also have problems co-ordinating their inputs among themselves. It is essential, therefore, to know what roles international development agencies play in the provision of quasi-public goods and services. In what ways have donors influenced decentralisation policy design, programme support and implementation in the four countries?

1.3.3 Sources of data and data-collection methods

Three types of data collection methods were adopted. The first was based on the report that the countries (represented by their respective ministries) submitted to

the Commonwealth Secretariat for validation. The country reports were assessed to determine their level of adequacy in terms of providing information on various aspects of decentralisation. On the whole, the Tanzania report provided most of the information but it still had only 15 out of 28 elements; Ghana and Botswana follow with only 8 and 6 respectively out of 28. Cameroon had only 3 out of 28 elements adequate while the Mozambique report had none of these elements.

Based on the review of the country reports, a two-week rapid field survey was conducted in each of the five countries with the support of the host ministry. While the original idea was to validate the countries' reports, the focus of the field work changed to comprehensive field data collection to fill the gaps identified in the initial reports. During the field survey an interview guide was used to solicit information from key respondents. Among them were senior government officials in the sectoral ministries, central and LG officials, politicians (within and outside government), leaders of civil society organisations, donor agencies, traditional authorities, academics, etc. (see Table 1.1).

Table 1.1. Institutions/stakeholders interviewed per country

<i>Institutions/stakeholders Interviewed</i>	<i>Number of people interviewed</i>				
	<i>Ghana</i>	<i>Botswana</i>	<i>Cameroon</i>	<i>Mozambique</i>	<i>Tanzania</i>
Ministry of LG/state administration	6	3	1	1	2
Ministry of Public Service	8	1	2	3	3
Sectoral agencies: education, health, water, agriculture, etc.	8*	10	1	4	10
Technical unit/commission responsible for decentralisation	9	0	2	4	6
Association of LG authorities	1	1	1	1	1
Urban local councils	–	1	1	1	2
Rural local councils	–	3	1	1	1
District administration	2	2	1	1	1
Civil society organisations	2	1	1	1	–
Traditional authority	–	1	1	0	–
Academics	1	1	1	2	–
International development agencies that support decentralisation programme	2	1	1	1	2
Others (politicians)	–	2	2	1	1
Total	35	27	16	21	29

* This figure represents the number of interviewees from the Public Service Commission, the Head of the Civil Service Commission, the Institute of LG Studies and the Common Fund Administration combined. Ghana does not have a Ministry of Public Service.

Apart from the semi-structured interview that was administered to key people, the study also incorporated a range of data-collection techniques including a literature scan of official government and published documents, team discussions, and direct observations. The third and final data-collection method was a regional workshop that was held in Gaborone, Botswana in April 2010.

Notes

1. For more detailed information on the research methodology, two documents were presented to Commonwealth Secretariat by the research team. These are the Research Plan and the Inception Report.

2

Decentralisation in Botswana

Summary

This chapter traces the trajectory of decentralisation implementation in Botswana. It covers the circumstances that led to the adoption of decentralisation; the type of decentralisation being pursued; the main area(s) of focus; achievements so far; and the challenges and suggestions for improvement. In writing the chapter, three data-collection methods were adopted: (a) an analysis of the country report submitted by the Ministry of Local Government (MLG) to the Commonwealth Secretariat; (b) a two-week rapid field survey conducted in Botswana in October 2009 by a consultant hired by the Commonwealth Secretariat to validate the country report; and (c) a regional validation workshop organised by the Commonwealth Secretariat in Gaborone during which comments were solicited from government institutions on the draft country report. The final draft report was further reviewed by the MLG and Office of the President.

This chapter therefore expresses the views of a number of stakeholders who contributed towards writing it. The chapter is divided into six sections. The first section provides a short introduction of Botswana and a detailed explanation of the methodology adopted in compiling the chapter. Section two provides the socio-cultural, political, economic and historical context under which decentralisation should be understood in Botswana while sections three and four address decentralisation in practice by analysing local councils and the other local institutions involved. In section five, the chapter assesses the contribution of decentralisation to two key objectives: service provision and empowerment of local institutions for long-term growth and sustainability, while section six highlights the lessons, challenges and suggestions for improvements.

Botswana adopted a liberal democratic system of government at independence in 1966. Since then successive development plans and policies have embraced decentralisation although no official decentralisation policy was adopted. The Government of Botswana (GoB) is persuaded, especially by the arguments of efficiency in delivery of services and democracy, that decentralisation is a valuable policy tool which should be considered as a means to contribute to a desired goal: to improve service delivery to the people wherever they live (urban, small towns, villages, etc.). As a means, decentralisation is to contribute to development by empowering the people and institutions at every level of society including public, private and civic institutions; increasing

people's participation in decision-making; assisting in developing people's capacities; and enhancing government's responsiveness, transparency and accountability.

Following this goal, the GoB has used decentralisation in two ways:

- To develop a local government system that consists of tribal administration, district administration, land boards, and local councils.
- To transfer some of the service delivery responsibilities of sector ministries to field agencies in the districts.

The key strategy that Botswana has pursued in the implementation of her decentralisation is creating a reasonable balance of power, resources and responsibilities between the centre and four local institutions that constitute local government in the country.

Reflecting on the land size and small population, the historical circumstances under which Botswana was established, the influence of chieftaincy in local affairs, the developmental model that the state adopted, the technocratic approach to planning for local and national development, initial limited human and financial resources, and the quest for equitable distribution of national resources across all districts and communities, it is evident that decentralisation has been skewed towards a system of deconcentration.

In summarising the chapter, two major findings are highlighted: First, decentralisation has made a lot of progress as far as delivery of services is concerned. The people of Botswana, referred to as Batswana, enjoy a very high standard of services provision in education, health, water and sanitation, more than most citizens in other African countries. The local councils have managed to effectively deliver basic services that are part of their responsibilities despite the challenges that exist. The presence of deconcentrated sectoral agencies and departments, each with their own budget and employees, and the occasional direct implementation of projects at the local level by sectoral ministries, ensures that if one or more local institutions failed to function the other would somehow deliver, thereby ensuring not only expansion of services provision but also continuous delivery. Nevertheless the costs of providing services need to be analysed carefully in Botswana because the system appears to be too expensive to be adopted by any country that faces serious financial constraints.

Despite initial commitment to local governance resulting in the creation of local councils, full decentralisation has not been achieved. While the current trend in Africa and the wider world is towards democratic decentralisation or devolution, the present set-up of Botswana has been skewed towards a system of deconcentration. Many stakeholders in Botswana would like to see an empowered local council system.

To conclude, decentralisation in Botswana is not a myth. Since independence the country has seen some of the central government powers, resources and responsibilities

being transferred to local institutions and authorities. However in an attempt to keep a reasonable balance between the centre and the local, the trend has favoured deconcentration rather than devolution. As a result, decentralisation is seen in terms of service delivery but there are other equally important goals of decentralisation that need to be pursued. One of them is empowering local institutions to take control of the processes that deliver the services.

2.1 Introduction

Botswana is a landlocked, semi-arid country with an estimated 2009 population of 1,950,000. The country covers an area of 582,000 km², about the same size as Kenya or France. Geographically, the country is flat and up to 70 per cent of it is covered by the Kalahari Desert (UNDESA, 2009). While there are many tribes (Bangwato, Batawana, Bakgatla, Bakwena, Bangwaketse, Barolong, Batlokwa, Balete, etc.), tribal loyalty does not breed divisiveness as it does in many African countries because there is a high degree of ethnic and linguistic homogeneity. Much of the population is concentrated within a 100km-wide corridor on the eastern side of the country along the Zimbabwe–South Africa railway line, where the desert gives way to more fertile land. In 1971, only 9.1 per cent of the country’s population was urbanised but by 2001, 54.2 per cent of the population was living in urban areas.

The country adopted a liberal democratic system of government at independence in 1966. Since then successive development plans and policies have embraced decentralisation. The Government of Botswana (GoB) is persuaded, especially by the arguments of efficiency and democracy, that decentralisation is a valuable policy tool which should be considered as a means to contribute to desired goals. Decentralisation contributes to development by:

Empowering the people and institutions at every level of society including public, private and civic institutions; improving access to basic services; increasing people’s participation in decision-making; assisting in developing people’s capacities; and enhancing government’s responsiveness, transparency and accountability. (Ministry of Local Government, 2008: 1).

The GoB’s main goal in pursuing decentralisation is to improve service delivery to people wherever they live (urban, small towns, villages, etc.). In pursuit of this goal, the GoB has used decentralisation in two ways:

- to develop a local government system that consists of tribal administration, district administration, land boards and local councils; and
- to deconcentrate some of the service-delivery responsibilities of sector ministries to field agencies in the districts to be co-ordinated by district administration.

In recent times, the GoB has started to decentralise some of the state's responsibilities to markets through privatisation and corporatisation. The government's commitment to decentralisation and privatisation is clear in the National Vision 2016 and more particularly in the institutionalisation of National Development Plans (NDPs). This was a major policy shift from the state, which since independence had been stably democratic but nevertheless bore some of the features of a centralised system. The key issues in the country's quest to further decentralise were efficient and effective service delivery, and resource availability and management between the government and the markets.

Considering that rather than a 'one size fits all' design, decentralisation should be sensitive to the institutional context of a country, how have these four parallel systems been influenced by the historical, socio-cultural, economic, and political set-up of Botswana? What are the gaps between policy intentions (as stated in the statute books) and actual practice? What are the consequences of these gaps for the equity and quality of local governance and service delivery? Who are the protagonists of decentralisation reforms in the country? What are their interests? How have they pushed through their interests? How have various actors and institutions (formal, informal, public, private, and civil society) reacted? Is the government serious about its declared intentions regarding decentralisation? How are power and resources shared between central government and local institutions? What is the perception of decentralisation by politicians? These are the questions that this chapter will try to answer.

2.1.1 Sources of data and data-collection methods

The research collected data that illuminates the circumstances that led to the adoption of decentralisation; the type of decentralisation being pursued; the main area(s) of focus; achievements so far; and the challenges and suggestions for improvement. The study adopted four methods of data collection. The first was based on the country report that the Botswana Ministry of Local Government submitted to the Commonwealth Secretariat for validation. The report did not provide all the information and analysis required for a proper assessment of some key issues in decentralisation (see section 1.3). This led to a second phase of data gathering. This involved a two-week rapid field survey conducted by a consultant hired by the Commonwealth Secretariat. With the support of the Public Services Reform Unit at the Office of the President, the consultant conducted a rapid field survey to solicit information from key stakeholders. Among them were senior government officials in the sectoral ministries, national and local politicians, leaders of civil society organisations, donor agencies, traditional authorities, Land Boards, district commissioners and academics (see Table 1.1 in chapter 1).

Apart from the semi-structured interviews carried out with key people, the study also incorporated a range of data collection techniques including: document reviews,

team discussions, and direct observations. Given time constraints, the team visited a few districts, sub-districts, and towns including Gaborone, Goodhope, Molepolole, Kgalagadi, Tsabong, Tlokweng, etc. The third data-collection method was a regional validation workshop in Gaborone organised by the Commonwealth Secretariat. During the workshop country representatives made a number of comments on the draft country report submitted by the consultant. The comments were incorporated into the final draft papers and sent back to GoB for final validation and ownership.

The chapter is divided into six sections including this introduction. Section two provides socio-cultural, political, economic and historical context under which decentralisation should be understood in Botswana while sections three and four discuss decentralisation in practice by analysing local councils and other local institutions involved in decentralisation. In section five, the chapter assesses the contribution of decentralisation in two key objectives: service provision and empowerment of local institutions for long-term growth and sustainability. Section six highlights the challenges and lessons to be learned and suggestions on some ways to improve implementation.

2.2 Decentralisation in the Botswana Context

2.2.1 Decentralisation before and during British Protectorate rule

Prior to the country becoming a British protectorate, Batswana (a term used to refer to the people of Botswana) lived as farmers under tribal rule. Each tribe owned a given piece of land. The tribal authorities made the law and acted as judges, allocated land, controlled the cycle of agriculture, were responsible for public works using the labour of regiments, and were in charge of trade and defence, etc. The villagers were divided into several wards and each was headed by a headman (Sharma, 2000). However hostilities broke out between Batswana traditional rulers and Boers settlers from the Transkaal (present South Africa). The traditional authorities asked for British protection not only for their own security but also to preserve the integrity and autonomy of their polities and to avoid being integrated into the Union of South Africa.

In 1885, the British government put Botswana under her protection. During the early part of the protectorate period, the British colonial government exercised minimal control over local administration at the tribal level. The tribal authorities were allowed maximum independence in their tribal area to maintain the rule of law and order. Between the years 1934 and 1943, a series of administrative proclamations (including the Native Administration Proclamation of 1934, Native Tribunal Proclamation of 1934, and Treasury Proclamation of 1938) were announced that broadened the functions of tribal authorities by granting them power to make rules concerning law and order and provide local services, as well as levy fees for such services.

During 1957–1966, the need to reform state–local relations was discussed and an attempt was made to create local councils to ‘advise’ tribal authorities. The Government White Paper No.21/1964 stated:

‘It is essential that constitutional development at the centre should be balanced by the growth of democratic institutions throughout the country. Freedom and responsibility in thought and action must be stimulated at every level if they are to be understood and given effective expression. One of the best checks to any tendency to authoritarianism is a wide spread cultivation of these habits of mind and the readiness of people at every level of society to play a part in the conduct of local affairs.’ (GoB, 1964).

During the constitutional debates that led up to independence, some of the traditional chiefs that took part in the discussions considered various options for Botswana, including a federal state system to enable them to continue to possess a degree of autonomy in their areas of control. A majority of the people, however, wanted a unified state, which led to Botswana becoming a unitary state at the time of independence in 1966. The leaders of the newly independent country faced the dilemma of how to restructure local institutions and authorities in such a way that traditional legitimacy represented by chieftaincy was not undermined while at the same time recognising the importance of expanding service delivery to the people.

2.2.2 Post-independent era

At independence, Botswana adopted four national principles: democracy, development, self-reliance and unity. As one of the most impoverished countries in Africa and with most of the population living in rural areas, Botswana depended heavily on agriculture as a source of livelihood. The cattle industry was the major contributor to gross domestic product (GDP). The government depended on foreign aid to finance most of its desperately needed social services and recurrent expenditure (Sharma, 2005a; GoB, 2003: 27). The government set off on a course to facilitate the attainment of its four principles by reforming its state and local governance institutions and relations, land administration and management and, among other approaches, by institutionalising its national development plans.

In reforming governance, roles of traditional authorities were reduced. Some of the functions of the chiefs that remained included the administration of justice under customary court and organisation of village assembly (*Kgotla*). Most of the functions and powers of tribal authorities were assumed by district councils. The government also enacted the Tribal Land Act and established Land Boards to administer all tribal lands, which cover about 71 per cent of Botswana’s land. The Land Boards were initially administered by the chiefs. State lands, which comprise urban lands, national game and wildlife, mining areas, and forest reserves and which constitute about 23 per cent of the total land area, were set to be managed by the Ministry of Lands and Housing and the Ministry of Environment, Wildlife and Tourism.

In 1969, the government appointed a study group to look into the organisational structures of local authorities – a term that was used to cover district councils, the chieftaincy system and district administrations. In addition to restructuring local authorities, the study recommended the establishment of District Development Committees (DDC). The release of the Government White Paper on Rural Development (GoB, 1973) and the administrative decision to create DDCs was coupled with the strengthening of councils as providers of essential services via delegation of responsibilities and vast increases in capital expenditure budgets. The district commissioner (DC), whose responsibility it then was to represent the central government at local levels, was empowered to co-ordinate the activities of the DDC and report to the MLG (Reilly, 1983).

From 1976 to 1980, attempts were made to revive decentralisation. A Local Government Structure Commission was established in 1979 and recommended the transfer of human, material and financial resources to local authorities to enable them to effectively discharge their responsibilities. In the early 1980s, with the diamond-mining boom, there was a need to improve the physical infrastructure of Botswana and to expand the economy. The additional functions were transferred to councils to implement huge infrastructure programmes. The National Development Plan (NDP) 7 (1991–1997) laid out its clear commitment to decentralisation, defining it as ‘delegating greater responsibility for development planning, finance and implementation to the local authorities, while increasing their capacity to manage these responsibilities.’ On the basis of this policy statement, the then Ministry of Local Government, Lands and Housing prepared a *Policy Paper and Action Plan on Decentralisation* in October 1993. The policy paper contained an action plan on fiscal and human resources administration. The former covered areas such as new revenue sources for local authorities, accounting and budgeting, while the latter included human resources development, delegation of powers to local authorities in the form of the transfer of control of personnel matters from the ministry.

A presidential task force was established in 1997 to develop a long-term vision for the country. The report outlined the vision of Botswana in a document entitled *Towards Prosperity for All* (also known as Vision 2016), with seven goals (pillars) to achieve by the end of 2016. As far as decentralisation was concerned, the fifth pillar of the vision envisages a Botswana that is ‘an open, democratic and accountable nation’. The Botswana of the future will be a ‘community-oriented democracy, with strong decentralised institutions’ (Vision 2016, p.11). Since then all national policies and development plans in the country have maintained themes that gravitate around the ideas in the vision and especially the seven pillars. Given that there is no government policy on decentralisation, the government embraced decentralisation in its broad meaning and uses statutory instruments and administrative directives as its official policy framework, hence the recent endeavour to develop a comprehensive policy on decentralisation.

The financial support for implementing the vision and subsequent programmes was given a shot in the arm when Botswana's economy started to grow remarkably. By 1999, agriculture's share in the economy had fallen from 42.7 per cent in 1966 to 2.6 per cent with the mining sector (mainly the diamond industry) contributing over 33 per cent. GDP growth has averaged more than 6 per cent per annum over three decades, based largely on diamond and beef exports and tourism.

In 2000, Botswana and Malaysia were judged by UNDP to be the 'most' progressive countries in terms of human development since 1960 (UNDP, 2000). The country's economic growth rate has outpaced even those of the Asian Tigers, and the World Bank cites Botswana as one of the world's great development success stories (IMF, 2008). From being one of the poorest countries in the world at independence with a per capita income of the equivalent of US\$70 (Republic of Botswana, 2001), today Botswana has a per capita income of about US\$6000 (AfDB, 2009). It is classified by the World Bank as an 'upper middle income' country.

In 2001, a presidential commission was set up to review the effectiveness of the structure, organisation, roles and responsibilities of LG institutions at all levels in Botswana. Based on the findings, it was to make recommendations to establish a clear pattern of authority and functional responsibilities between central and local authorities (district councils, land boards and tribal administration) to improve efficiency and effectiveness of service delivery among other objectives. The government, via its *White Paper No.1* (GoB, 2003a), adopted some of the recommendations of the commission, including the formulation of a clear decentralisation policy to cover all sectors. Following the commission's report, a number of national documents have been prepared emphasising decentralisation. The National Development Plan 9 (2003/2009) included the need to formulate a comprehensive decentralisation policy and establish additional structures at the sub-district level. The implementation of these is ongoing, as evidenced by the establishment of Moshopa and Tonota Sub-Districts, as well as the upgrading of Chobe Sub-district Council to a fully-fledged Chobe District Council. The government is currently at the final stage of the development of a comprehensive decentralisation policy.

2.2.3 Structure of contemporary state administration

Botswana has one of the longest periods of stable multi-party democracy in Africa, anchored in regular elections that are held every five years. The country operates a parliamentary system of democracy where the leader (and presidential candidate) of the political party that win the most seats in parliament assumes office. The president then nominates a vice president, to be endorsed by parliament. In addition, the president appoints four additional members of parliament (MPs) and selects his ministers from among all the members of parliament. The president is head of the executive arm of government and presides over the cabinet. Since

independence in 1966, the Botswana Democratic Party (BDP) has governed the country without interruption. In 2004, the party won 44 out of 57 seats (77 per cent) while the other seven political parties won 13. In 2009, the BDP again won 45 out of 57 constituencies (79 per cent).

Table 2.1. Number of parliamentary seats controlled by political parties

Political party	Parliamentary seats won in national elections		
	1999	2004	2009
Ruling BDP	33	44	45
Combined opposition political parties	7	13	12
Total parliamentary seats	40	57	57
Voter turnout (%)	77.1	76.2	75.2

Source: National Electoral Commission <http://www.iec.gov.bw>

According to the Constitution of Botswana, Parliament is the supreme decision-making body. Alongside the National Assembly is the House of Chiefs (*Ntlo ya Dikgosi*), which consists of 35 traditional leaders. The *Ntlo ya Dikgosi* also reviews draft bills before they are laid before Parliament for consideration.

As a unitary state that operates a two-tier system of government, the central government forms the first tier and is headed by the president. There are 16 central government ministries¹ each headed by a minister. The ministers are responsible for leadership and policy direction of the ministries. The administrative heads of the ministries are called permanent secretaries (PS) and are appointed by the permanent secretary to the president, who is also the head of the public service. Each ministry is divided into several departments headed by directors. The second tier of government is local authorities, comprising district/urban councils, land boards, tribal administration, and the office of the district commissioner. In a recent development, the term 'local authority', as communicated by Presidential Directive (CAB 22/2005), is reserved only for councils. Land Boards, District Administration and Tribal Administration are referred to as local institutions.

There are also other institutions and organisations which have delegated legislative powers and functional authority in their areas of operation. These semi-autonomous institutions and organisations include the Botswana Housing Corporation (BHC), Botswana Power Corporation (BPC), Water Utilities Corporation (WUC), auditor and accountant generals, ombudsman, and many others managed through a board of directors. The structure of state administration is shown in Figure 2.1.

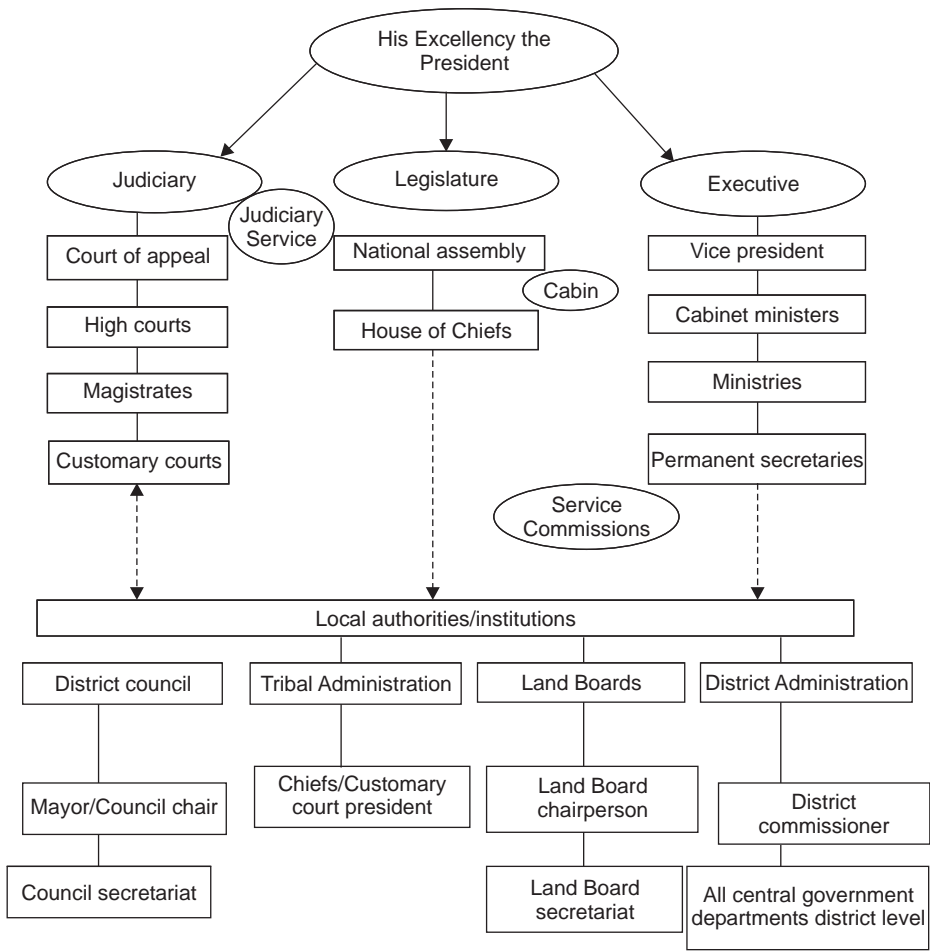


Figure 2.1. Structure of state administration

Source: National Development Plan (NDP 9) 2003-9: 3.

2.2.4 Public sector management

There are about 100,000 employees on the government's payroll. This comprises about 21,000 teachers, 60,000 public servants, and 27,000 local authority and local institutions employees. About 50 per cent of the employees at the local level are classified as 'industrial' or 'semi-skilled'. The institutional framework for public sector management includes the Directorate of Public Service Management (DPSM), Department of Local Government Service Management (DLGSM) and Teaching Service Management (TSM) (in the case of Ministry of Education). DLGSM, which is in the Ministry of Local Government, formulates and administers human resource management policies and other conditions of services for local authorities within the general policy framework defined by DPSM.

2.2.5 Sub-national administration

The sub-national administration in Botswana comprises four institutions: (a) tribal administration; (b) elected local councils; (c) land boards; and (d) district administration (see Figure 2.2).

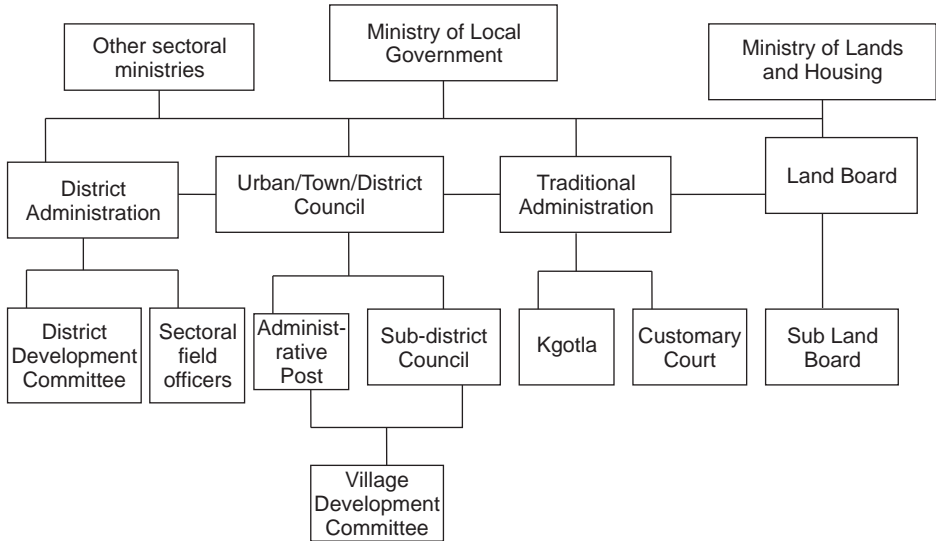


Figure 2.2. Structure of sub-national administration in Botswana

2.2.6 Privatisation and corporatisation of the public sector

Decentralisation of state responsibilities has not only been implemented through central government-LG transfers but also to markets through a policy of privatisation and corporatisation. With the adoption of the privatisation policy in 2000 and the privatisation master plan in 2005, the GoB signalled its commitment to implement market decentralisation. Unlike most countries in Africa, privatisation in Botswana was borne out of the quest for achieving excellence in delivering public services, rather than necessitated by structural adjustments. The privatisation policy aims to enhance private sector activities in areas that the government was solely involved in through divestiture and contracting out; creating of autonomous agencies; greater application of market efficiency mechanisms in activities in which the government continues to be involved (corporatisation and commercialisation); promotion of citizen-owned businesses; promotion of foreign direct investment; and public-private partnerships (GoB, 2005). Public-private partnerships (PPP) were identified in NDP 9 as a mechanism for increasing private-sector participation in government activities. A number of state-run companies have become candidates for privatisation, including the Botswana Housing Corporation, Botswana Telecommunication Corporation,

Botswana Post, Botswana Power Corporation, Botswana Railways, Air Botswana, etc. Nevertheless not much has been seen in terms of privatisation transactions.

2.3 Devolution through Local/District Council System

2.3.1 Structure and responsibilities of local councils

Currently, there are 16 local councils (10 districts, 4 towns, and 2 cities), an increase of 7 since they were first established in 1966. When established, a local council becomes a corporate body capable of suing and being sued. The largest council in terms of size is Central District, while South East is the smallest. In an endeavour to reduce the distance between the people and LG services, sub-districts, administrative authorities and service centres are being established.

Legal framework for local councils

District and urban councils are established by Acts of Parliament, in particular Act 40:01 (District Councils Act) and Act 40:02 (Townships Act). These two acts are being merged. Unlike in many other countries, the establishment of these institutions is not entrenched in the constitution.

Roles and responsibilities of local councils

The statutory responsibilities of councils are to provide basic social infrastructure and services, which includes (among other things) constructing primary school infrastructure, primary health care and sanitation services, maintaining ungazetted public roads, operating and maintaining rural water supplies, general administration of markets, parks, cemeteries, relief services, recreation and welfare, commerce, byelaws, abattoirs, and beer halls, and the regulation and licensing of beer halls. These responsibilities have been expanded by a number of statutes and regulations to include the protection of common property, social and community development, self-help housing, trade licensing, remote area development, fire extinction and prevention, physical planning and *Matimela* (lost and found cattle). It is perhaps noteworthy to mention that councils develop their own byelaws.

Membership, leadership and managers of local councils

A local council is composed of elected and appointed members in addition to the district commissioner and the tribal chief (who are ex-officio members). On average, the ratio of a councillor per population is about 1:3,000, however, given the size of the country there are some districts (Kgalagadi, Ghanzi, North West) that are sparsely populated but cover too large of an area to be effectively represented using this ratio. The executive functions of local councils are divided into committees (finance,

education, social and community development, and planning). Councillors receive monthly salaries as well as a seating allowance each time they meet to deliberate and take decisions on local issues. A council is politically headed by a chairperson or mayor who is elected from among the councillors. The administrative work of the council is undertaken by civil servants headed by the council secretary/chief executive. The council secretary or chief executive is recruited by the MLG's Department of Local Government Service Management. The council chief executive reports both to the council and the MLG.

2.3.2 Local council elections

Since independence members of local councils have always been elected directly by the people in multi-party elections. Local elections are held at the same time as national parliamentary elections, and there is no significant difference between voter turnout in local and national elections. Average voter turnout has not dropped below 75 per cent of registered voters since 1989. Across the country council elections are contested by three main political parties, the Botswana Democratic Party (BDP), Botswana Congress Party (BCP), and Botswana National Front (BNF). Although the ruling BDP enjoys massive support across the country (see Table 2.2), since 1999 its share of the vote has been dropping.

Table 2.2. Local council elections

<i>Election Year</i>	<i>No. of seats won by BDP</i>	<i>No. of seats won by other political parties</i>	<i>Voter turnout (%)</i>
1999	303 (75%)	102 (25%)	77.45
2004	335 (68.4%)	155 (31.6%)	76.2
2009	332 (67.89%)	157 (32.11%)	76.51

In the past three elections, the major towns such as Selebi Phikwe, Francistown, Lobatse, Jwaneng and Gaborone have been won by the opposition parties. Gaborone City Council has been in the hands of the opposition for 22 years. However, as can be seen in Table 2.3, opposition parties' control of local councils has gradually declined from 1994 when they controlled seven (50 per cent) of local councils to only two (12 per cent) in 2009.

Table 2.3. Number of councils under ruling and opposition parties' control

<i>No. of Councils under political control</i>	<i>1994</i>	<i>1999</i>	<i>2004</i>	<i>2009</i>
Ruling BDP	7	9	11	14
Opposition political parties	7	5	3	2
Total number of districts	14	14	14	16

If this trend continues, by the next election (2014) the opposition may not control a single local council. The decline of opposition parties' control of local councils is steeper than their fall in national elections. While the ruling BDP enjoys mass support in the country, it has been criticised for appointing additional councillors to fill local councils and retain control. (They are able to do this because the Minister of LG may nominate any person with special skills that are relevant to the development needs of the district. The nominated councillors enjoy all the rights and privileges of elected councillors.)

Anecdotal evidence suggests that at the local level people vote not based on party affiliation but on personalities. For instance, in the 2009 general elections the BDP lost their parliamentary seat in Chobe constituency to the BCP but won a majority in the district council election. Similarly, the MP of Francistown West is not a native of that constituency but the people voted for him anyway. If this trend grows, it will mean that voters are becoming more mature and discerning in their choice of local leadership. It also means that Botswana has built strong bonds of national unity, an indication of a maturing democracy that rejects the politics of tribalism and its associated patronage system. It is also an indication that at the local level people are interested in leadership that can deliver rather than in the political party affiliation.

2.3.3 Qualification of local councillors

LG laws do not prescribe minimum academic qualification for councillors. As a result, the academic qualifications of a majority of councillors (both elected and nominated) have never been high. In 1981, most had a very low level of education and practically no understanding of how a council functions nor of their own responsibilities (Reilly, 1983: 157). A study by Molutsi (1992) found that only 12 per cent of councillors had a senior secondary school certificate. About 65 per cent had standard 7 or lower, a stark contrast to council executives, about 63 per cent of whom hold post-O-level qualifications. The capacity imbalance between local politicians and bureaucrats resulted in the latter dominating the former. However, anecdotal evidence suggests that there have been substantial improvements in the current educational levels of councillors across the country. They also show a lot of confidence and aspire to use local-level politics to launch their political careers. The fact that more councillors are now contesting national elections is testimony to their growing confidence. For example, the Botswana Association of Local Authorities (BALA) claims that in the 2004 elections, 13 out of 57 elected MPs were former councillors. If the claim that the educational levels of councillors have improved substantially turns out to be true (no data available at the moment) then we can expect an improvement in the quality of local governance.

2.3.4 Authority to make byelaws

LG Act 40:01 (section 33) gives local councils the authority to make byelaws in respect of all matters they consider necessary for the maintenance of the health, safety, and well-being of the inhabitants of their area. However, such byelaws made by the council shall be submitted to the Minister of LG for approval and published in the *Government Gazette*. Many at the local level think the need to seek ministerial approval causes unnecessary delays. The Second Presidential Commission Report (GoB, 2001) therefore recommended that the statutory authority of the minister to approve a council's byelaws be repealed. This recommendation was however rejected by the government White Paper No.1 of 2004. The reason given was that it was absolutely necessary to synchronise the activities of local authorities with those of central government, and the minister performs such a role.

2.3.5 Human resource management at local level

At independence local councils had more responsibilities for human resource management in their areas of jurisdiction. They were responsible for hiring school teachers, community development workers, sanitation officers, and for the basic overall management of their staff. The Unified Local Government Service (ULGS), now called the Department of Local Government Service Management (DLGSM), was created in 1976 to recentralise human resource management. The recentralisation of human resource management was necessary because some rural districts were not attractive to many qualified applicants thereby resulting in various negotiations and incentive arrangements. The councils also faced capacity constraints, for example, in terms of fiscal resources. Negotiating terms of remuneration with prospective employees without sufficient local revenue only transferred the burden of payment to the government. Therefore it was necessary for the government to centralise human resource management to ensure greater uniformity in conditions of employment across the country.

Human resource management at the local level is now covered by the Public Service Act, 2008, which has been passed to basically amalgamate the Teaching Service Act, 1976, Public Service Act, 1979, Land Board Act, 1967 and Unified LG Service Act, 1975. In the past these different acts were used to govern human resource management at the local level. Implementation of the Public Service Act, 2008, started in May 2010. All government employees are now governed by a single human resource management act, although functions are delegated to the sectoral ministries, including councils.

Recruitment and dismissal of local council employees

By 1991 there were about 13,000 people working at local councils, representing 20 per cent of all government employees. Though absolute numbers increased to 16,000 in 1996, in proportional terms that was a reduction to 19 per cent of total government

employees (GoB, 1997). It is now estimated by the DLGSM that there are 27,000 people working in local government (about 27 per cent). All senior employees at local councils were recruited by MLG. In 1999, local councils were given the authority to recruit level B1, which is the lower quartile of the establishment. From 2004 to 2007 they were given additional powers to recruit and manage human resources at C3 and C1 levels, the second and third quartile respectively, while in 2010 councils were given authority to recruit level D2, which is management level.

Training and transfer of LG staff

A civil servant once employed is posted to any part of the country and is also transferred from one district to another or across ministries. The training and transfer of LG employees is handled by the MLG. The MLG asks councils to nominate people for training and then makes the selection according to the areas of need and financial budgets.

Conditions of employment

Across the public sector there is only one salary structure and conditions of service. Employees who work in remote areas where electricity, roads, and services are inadequate or lacking receive an allowance called 'Remote Area Service Allowance' (RASA). To some extent the allowance has been effective in enticing people to move to remote areas.

Capacity of LGs employees

The academic qualifications and competence of local council employees have improved over the years. Many heads of departments in councils have university degrees while a few have postgraduate (masters) degrees. There have been programmes of short and long-term training for local authorities which have substantially improved their competence to provide the public services that they are responsible for. The government now appreciates that human resources capacity at local councils has improved over the years. Some of the council secretaries have even been posted to ministries as Deputy Permanent Secretaries.

The unified career structure for LGs is supposed to respond to the staffing needs of remote districts by enabling transfers and standardising personnel policies. It creates a basis for co-ordinated training and staff development programmes, but its implementation also affects LG development in Botswana. The system constrains any control that local councils have over their employees. Civil servants' ability to develop policies and programmes and to implement projects based on the priorities of locally elected councillors is impaired by the Unified Personnel Management system that makes civil servants accountable and loyal to the central government that employs them instead of the locally elected body. In addition, the unified staff system delays

decision-making regarding recruitment, dismissal, and disciplinary action at the local level. This has been improving, however, with more power given to councils to recruit up to middle-management level.

2.3.6 Local-central fiscal relationship

Revenue assignment

Botswana depends on diamonds for a great percentage of its national revenue. As only two administrative districts have diamond mines, the country chose a deliberate policy of centralising revenue collection and subsequent redistribution to various local councils according to their planned developmental needs. Fuel, hotel, corporate and income taxes have also been centralised, limiting the revenue sources that local councils can mobilise. They collect rents on council properties, fees and licences on small businesses, charges on service delivery, and private property rates (property rate applies only to urban councils). However, local councils have not been very successful in collecting fees for services that they deliver such as health, water, and education.

Expenditure assignment

Local councils are expected to spend their revenue providing primary education infrastructure and primary health care and sanitation services, maintaining ungazetted public roads, operating and maintaining the rural water supply, and administering markets, parks, cemeteries, relief services, recreation and welfare services, abattoirs, beer halls, and other local infrastructure. They are also expected to pay the salaries of their employees and other recurrent expenditure. As previously mentioned, the internally generated revenue of the local councils is inadequate and therefore they depend on funds from the central coffers (see also Section 3.5.2).

Internally Revenue Generation (IGR)

In the urban councils, total internally generated revenue constitutes about 20 per cent of the total recurrent expenditure needs in contrast to that of the rural district council, whose revenue generation is insignificant – about 3 per cent. Urban councils have the potential to generate more from their revenue sources, but they do not put much effort into collecting the fees and levies that they have set because they rely on the central government grant. Gaborone City Council, for example, could generate a substantial amount of money from car parking but it does not capitalise on this potential. In the 2009/10 recurrent budget, car parks were estimated to bring in P242,000, while interest on their bank deposits generated P4.74m (about 9.3 per cent) of the total recurrent budget. Revenue from bank deposits therefore appears to provide a ‘cushion’ for the councils.

Central government transfer to local councils

Local councils in both developed and developing countries generally depend on central government to finance their expenditure needs. In the case of Botswana, urban councils currently depend on central government for about 80 per cent of their recurrent budget (salaries, maintenance of equipment, purchase of lubricants, stationery, etc.) while in rural districts, dependency on the central government is about 97 per cent. In terms of development budget (expenditure on water, schools, clinics, health posts, roads, etc.) all local councils receive a 100 per cent grant from the central government. Unlike in other countries, there is no law in Botswana that specifies the amount or percentage of the national revenue that is to go to local councils. The recurrent and development budgets given to local councils are embedded in the general budgets of the MLG and are disbursed as grants to the councils. In 2009, about 17 per cent of the national budget went to the MLG but it is not clear how much of this money constitutes transfers to LGs. Additionally, each sectoral ministry has projects that are earmarked for districts and directly implemented through their departments and district offices.

Fairness in disbursement of grants to local councils

A formula for the allocation of central government grants to districts was previously used but was abandoned in 2007 because it discouraged local councils from making efforts to generate their own funds. However in the absence of any formula or criteria, grants for recurrent and development budgets are distributed to councils based on budget estimates that each council submits through the MLG. This process seems to have created inequality in the distribution of grants. For example, per capita recurrent grants for the six urban councils show a lot of disparity, ranging from as low as P1,231 (US\$177) in Gaborone to P13,315 (US\$1914) in Sowa township (see Table 2.4). There is no reason to doubt that that disparity occurs in rural councils as well as in the distribution of the development budget. In the absence of data, however, one cannot make further comparisons.

Table 2.4. Per capita recurrent grant to urban councils (2009/10)

<i>Urban councils</i>	<i>Population (2001)</i>	<i>Recurrent revenue support grant (2009/10) (pula)</i>	<i>Per capita recurrent expenditure (pula)</i>	<i>Per capita recurrent expenditure (US\$)</i>
Gaborone	185,891	223,655,690	1,203	177
Francistown	81,003	165,296,670	2,041	293
Selebi-Phikwe	48,825	95,195,840	1,950	280
Lobatse	28,801	114,429,910	3,973	571
Jwaneng	14,559	69,219,620	4,754	683
Sowa Township	2,726	36,296,790	13,315	1,914

Source: Population figures from 2001 National Census, Republic of Botswana Recurrent Budget: Ministry of Local Government (Urban councils' recurrent budget, 2009/10)

Power to borrow money to finance local development

The LG Acts (Act 40:01 and 40:02) give the councils the power to raise loans of any amount upon meeting conditions set by the Minister of LG, acting in accordance with the advice of the Minister of Finance and Development Planning. The loans shall be secured on the revenue and assets of the council. Given this condition, borrowing is not common among the councils. Moreover, availability of funds has never been an issue in local council finance. In fact, councils have substantial bank deposits on which they earn interest, which is the second-largest source of internally generated revenue (IGR) for urban councils (see Table 2.5).

Table 2.5. Interest earned by urban councils

<i>Description</i>	<i>Francistown</i>	<i>Gaborone</i>	<i>Jwaneng</i>	<i>Lobatse</i>	<i>S/Phiwe</i>	<i>Sowa</i>
Interest on bank deposits (pula)	3.2m	4.7m	1.5m	1.8m	4.5m	3.6m
% share of interest on bank deposit to IGR	9.3	6.2	19.3	19.7	22.1	62.9

Source: MLG Urban Councils Recurrent Budget, 2009/10: 4

Auditing of LG accounts

Monthly and quarterly council reports are the basis of local councils' accountability to central government on the use of grants. While councils have their own internal auditors, the central government Auditor General also reviews the accounts of councils yearly (although there is a backlog of at least two years for some councils).

2.3.7 Village Development Committee (VDC)

The Village Development Committee (VDC) was established by a presidential directive in 1968 as a non-statutory, non-political, voluntary committee of villagers responsible for promoting and co-ordinating village development but without legally enforceable powers to raise funds or invoke sanctions. VDCs normally have about 10 members who are elected every two years at a public meeting in the *Kgotla*. Supervision of the activities of VDCs is undertaken by local councils. Members of VDCs do not receive a monthly salary but do receive a seating allowance of P147–180 (US\$26) from the local councils for monthly meetings. A VDC proposal to implement a project is discussed at *Kgotla* in order to gain the support of community members. Once a project is accepted, VDC requests financial support from the district council for its implementation. The VDC undertakes additional responsibilities for local councils such as identifying destitute and orphaned children that can be assessed by the council for welfare support, overseeing the implementation of development projects, and managing community social activities including the day-care centre, community library, community or town hall, communal toilet facilities, etc. There are other

village groups that also undertake local self-help activities but are not part of the official government-sponsored institutional programmes. These include the Farmers' Committee; Parent-Teachers Association; Drift Fence Groups; Dam Groups; Health Committees; Botswana Council of Women; and the Village Extension Team (all government workers in a village).

2.4 Deconcentration through Sectoral Government Ministries, District Administration and other Local Institutions

2.4.1 Deconcentration of sectoral ministries to districts

The sectoral ministries are strongly represented at the local level. A district commissioner appointed by the permanent secretary to the president co-ordinates all sectoral ministries that operate at the district level. In 2001, a task force was established to identify central government functions and authority in the ministries and agencies that could be decentralised further in order to improve on the efficiency of government administration and service delivery. The organisation and methods (O&M) report of the task force recommended that all sector ministries that had established their own deconcentrated districts or regional boundaries be aligned to district administrative boundaries. A description of few of the sectoral ministries now follows.

Ministry of Education and Skills Development (MESD)

In 2009, the total number of employees on the Ministry of Education and Skills Development (MESD) payroll was 36,944, of whom 26,170 (71 per cent) were teachers in primary, secondary, and teacher training colleges. The MESD has divided the country into 10 educational regions (Mochudi, Gaborone, Kanye, Ghanzi, Maun, Francistown, Molepolole, Tsabong, Kasane and Serowe). Each education region has several inspectorates, depending on the size and population of the area. In 2006, the MESD decided to align the division of educational regions to the current LG administrative districts. Ten new educational districts were created (leaving out the urban councils of Gaborone, Selibe-phikwe, and Lobatse).

The MESD aims to decongest its headquarters to concentrate on policy formulation and regulation while management of schools would be delegated to district educational offices. As a result of this policy, the MESD is currently transferring senior personnel from its headquarters to the districts to become regional education directors. A regional director is responsible for human resource management in the respective area and has much autonomy to recruit, promote, transfer and dismiss personnel in the district. The implication of this arrangement is that although the MESD will continue to operate in a deconcentrated system, field directors will have much autonomy at the local level in terms of human resource management. This initiative

of the MESD is expected to improve education service supervision. By posting to the district a senior person whose grade is comparable to the DC, the MESD aims to solve one of the challenges at the district level when it comes to district development plans, namely, contentions that sectoral district co-ordinators are unable to take decisions at the local level and have to refer everything to the Ministry in Gaborone for advice. However, this policy may also raise a new challenge.

The MESD may create a potential conflict and ambiguity of administrative hierarchy and subordination at the local level. The reason being that the DC is supposed to co-ordinate all deconcentrated government departments and agencies at the local level and therefore needs a clear administrative hierarchy to enable that function to be effectively delivered. Even where sector co-ordinators have lower administrative grades than the DC, co-ordination of their activities at the district level has been a challenge to DCs.

Ministry of Agriculture (MoA)

The Ministry of Agriculture (MoA) has six deconcentrated regional agriculture offices called agriculture districts. As part of the deconcentration process, the MoA in 2008 expanded field offices to 10 districts by appointing district agriculture co-ordinators. The MoA has about 8,000 employees of whom only 5 per cent work at the centre in Gaborone – the rest are posted to the districts and villages, including about 1,000 extension officers and 3,500 veterinary officers. Under crop production, frontline staff (extension officers) who operate in the villages relate directly with district co-ordinators, while the latter report directly to their directors in the ministry.

Ministry of Works and Transport (MWT)

The Ministry of Works and Transport (MWT), now split into two ministries, Transport and Communication, and Infrastructure, Science and Technology, is responsible for public infrastructure works (electricity services, highways and major roads, and maintenance of government buildings) and the transport system (government vehicles, road safety, civil aviation, and railways). The MWT is divided into five departments: Ministry Management, Road Transport and Safety, Civil Aviation, Building and Engineering Services, and Central Transport Organisation. Deconcentration of the MWT can be seen in three departments (Roads, Building, and Transport and Safety). The Department of Roads has three regional offices while the Building Department has five regional offices and numerous depots in the districts. The Transport and Safety Department has five regional offices and government fuel points established all over the country and managed by the MWT. There are about 8,000 government workers of whom about 70 per cent are posted to regions and districts. Apart from establishing regional offices in the form of deconcentration, decentralisation of the ministry is seen in terms of transferring more power and responsibilities to parastatals.

For instance, responsibility for the airport has been transferred to Air Botswana and railways to Botswana Railway to operate as semi-autonomous institutions, and later to become candidates for privatisation.

Ministry of Local Government (MLG)

The Ministry of Local Government (MLG) has oversight of the creation of an enabling environment for local development, community participation, provision of strategic direction for LGs and governance in Botswana. More specifically, the MLG is responsible for (a) providing basic physical and social infrastructure services (water, primary schools, clinics, construction and maintenance of tertiary roads) through local authorities; (b) co-ordinating the activities of the central government at district level through the Office of the District Commissioner, and (c) serving as a focal point for local governance and community mobilisation. A Presidential Directive (CAB 22/2005) 'restructuring of the Ministry of LG' states that:

'The ministry should concentrate on LG policy formulation, implementation, monitoring and evaluation, and decentralise project implementation to local authorities (councils) and its institutions'.

Despite its primary role as policy and supervisory agency of the central government, the MLG is involved in the direct implementation of projects in some districts where it finds that inadequate capacity at the district level will affect effective and efficient delivery of the service. The MLG, for example, is involved in the implementation of the Backlog Eradication Project that is building classrooms and teachers' residential accommodation in the districts.

2.4.2 District administration (DA)

Quest for district administration

District administration (DA) is a deconcentrated central government institution that plays an important administrative and co-ordinating role for local-level development and is headed by a district commissioner (DC). The need for a District administration pre-dates the independence of Botswana. When the council system was established at independence, the District administration was not disbanded but allowed to operate alongside the district councils. By the end of the 1960s, the government was becoming concerned about the lack of co-ordination in the activities of the district councils, sectoral field agencies, and other local institutions. The DCs were therefore tasked with the responsibility of co-ordinating all central government departments and agencies at the local level.

Role of district commissioners (DC)

As the head of the district administration and a senior central government representative at the local level, the DC advises the government regarding different issues in the district; interprets policy guidelines to other local institutions; co-ordinates drought relief and other disaster programmes of government and non-governmental organisations; reviews cases from customary courts, authorises judicial warrants; and provides a secretariat for the co-ordination of national programmes at the district. Together with the council chief executive officer, the DC co-ordinates implementation of all the development plans taking place at the local level, including that of the council. In performing their key roles of co-ordinating central government programmes at the local level, they ensure that local institutions get the necessary support from the central government.

District Development Committees (DDC)

District development committees (DDCs) were set up in 1971 to co-ordinate development and planning at the district level. The DDC is managed by the district administration and chaired by the DC, while the district development officer is the secretary. Other members of the DDC include representatives from the district council and government departments in the district. The DDC provides an institutional framework through which the DC is expected to co-ordinate the development inputs of different ministries and departments. The effectiveness of the DC's corporate role depends on the support of the sectoral ministries but this is not always forthcoming. Sometimes central government ministries are represented by junior officers who are not able to take any decision without referring to the central government. Given that central government ministries and departments account for about 80 per cent of the development expenditure at the districts, lack of effective co-ordination and supervision could be detrimental.

Decentralised development planning and budgetary process

The long-term goals of Botswana are highlighted in Vision 2016. These goals are broken down into development policies and programmes in what is called the National Development Plan (NDP). The government has so far formulated ten NDPs since 1966. At the district level, plans are prepared within the framework of Vision 2016 and the NDP. The planning process starts with the consultation process between the DDC and the Village Development Committee (VDC). The DDC informs the community about government policies, programmes and priorities while the VDC takes its turn to inform the DDC about their list of projects and priorities. All VDC projects are put together and submitted to the district council for further prioritisation and decision-making. Priority projects approved by all 16 local councils are sent to the MLG and then to respective sectoral ministries to enable them prepare

sectoral plans. A stakeholders' conference is organised where delegates (between 10 and 12 people) from all 16 districts meet to discuss sectoral projects that have been selected by the ministries based on both what the districts submitted and also on the ministries' own considerations and priorities. Based on the projects that are finally selected and agreed upon, the districts prepare their final development plans. The councils' plans contribute to the MLG sector plan, and then all the sector plans become the national development plan. The national plan is then submitted to the Ministry of Finance and Development Planning (MFDP) for financial consideration (see Figure 2.3).

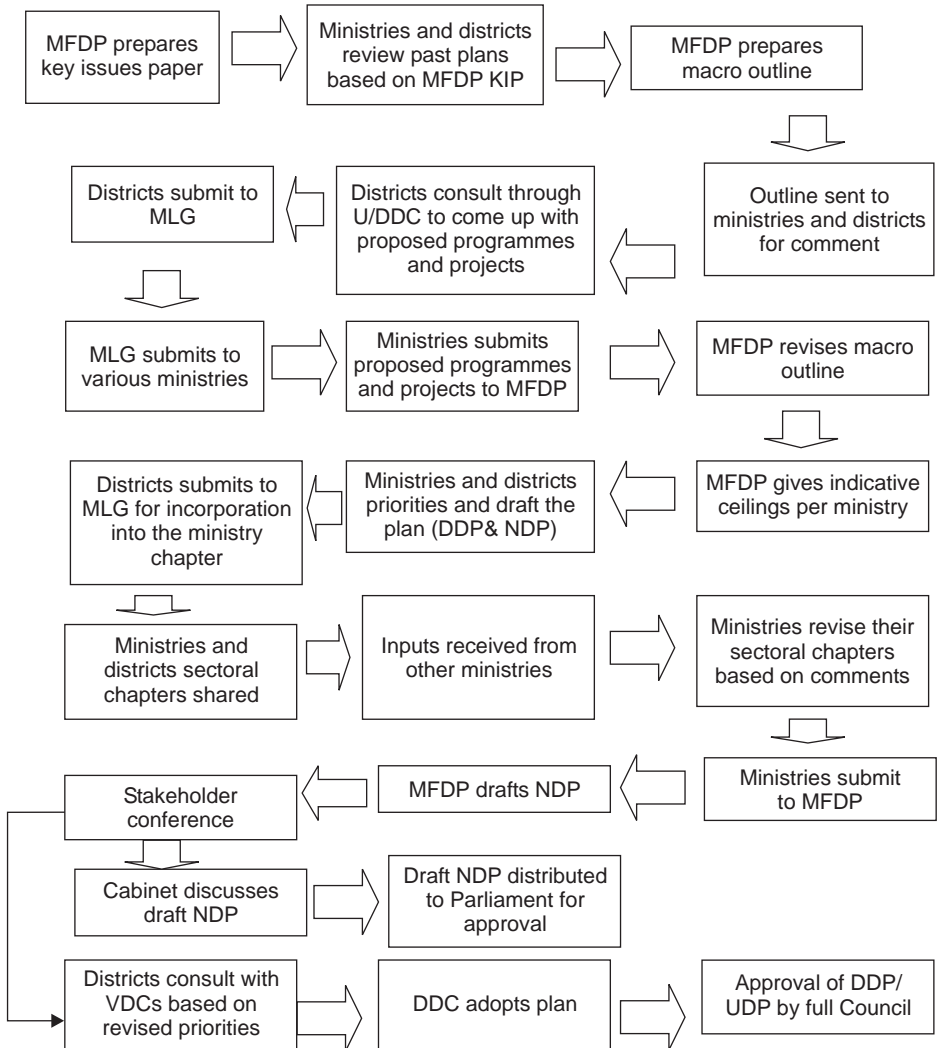


Figure 2.3. Planning process in Botswana

When district plans are approved, funds are sent to the sectoral ministries for project implementation at the local level. The DCs do not have any control over the development budget. The approved budgets of councils are also sent to the MLG and are released to the councils in instalments.

The nature of development planning in Botswana, despite the declared objective of bottom-up planning, continues to be top-down. Local institutions criticise the planning process for not being participatory enough. Some VDCs also criticise central government institutions at the district level for not providing them with feedback on whether their priority projects have been accepted or rejected.

2.4.3 Land Boards

Structure of Land Boards

Land Boards are decentralised national institutions at the district level responsible for the management of tribal lands. They are corporate bodies established under the Tribal Land Act (CAP 32:02). Land Boards were established in 1970 in order to take over the allocation of tribal land from tribal authorities to improve efficiency and meticulously take on board the emerging challenges of allocation of land for development. The *Dikgosi*, however, continued to be involved in the allocation and management of land. Land overseers also assist in identifying vacant land for prospective applicants. Nine Land Boards were originally created and three more were established in 1976. In 1973, 23 Subordinate Land Boards were set up to assist the Land Boards in the more populated districts. The number of Subordinate Land Boards has since increased to 41.

Functions of Land Boards

Section 13 of the Tribal Land Act stipulates the functions of the Land Board with respect to Customary Land Tenure as:

- granting and cancelling rights to use land;
- imposing restrictions on the use of tribal land;
- authorising any change of use of tribal land and any transfer of tribal land; and
- hearing appeals from decisions made by Subordinate Land Boards.

Election and appointment of members of Land Boards

A Land Board has ten members and Sub-Land Boards have eight. Half of Land Board members are democratically elected by the people for a four-year term, while the other half are appointed by the Minister of Lands. The administrative work of the board

is handled by career civil servants. The board members elect their chairperson every year. The process of electing Land Board members begins with elections at village *Kgotla*, although the Minister of Lands and Housing is not obliged to uphold their choice of candidates.

Land Board administration and management

All applications for land must be endorsed by the local chief or headman through their land overseers. Land Boards also refer to the traditional leaders when there are disputes about land which was granted before the establishment of the Land Boards in 1970. At the community level there are land overseers who work for the Board and their role is to identify vacant land for prospective applicants. Land overseers receive a seating allowance each time the board meets. The largest Land Board operates a budget of about P81m (US\$11.5m), while the smallest operates a budget of about P11.9m (US\$1.7m). Government grants make up around 80–90 per cent of the board's budget, meaning that a land board raises no less than 10–20 per cent of its budget. Some of the challenges faced by Land Boards include incidences of double allocation of land to different individuals, managing the information system, and monitoring land allocation and use.

There is currently an ongoing project to improve the land-use information and management system, known as Land Administration Procedures, Capacity and Systems (LAPCAS). The main purpose of the project is to develop efficient land administration based on simplified procedures, correct information on land parcels and rights to these. This will be carried through the development of an interoperable/integrated information system that can be maintained and supported in a sustainable way. Capacity building in all areas of land administration is a major exercise, targeting to a large extent Land Board members and staff. The project is organised into several components, developing or improving:

- a national system for identifying/numbering parcels of land;
- a national system for location-based addresses for buildings and parts of buildings;
- land administration processes;
- deeds register computerisation;
- systematic adjudication of rights in tribal land;
- IT procedures and organisation; and
- The exchange and dissemination of land administration data.

Land Board institutional infrastructure

Land Boards initially depended on district councils for office accommodation, transport and staff, and were under the tutelage of the MLG. With the realisation of the key role they play in the implementation of tribal grazing land policy and their involvement in the implementation of land-use planning, however, their capacity has improved to the extent that Land Boards currently have the best office accommodation and infrastructure in the districts. Land Boards now operate under the Ministry of Lands and Housing.

2.4.4 Tribal administration

Tribal administration includes a hierarchy of chiefs, headmen and subordinates. Contemporary tribal administration in Botswana involves the administration of justice under customary law and the organisation of village assemblies (*Kgotla*).

Administration of justice under customary court

Each village in Botswana has a customary court presided over by the representative of the tribal administration (a headman, subordinate chief or deputy chief) depending on the size of the village. The customary judicial system provides a popular and accessible means of settling minor offences and crimes (common theft, assault, drug use) and locally generated disputes. The customary judicial system does not have a legal representation system but settles over 70 per cent of criminal and civil cases in the country amicably. The traditional administration used to command a local police to enforce its ruling but this has recently been merged with the national police.

Traditional assembly (Kgotla)

Kgotla is the traditional assembly where local concerns are discussed and decisions are made. The chief or headman presides over the *Kgotla* and calls the meetings. *Kgotla* provides avenues for chiefs to influence the people as far as customs and traditions of the country are concerned and is still considered the most important and respected village institution throughout Botswana. It is the primary means for the communication of government plans and policies to the people. Government officials and politicians address villagers at the *Kgotla* which also serves as the venue where elections of members of various village committees are held.

Chiefs also function as ex-officio members of district councils and commissioner of oaths; they also verify citizen addresses, citizenship identification cards, passports, etc. The tribal administration operates under the tutelage of the MLG and since it has no source of revenue, the institution is fully dependent on the government for all its recurrent expenditure. Compared to other countries such as Ghana, chiefs or traditional leaders in Botswana are not expected to play any development role such as providing physical infrastructure (e.g., water, health, education, electricity).

2.4.5 Other autonomous institutions that support decentralisation, local governance and development

Botswana Council of Non-Governmental Organisations (BOCONGO)

BOCONGO is an umbrella organisation that co-ordinates the work of NGOs in Botswana. It has a membership of about 120 NGOs, though not all NGOs are registered members of the association. BOCONGO is involved in HIV education, women in development, microfinance and development, human rights, and environment and agriculture, among other sectors. It was established in 1995 with the aim of networking, mobilising resources, and bringing co-operation among NGOs in the country for development. The need to establish BOCONGO came as donor support for Botswana began to dwindle. NGOs have made much progress in HIV/AIDS awareness campaigns, caring for orphans through the provision of home-based care, and caring for people with disabilities.

BOCONGO contends that the decentralisation process in the country is slow and that local councils seem not to be empowered. In research carried out by BOCONGO on the role of local councils and electorates in Central District Council, the results showed that councils do not understand their roles while citizens in rural areas do not know the role of their councillors (BOCONGO, 2006; 2008). The question that BOCONGO's findings raised was 'How can accountability be improved at the local level when the electorate does not understand the roles and responsibilities of their leaders?' The findings of the research led to the design of a capacity-building workshop.

Botswana Association of Local Authorities (BALA)

The Botswana Association of Local Authorities (BALA) was established in 1983 with the overarching objective of contributing to the development of a strong, democratic and developmental LG system in Botswana. The objectives and functions of BALA are to promote and strengthen local governance and democracy, arrange training for councillors and officers, monitor standards, provide opportunities for discussing issues of common interest, and formulate common policies on issues affecting local councils. BALA consists of all the 16 local councils and has been one of the main protagonists of decentralisation reforms in Botswana. While the government has made service delivery the key focus of its decentralisation policy, BALA is driven by a common objective that service delivery can be improved through enhanced local democracy and good governance. BALA argues that local councils, being the second tier of government and much closer to the people than the central government, need to be strengthened. At the district level, BALA organises a series of seminars and workshops for its members.

Political parties on decentralisation

In 2009, the leader of the opposition in parliament moved a motion for government to decentralise by devolving power to local authorities and endowing them with administrative and financial capacity (Parliament of Botswana, 2009). The opposition's central argument was that Presidential Commissions' reports in 1970, 1978 and 1987 recommended more autonomy for local councils to give them scope to effectively face the problems of development in their respective areas, but that the government had rejected most of the recommendations. The opposition leader also argued that for the purpose of nurturing, deepening, and developing democracy, it is better to decentralise to enable people to release their energy and participate better in governance at the local level. This would enable local councils to innovate, reduce their over-reliance on Gaborone for resources and direction, and improve people's capacity to participate in their local development. However, the motion was defeated since a process of developing the decentralisation policy had already begun; therefore the objections were simply taken into consideration in the process of coming up with a comprehensive policy to guide the endeavour.

2.5 Decentralisation Achievements: Improvement in Service Provision and Empowerment of Institutions for Local Governance?

Decentralisation, as a policy to reform state–local relationships, may be instituted for several reasons but two key objectives in Botswana are to (a) to improve service provision and (b) to empower local institutions for good governance. In this section we critically analyse the extent to which the two objectives have been achieved.

2.5.1 Institutional arrangements for improving local service provision

Primary education

Local councils build and maintain primary school infrastructure (buildings, computers, books and other stationery) while teachers, curricula, supervision and management are provided by the MESD. Pre-school education is provided by CBOs or private organisations. Though local councils are responsible for primary school infrastructure, the actual construction of school buildings and provision of furniture and equipment have largely been contracted out to private enterprises by the councils. Botswana is perhaps the only country in Africa to have achieved almost 100 per cent enrolment at primary level and district councils may be credited with this success.

Health services

Provision of primary health care (health posts and clinics) has been the responsibility of councils for many years. Unlike primary education – where councils are only involved in infrastructure provision – in health services all 525 Primary Health Care Centres (PHCs) have been devolved to local councils and the councils build the infrastructure, employ the staff and manage health care services. The Ministry of Health (MOH) is responsible for hospitals and health centres. Accessibility to health care services is very high. In the urban areas about 96 per cent of the population have a health facility within 5km while in rural areas it is about 72 per cent (see Table 2.6).

Table 2.6. Percentage of population with access to health care services/facilities in 2007

Selected districts	% of population with access to health services within 8–15km radius	% of population with access to health services within 5–8km radius	% of population with access to health services within 5km radius
Gaborone	-	-	100
Jwaneng	-	20	80
Maun	14	6	80
Kgalagadi South	22	3	75
Kweneng West	55	40	5
Rural Average	11	17	72
Urban Average	-	4	96
National Average	5	11	84

Source: Health Statistics Report, MOH 2007

All health services (from health posts to referral hospitals) are free – patients pay only a token amount. As a result, health care consumes about 15 per cent of the national budget. Primary health care services have been delivered through an array of clinics and health posts under district councils. These services have been transferred to the MOH as of 1 April 2010. The reason for this realignment is to improve on referral and continuum of care to patients/clients. There are many private clinics and hospitals as well as traditional/herbal practitioners that operate alongside the formal government health care system. The MOH is responsible for health policy while the Botswana Health Professional Association is responsible for regulation of medical professionals. Given that HIV/AIDS is a multi-sectoral issue in the country with a high prevalence rate (38.6 per cent of adult population) the central government has put all programmes under the office of the President.

Roads and transport

Local roads are managed by local councils while inter-district roads, highways and major road maintenance are managed by the Ministry of Works and Transport. Local councils have managed to put a large proportion of their roads in good condition.

Road maintenance in the districts involves contracting-out to private enterprises and direct delivery using council own staff and equipment.

Water and sanitation

Water provision is shared between three institutions. Rural water is the responsibility of district councils, urban water is the responsibility of the Water Utility Corporation (a parastatal) and major villages' water supply is the responsibility of the Department of Water Affairs at the Ministry of Minerals, Energy and Water Resources (MMEWR). The government has decided to have all water provision transferred from the three service providers to a single water authority. In terms of solid waste collection most of the urban councils and a few rural ones contract out to private enterprises and deliver directly using the council's own employees and equipment. However, the capital sanitation system for urban areas is delivered by the Department of Waste Management and Pollution Control under the Ministry of Environment, Wildlife and Tourism.

Housing

The Ministry of Lands and Housing is responsible for the facilitation of housing delivery through the National Policy on Housing of 2000. The facilitative role of government entails making land available to all citizens, providing serviced plots (roads, water, sewerage and electricity) at a subsidised price for low-income households, providing loans for low-income housing which includes improving on existing structures and constructing turnkey houses. Councils build mainly for their employees. The Self Help Housing Agency (SHHA) revolving fund programme of the Ministry of Lands and Housing provides low-income housing for the public. The local authorities (councils) are responsible for the day-to-day implementation of low-income housing programmes. The Botswana Housing Corporation and other stakeholders in the private sector are also involved in the direct delivery of housing to citizens.

2.5.2 Standards of service delivery

The MLG develops performance standards on which service delivery is measured. While the standards may be described as a technocratic approach to service delivery, they compel service-providing agencies and institutions including local councils to be up and running. Table 2.7 shows some of the standards. First, the quality of services that clients/users receive is assessed through 'public service customer satisfaction surveys' organised by the Public Sector Reforms Unit of the Office of the President.

Table 2.7. Service delivery standards

<i>LG services</i>	<i>Description/definition</i>	<i>Service delivery standard</i>
Health services	Client waiting time	2 hours
	Availability of essential drugs	80%
	Client satisfaction rating	80%
Social services	Maximum acceptable time to register a request for assistance by destitute and needy students, and assessment and notification by local councils	4 weeks
Payment and procurement	Time required to complete payment to clients after submission of invoices	10 working days
	Tendering process for development of a project	13 weeks
Response to emergencies	Water supply restoration	5 hours
	Building maintenance	1 day
	Maintenance of street lights and traffic light	1 day
Permit and licences	Residential permit	7 days
	Issuance of building permits	6 weeks
	New trade licence	30 days
General services	Residential waste collection	3.5 days
	Commercial waste	1 day
	New water connection processing time	4 weeks

Source: MLG Service Standards: Raising the performance bar towards provision of quality and timely services (undated)

Batswanas enjoy a very high standard of service provision in education, health, water and sanitation, more than most citizens in other African countries. The local councils have managed to effectively deliver some of the MDGs that are part of their responsibilities. Every village in the country has a health post or clinic. More HIV patients are receiving ARVs because distribution is handled by local councils that are closer to the people. Nevertheless there are quite significant differences in the quality of services that urban and rural dwellers receive (see Table 2.8).

Table 2.8. Indicators of the level of quality in some services

<i>Service indicator</i>	<i>1990s</i>			<i>2000–2007</i>		
	<i>National</i>	<i>Urban</i>	<i>Rural</i>	<i>National</i>	<i>Urban</i>	<i>Rural</i>
IMR (per 1000 live births)	45	34	51	33	-	-
Under 5 MR (per 1000 live births)	56	42	67	40	-	-
Primary school enrolment	83	93	18	99	100	90
% of households with sanitation	55	82	41	47	60	30
% of households with access to potable water	77	100	69	96	100	90

Sources: 1990 figures from Lekorwe et al. (2000: 47); 2000–2007 figures from UNICEF Statistics, Botswana http://www.unicef.org/infobycountry/botswana_statistics.html

Second, there are duplications, ambiguity of responsibilities, and inefficiency in the institutional arrangement for service delivery because work is carried out by deconcentrated sectoral agencies and departments, each with their own budget and employees, but also occasionally projects are implemented at the local level by sectoral ministries who sometimes by-pass their own deconcentrated departments and agencies. Such problems can be found in services such as education, health, housing and sanitation. For instance, in Kgalagadi South (Tsabong), which has a population of about 43,000 people, there are about 43 central government departments working under the district commissioner to deliver services. Most of these deconcentrated departments have their counterparts in the local councils. Apart from local institutions that provide services, there are projects that the MLG temporarily delivers in the communities, such as 'backlog projects'. The MLH also directly implements projects in this way, for example contracting out district housing projects to the Botswana Housing Corporation.

2.5.3 Empowerment of local council institutions for good governance

Despite initial commitment to local governance resulting in the creation of local councils, there are still challenges at the local level in running local affairs and developing local competence. However, recently (2010) councils were given authority to hire up to D2 grade employees (middle management). To enhance local political leadership, accountability and efficiency, BALA and a number of stakeholders and councillors prefer an executive mayor system in Botswana.

The Minister of Local Government has powers to appoint non-elected councillors. The rationale for these appointments is to augment the technical expertise and skill which may be low in the elected members of councils. Though these nominated councillors have no geographic jurisdiction, they enjoy all the privileges of elected councillors.

In the current National Development Plan and District/Urban Development Plans, local authorities have laid down strategies about how they will raise their own revenue and exploit new sources of revenue. This is aimed at reducing the burden and over reliance on the national budget to finance local initiatives. Currently the urban councils raise about 80 per cent of the recurrent budget while 100 per cent of the development budget is from the centre. The district councils do not raise much revenue as about 90 per cent of their recurrent budget and 100 per cent of their development budget is from the centre.

2.6 Lessons, Challenges and Suggestions

The analyses/discussions in previous sections on the processes and outcomes of Botswana's decentralisation provide a lot of challenges and lessons. In this last section, we tease out some of them and suggest ways to move the process forward.

2.6.1 Lessons

Design of decentralisation and effect on local governance

The design of decentralisation is crucial in determining whether its impact will be positive or negative. If designed well and supported by (a) political commitments to transfer authority, (b) adequate resource capacity, (c) clear allocation and balance of responsibility, and (d) effective accountability mechanism, it can improve service delivery, expand democratisation and accountability processes, and improve local governance. If not, it can have undesirable consequences. Reflecting on the large land size and small population of Botswana, decentralisation was needed to improve interaction and linkages between the people in various localities and the centre. The physical characteristics would also suggest that the design of a central-local relationship would be far easier there than in a populous country. However, the design of an administrative and institutional set-up for central-local governance is more complicated than the system in many countries in Africa because of the:

- historical circumstances under which Botswana was established²;
- influence of chieftaincy in local affairs;
- developmental model³ that the state adopted (Taylor, 2002);
- dominance of a single political party in multi-party democracy;
- technocratic approach to planning for local and national development;
- initial limited human and financial resources; and
- quest for equitable distribution of national resources across all districts and communities.

These factors strengthened the tendency for a centralised approach to development in the country although from the early years of independence the government recognised the need to decentralise. Four decades after the implementation of decentralisation and the local council system, the arguments for centralisation have not changed but continue to dominate any discussions that suggest ways to strengthen democratic decentralised institutions, especially the council system.

Given the historical background and reasons stated earlier, Botswana has designed four parallel local institutions that operate simultaneously in the districts without a clear hierarchy in institutional structures. The parallel institutions have also created many vested-interest groups that work against each other, leading to frequent debates about which of the four parallel institutions have legitimacy and authority over the others at the local level. The debate about the structure of the second tier of government in Botswana has led to three Presidential Commissions. While the first two (1970 and 1978) rejected establishing an integrated LG structure, the last commission proposed a structure that makes councils the head of all local institutions. However,

the government rejected that recommendation along with others that sought to strengthen local councils. Despite these rejections, councils and a number of stakeholders in local governance and development still agitate for devolution and strengthening of the local council system by giving them a greater degree of autonomy in a number of areas (personnel management and expenditure discretion).

The current trend of decentralisation in Africa is towards developing autonomous, democratic and efficient systems for local governance, however, the present set-up in Botswana does not follow this trend. It is too dominated by the central government, which leads, controls and delivers. Democratic local institutions represented by councils appear to have been crowded out by parallel state and local bodies. As a result, the current set-up, although ensuring that abundant services are made available to the people, has structural deficiencies (an expensive administrative set-up and underused infrastructure and equipment). This makes service delivery too expensive to be adopted by any country without abundant financial resources.

Effectiveness of Botswana's decentralisation approach to natural resource use and distribution

Not all government functions should be entirely decentralised. Following the principle of subsidiarity, a function should not be decentralised to a lower level if: (a) it is critical in the achievement of central-level goals and its sustainability at the local level cannot be guaranteed and (b) if the capacity to perform the function does not exist or the function at this level is not cost-effective.

In Africa, land and natural resources are critical for both national and local development. Botswana, unlike many Africa countries, has managed to carry out land reform in a very successful manner. It has managed to keep traditional authorities out of land issues and made natural resources⁴ the preserve of the central government without any particular local institution claiming rights of use or entitlements to royalties from their exploitation. Consequently, the country has managed to avoid the chaotic land disputes that seem to affect local development in many countries in Africa. In addition, by nationalising or centralising all natural resources and suppressing any discussion by tribal authorities for royalties, the state has managed to control the key resource base of the country and distributed those resources fairly well. Botswana has managed to evade the resource curse that frequently plagues African countries with abundant oil and mineral resources.

The politics of decentralisation

Decentralisation policy in Africa (or elsewhere) is driven by politics and interests. The gains of local politicians and bureaucrats mean losses for their counterparts at the centre. In spite of the noble policy intentions, in reality the current decentralisation process as seen in the present set-up of the central government-LG

relationship, may not lead to complete devolution in the near future. The politics of decentralisation also manifests abundantly in the drive to efficiency in delivery of services. This however will be clarified in the decentralisation policy which is in its final drafting stage.

Gaps in decentralisation intentions and practices

Analyses of decentralisation that only examine the formal arrangements (i.e., constitution, laws, regulations and policy discussions) will be inadequate. This is because what takes place in practice is sometimes different from what is stated in the statutes. In the case of Botswana, the NDP 7 (1991–1997) declared that it would strengthen the role of local authorities in promoting economic development and delegate greater responsibility for development planning, finance and implementation to the local authorities while increasing their capacity to manage these responsibilities (GoB, 1991: 463). However in practice this has not yet taken place.

There is an intellectual appreciation in Botswana, even among the central government bureaucrats, of the need to decentralise and some gestures are made to do so. Given that there is no government policy on decentralisation, there is no clear understanding and consensus on the sort of decentralisation that the country is interested in pursuing.

For devolution to become a reality there is a need for a strong central government political leadership to be convinced that a strengthened council system does not take away their power and influence.

Enabling the role of the central government in decentralisation and local governance

The state has a key role to play in facilitating political, economic, financial and accountable decentralisation policies. While the central government can be seen as facilitative in terms of providing adequate financial resources to LGs and local institutions in Botswana, two critical areas still remain to be improved, namely (a) the supportive legal framework within which district councils operate and (b) human resource management.

Legally, the Constitution of Botswana is silent on whether local councils are the second tier of government, as it establishes Parliament as the only supreme body that can legislate. Local councils are established by subsidiary legislation (Acts of Parliament).

In comparison with other countries, LGs have been created through a number of legal instruments. In Brazil, Denmark, France, Nigeria, and India, LGs are created by national constitutions, while in Australia and the US they are created by state constitution. In the UK, Ghana, and Uganda, a legislative instrument is needed to

create LGs, while in Canada and Pakistan, provincial legislations are used. China uses executive order (Shah, 2006).

The fact that local councils were established through subsidiary legislation rather than a provision entrenched in the constitution may or may not become a challenge to local councils if there is a commitment to decentralisation. In Ghana and other countries there is a constitutional clause that entrenches decentralisation, defining it as devolution and ensuring that there is a constitutional provision that entitles LGs to a specific share of national revenue. However, commitment to giving local authority a constitutional status has not occurred.

In terms of human resource management, all senior officers at the local level belong to the centrally controlled personnel management system of the civil service that is responsible for their recruitment, selection, training, transfer, discipline, salaries and conditions of service. The rationale for centralising employment and human resource management was to ensure that government employees, no matter where they work (local or centre), would have equal conditions of employment. The process, however, is dampening initiative, innovation and accountability at the local level. It has worked against councils in terms of the time it takes for the central government to fill established positions at the local level.

Role of donors and organised groups in promoting decentralisation

As the country's economy started to improve with the discovery of diamonds coupled with good national leadership, donor agencies such as Danida, GTZ, and CIDA – who used to support the county on decentralisation issues – began to disappear, arguing that the country was capable of running its own affairs without any donor assistance.

In the absence of donors, diverse interest groups have emerged to advocate for more decentralisation. These include senior civil servants working in the councils, district commissioners, councillors, BALA, intellectuals and politicians.

2.6.2 Challenges

Legal ambit of decentralisation and LGs

Decentralisation and LG systems were established through legislation (Cap 40:01 and Cap 40:02) and not by the constitution, as is the case in other countries. Given that they are established by subsidiary legislation, learning from other countries such as Tanzania (1972–1982), they can easily be abolished by parliament without the public having a say.

Concerns expressed by different groups on decentralisation implementation in Botswana

Decentralisation is not a myth in Botswana. Since independence the country has seen some of the central government powers, resources and responsibilities being transferred to local authorities. However, in an attempt to keep a reasonable balance between the centre and local, many stakeholders (academic, civil servants, senior government officials, councillors, and identifiable groups) have expressed concerns, mostly about the slow pace at which decentralisation in the country is being pursued. Three Presidential Commissions have already been established to recommend ways to improve the LG system. Even where recommendations of the Presidential Commissions have been accepted, implementation has been slow. A decentralisation policy is currently being formulated, although it is not clear which direction the policy will take.

Supervision and subordination of LG institutions

Interaction between local councils and deconcentrated sectoral agencies is weak. It is mainly through district forums (such as DDCs and during preparation of district development plans) that local councils interact formally with deconcentrated departments. Given that there is no hierarchy among the four local institutions, the successful co-ordination of their activities has depended on the personality of the DC more than the institutional framework that exists at the local level. At district administrative level, the DC is expected to co-ordinate all central government institutions working in the district; however, the DCs are unable to do so as many of the central government employees receive instructions directly from their parent ministry.

Deconcentrated local councils or devolved local councils?

In Botswana, the operations of local councils resemble 'deconcentrated units' of the Ministry of Local Government (MLG). In other words, local councils implement the mandates of the MLG in the field rather than the mandates of local electorates.

Inefficiency in institutional arrangements for services delivery at local level

While the proliferation of service providers ensures continuous service provision, the cost of providing services needs to be analysed carefully in Botswana because the services appear to be inefficiently provided. There is a need to integrate institutional arrangements.

'In my view the three parallel systems of district councils, district administration, and direct sectoral provision must be integrated. It's just duplication of resources and effort and is making our system inefficient. There are so many unclear demarcations of responsibilities between the district council and district commissioners' offices.'
(A District Commissioner)

Macroeconomic stability, good-quality national leadership, and a small population leading to less pressure on resources seem to crowd-out any negative effects that the present administrative and institutional inefficiencies may have on service provision. In other words, the abundant financial resources seem to buy out some of the institutional inefficiencies in service provision.

Benchmarking progress in decentralisation

Although Botswana has been very technocratic in her approach to assessing progress in her Vision 2016, there has not been any measure on progress made in decentralisation and local governance.

‘It is difficult to monitor progress in decentralisation and commitment of the government to its implementation when there are no benchmarks against which to measure deliverables.’ (A senior employee of BOCONCO)

The challenge is now on the government not only to develop a decentralisation policy but also to develop deliverable benchmarks so that progress can be assessed by the ministry as well as by civil society organisations.

2.6.3 Suggestions for improvement

Separation of sectoral ministries’ policy role from implementation

The sectoral ministries must focus on providing policies and regulation while the implementation of projects and delivery of services are left to local councils and deconcentrated departments. That means that a number of central government sectoral officers or departments that operate parallel systems at the local level would need to integrate their operations with the local councils. This would compel sectoral ministries to transfer some of their employees with competence to the local level.

Compelling local councils to increase their internally generated revenue

Councils, especially the urban ones, need to be compelled to improve on their efforts at collecting their own revenue. The formula for distributing grants to local councils needs to be reintroduced with additional parameters: local council efforts. This will provide incentives for local councils that make much effort to mobilise their own revenue (responsive factor) to get more grants while the formula penalises those that do not.

Decentralise some aspects of human resource management to local councils

The MLG should develop recruitment policy/guidelines based on which the council may be given the authority to recruit people to fill established positions. When a guided recruitment policy is offered, local councils will be able to develop innovative

approaches to attract people to their areas. An alternative and arguably better approach would be to turn the Department of Local Government Service Management (DLGSM) into an independent LG service commission with the responsibility of regulating local council employees (see Table 2.9).

Table 2.9. Human resource management options to be considered

	<i>Human resource policy & regulatory guidelines</i>	<i>Recruitment</i>	<i>Terms of employment</i>	<i>Training</i>	<i>Dismissal</i>
LG service commission	√			√	
Local councils		√	√	√	√

Giving LGs some degree of discretion in the use of central government grants

The imperatives of national unity and uniformity in development across local areas have resulted in the centralisation of financial, human and natural resources in the country. In fiscal terms, this signifies that there are few viable sources of revenue available to local councils. The implication is that local councils will continue to rely considerably on central government grants for much of their expenditure needs. In both the developed and developing world, there is a considerable reliance of LGs on central governments, therefore this should not be used as a pretext to continuously deny local councils some degree of autonomy in the use of their grants. In fact in a democratic system, funds that are approved by the central government to be transferred to local councils are grants that the recipient (LGs) should have some discretion over. At the moment central government development and recurrent grants are non-discretionary.

Improving bottom-up planning and budgeting

The decentralised planning and budgetary framework needs to eliminate the hierarchical review and revision of local council budgets. Under a proper local planning and budgeting process, LGs are given firm budget ceilings at the beginning of the budget formulation cycle. As long as the district budget conforms to these ceilings and the associated (centrally-issued) planning and budget guidelines, there should be no space for central officials to modify local council budgets and priorities in a discretionary manner. The central government needs to provide formula-based budgetary allocation within which local councils could be allowed to plan their budgets. This would require the MoFDP & MLG to review the national planning and budget guidelines.

Creation of Local Government Finance Commission

It is clear from the analysis that the MLG is not a neutral actor in central government-LG relationship. The Ministry is represented by civil servants and politicians

that have vested interests in a deconcentrated LG system. One of the key weapons that the MLG uses to dominate local council is central government grants that are embedded in the MLG's budget. A LG Finance Commission will serve the interest of the councils better than the current set-up where the MLG controls the budget of local councils. The commission will have responsibility for negotiating with the central government on LG finances, designing a formula for sharing central government grants among the councils, overseeing disbursement of LG funds, etc. The membership of the Commission will consist of strong representation from the councils, the MLG, MoFDP and BALA. In Uganda and Ghana this has worked very well. Botswana must also consider passing inter-governmental fiscal transfer law that would enable the central government to automatically transfer a specific percentage of the total national revenue to the commission to be shared by the local councils.

Notes

1. State President; Finance & Development Planning; Works & Transport; Health; Education & Skills Development.; Labour & Home Affairs; Communications, Science & Technology; Agriculture; Trade & Industry; Foreign Affairs & International Coop.; Environment, Wildlife & Tourism; Lands & Housing; Local Government; Minerals, Energy & Water; Resources; and Youth, Sport & Culture.
2. The new state was established under the shadow of hostile regional forces so there was the need to centralise in order to have national unity, legitimacy and survival.
3. A state whose ideological underpinnings are developmental and one that seriously attempts to deploy its administrative and political resources to the task of economic development (Mkandawire, 1998: 2).
4. The management of parks, natural resources and wildlife is the responsibility of the Department of Wildlife at the Ministry of Environment and Tourism, which also allows private tourist operators to manage forest and wildlife on behalf of the community.

3

Decentralisation in Cameroon

Summary

The main objective of this chapter is to examine the process of decentralisation in Cameroon, particularly since 1996. The chapter examines the legal, fiscal, political and administrative environment, and the level of organisation of its key actors in conducting the state's service-delivery responsibilities.

Research for this chapter was based on analysis of three main types of data. The first was obtained from the paper 'The Decentralisation Process in Cameroon' submitted by the Secretary General of the Ministry of Public Service and Administrative Reform, Cameroon, to the Commonwealth Secretariat for validation. The second was a two-week rapid field survey in Cameroon conducted in August 2009, when semi-structured interviews were used to obtain information from key respondents including senior government officials at the Ministry of Territorial Administration and Decentralisation (MINATD), central and local government politicians, the secretary general of the main opposition party (SDF), and representatives of international donor agencies, academics, consultants. During the field survey, officials of the Ministry of Public Service and MINATD provided local support. Finally, the draft paper was reviewed at a stakeholders' workshop in Gaborone, Botswana in April 2010.

The legal framework for decentralisation can be found in Law 2004/17, which states that decentralisation shall consist of devolution by the state of special powers and appropriate resources to regional and local authorities. Additional laws were promulgated in 2004 setting out the rules applicable to the regions and councils. Some committees were also established by the president to guide the current decentralisation process. These include the National Council on Decentralisation, legalised by Decree 2008/013, and the Local Inter-Ministerial Committee, backed by Decree 2008/014.

Major findings show that Cameroon has had a long history of municipal governance in her cities, and especially in Western Cameroon. For most of her history and until recently the ministerial structure has been the key framework for service delivery in Cameroon, where every ministry uses a hierarchy of field offices to deliver services in sub-national units. Thus, representatives of sector ministries based in the councils handled most aspects of service provision. However, from 2010 council mayors have been charged with additional responsibilities for service delivery based on a

phased transfer of jurisdiction from sector ministries. The process of transfer of jurisdiction will be on a yearly cumulative basis that is expected to be completed by 2014. Additional laws have been passed in February 2010 in this regard.

Fiscal transfer laws were also promulgated in 2009 for more transparent and predictable intergovernmental transfer of funds to LGs. Prior to this, the funds available to councils fell into three categories: general allocations, frontier council allocations and forest royalties. Information obtained from the councils sampled shows a remarkable increase in funds accruing to them; some councils, like Limbe City Council, saw revenue to the city council's coffers increase almost ten-fold from 2004 to 2008. Revenue available to councils in the form of taxation is governed by Law 2002/003, which says that councils are permitted to collect tax from local businesses that do not generate more than CFAfr100,000 (US\$200). Businesses that generate more than this amount are taxed under the jurisdiction of the central government.

Few donors are involved in the current decentralisation process in Cameroon. These include: German Technical Co-operation (GTZ), French Co-operation, SNV, World Bank, and UNDP. Irrespective of the type of decentralisation, GTZ gives direct assistance in capacity building by providing training for various categories central government personnel, as well as local council staff. French Co-operation supports the central government and MINATD to implement and monitor the decentralisation process.

There has been no transfer of jurisdictions, so we cannot say which sector is performing better than the others in terms of service delivery, or that devolution has resulted in improvements in service delivery in one sector. Opinion varies regarding the effective date of devolution. There is a general impression that the transfer of jurisdictions happened when the Decentralisation Laws of 2004 came into being. Another school of thought is that decentralisation only starts when the means are available, and this is just happening in 2010. Councils have been in existence for decades; the only change that remains to be achieved is the transfer of resources. However, there is a general expectation that improvements in service delivery will occur as soon as the resources are transferred.

It took 14 years from the initial constitutional declaration of decentralisation before the first real transfer of responsibilities and resources to councils took place. This unusually long period has created perceptions that there is some reluctance on the part of central governments to strengthen LGs. The legal instrument itself is not sufficient to effectively accelerate the pace of the decentralisation process. Cameroon's unique dichotomous colonial identity has influenced the structure of the post-colonial state, along with the complex heterogeneous ethnic structure, and so they deserve sensitive management. Much success has been achieved in the setting up of legal structures with successive laws covering virtually all areas of administration. The promulgation of these laws is a demonstration of the government's commitment

to the decentralisation process. The laws would help to strengthen the existence of councils against arbitrary closure, guarantee the lifeline of councils through intergovernmental transfers, stimulate their capacity to generate their own funds, and ensure the downward accountability of officials, which may in turn stimulate popular participation in elections.

3.1 Introduction

3.1.1 Background

This chapter seeks to explain the state of the decentralisation process in Cameroon. It examines the current legal, fiscal and administrative environment, and the level of organisation of its key actors in relation to the administrative environment in conducting the state's responsibilities.

In January 1996, Cameroon's constitution was amended to incorporate the adoption of decentralisation by devolution within the framework of a unitary state. The new local government system would practice political devolution and decentralisation of functions and finances.

In an inception report to the Commonwealth Secretariat, Olowu et al. (2009) proposed that decentralisation has to be sensitive to the existing cultural, political, and institutional arrangements within a given country. In essence, there is no 'one size fits all' design of decentralisation policies, and the pattern of decentralisation found in a country should be based on historical context and initial conditions, geographical and climatic features, natural resource base, existing patterns of service provision and traditional methods of addressing user's needs and economic conditions. Therefore, in Cameroon, how did these factors influence the type of decentralisation policies and programmes that exist? In addition, what are the consequences of these factors for equity, inequality and quality of local governance and service delivery? It is also realised that the state has a key role to play in facilitating the decentralisation process through initiating forums for discourse, establishing financial guidelines, building capacity, setting a timetable, legislating, and setting up advisory bodies and resource institutions that are interested in local problems and finding solutions that work. Invariably, we sought to establish in this study what measures the Cameroon state has put in place to facilitate accountable political, economic, financial and decentralisation policies in favour of lower levels of government, semi-autonomous organisations and field agencies locally. Answers to these questions will enable us to assess the overall seriousness of the Cameroon government's declared intentions about decentralisation by ascertaining the gaps between policy intentions and actual practice; clear rules for determining allocations to sub-national tiers of government; the level to which the government has shared power and resources with LGs; the possible consequences of Cameroon's decentralisation policy and programmes for equity, inequality

and quality of local governance and service delivery; and the extent to which central bureaucrats and politicians perceive decentralisation as a positive sum (or win-win) game for central and local actors.

3.1.2 Sources of data and data-collection methods

In order to achieve the objectives of this research, which is to illustrate Cameroon's decentralisation policy achievements and constraints and make suggestions for improvement, qualitative and quantitative information was collected on the circumstances that led to the adoption of decentralisation by devolution in Cameroon. Three types of data collection were adopted. The first data was obtained from the paper on 'The Decentralisation Process in Cameroon' submitted by the Secretary General of the Ministry of the Public Service and Administrative Reform, Cameroon, to the Commonwealth Secretariat for validation. The second was a two-week rapid field survey that was conducted in Cameroon with the support of Ministry of Public Service and Administrative Reform and Ministry of Territorial Administration and Decentralisation (MINATD). During this field survey, semi-structured interviews were used to obtain information from key respondents including senior government officials in MINATD and the Public Service Management office, central government and local government (LG) politicians, the Secretary General of the main opposition party (SDF), personnel of international donor agencies, and academics and consultants (see Table 1.1 in chapter 1). The study also incorporated other data-collection techniques such as focus group discussions (FGD), direct observations, and document reviews.

The chapter is divided into five sections, including this introduction. Section 2 provides the physical, economic, political and historical background to decentralisation policy in Cameroon. In section 3 we examine the practice of decentralisation focusing on devolution of powers, personnel and finance as essential components of the ongoing decentralisation process. Also, in section 3, the validity of some of the propositions made in the introductory chapter of this book is assessed. Section 4 considers the role of donors, and section 5 concludes the chapter.

3.2 Cameroon: Physical, Economic, and Political Context

3.2.1 Physical geography

The Republic of Cameroon occupies a fairly central geographical position within the African continent. The country covers an area of 475,442km² and boasts a 200km coastline on the Atlantic. Cameroon has a marked seasonal equatorial climate in the south (comprising two rainy seasons and two dry seasons of unequal length), and a hotter, drier Sahelian climate in the far north. In between these areas there is a savannah climate.

3.2.2 Population

The population of Cameroon was estimated to be 18.9 million in mid-2009¹, giving an average density of 40 inhabitants per km², growing at an average annual rate of 2.3 per cent, projected to reach 25.5 million people by mid-2025. Nearly three-fifths of Cameroon's population live on less than US\$2 a day (2005), with a per capita GNP of US\$2180 (2008) and a literacy level 79 per cent. Cameroon's population is diverse, with more than 200 ethnic groups. Population distribution is uneven, with relatively heavy concentrations in the west, south central and Sudan savannah area of the north. One aspect of this diversity is reflected in the southern location of the capital, Yaoundé (population 1,616,000²), and the main port of Douala. The peoples of the south and west have been influenced by Christianity, given their earlier contact with European missionaries, while most of the people of the north are Muslims, or practice indigenous beliefs. The southern population are relatively more developed economically and socially. One major socio-political contrast in Cameroon is between the Anglophone northwest and southwest (25 per cent of national population), and the more populous Francophone area of the former East Cameroon. These two sides represent contrasting influences of British and French colonial administration which is reflected in education, commerce, and law, covered with an umbrella of official bilingualism.

3.2.3 Recent history

The German protectorate of Kamerun was established in 1884, but the territory was divided into French and British spheres of influence in 1919 when Germany was defeated at the end of the First World War. Both zones became subject to mandates of the League of Nations in 1922, when 80 per cent of the area was allocated to French administration (becoming French Cameroun) and the other 20 per cent bordering Eastern Nigeria was allocated to British administration as the Northern and Southern Cameroons. In 1946, the French and British segments (mandates) in Cameroun were converted into UN trust territories, but still under respective French and British administrations. On 1 January 1960, French Cameroun attained full independence, with Ahmadou Ahidjo emerging as the leader of the Union Camerounaise. Voters in the Southern Cameroons opted to join the Republic of Cameroon following a UN-supervised plebiscite in February 1961, while northern Cameroon voters opted to join Nigeria. The united Cameroon comprised two states – East (francophone) and West (anglophone) Cameroon. In June 1972, the country was officially renamed the United Republic of Cameroon, under the sole legal political party – the Union Nationale Camerounaise (UNC) – which assumed full supervision of organised political and social affairs. Politicians from the English-speaking western part of Cameroon were dissatisfied with the single party system, and unhappy about their relatively low representation in government. The system went on unchanged until the early 1980s, when Ahidjo resigned for health reasons and presidential power was transferred to Paul Biya, who had been prime minister since 1975.

3.2.4 The executive, judiciary, and legislature

The Republic of Cameroon is headed by the president, an elected head of state. President Paul Biya has been president since 1982. The president defines national policy, appoints the prime minister (head of government), ministers and vice-ministers – all of whom may hold no other office or engage in professional activities and are directly responsible to the President. Other presidential responsibilities include being head of the armed forces and enforcing internal laws, internal and external security, and appointments to the civil and military services. There is no constitutional provision for a vice-president in Cameroon. The president appoints a prime minister (PM) who is ‘co-ordinator of government action’ and head of government to implement government policy as defined by the head of state. The PM is not necessarily a politician; career civil servants have been appointed³ to the position at the discretion of the president.

The president makes appointments to the judiciary with the assistance of the Higher Judicial Council, and appoints staff of the Supreme Court, though justice is administered in the name of the people. Cameroon’s judicial system is structured in such a way that courts of first instance are found in every division; appeal courts are located at the regional level, while the Supreme Court is in Yaoundé. All magistrates and judges are appointed by the head of state. The country’s penal code was harmonised in July 2005 by the National Assembly. Up until this time, the Francophone regions had been subject to the *Code d’instruction criminelle* of 1938 and the Anglophone regions were under the Criminal Procedure Ordinance of 1958. The new Penal Code 2005 was broadly welcomed as beneficial to national unity, because it combined French, British and pre-colonial legal traditions.

At the national level, government ministers are also appointed by the head of state to head ministries charged with providing different types of services. These ministries have delegations at the sub-national level headed by delegates appointed by the user minister. Other main government functionaries are civil servants who work at national, regional, divisional, and sub-divisional delegations; all of whom are answerable to the central government in Yaoundé. Governors (regions), Prefects and Divisional Officers (divisions) head these administrative units and are all appointed by the head of state. These administrative authorities at sub-national levels concurrently represent the head of state, but friction sometimes occurs between some ministerial delegations and the governor or prefect, as far as jurisdictions are concerned (some areas of friction will be discussed in the fiscal decentralisation section of this study).

The ministerial structure has been the key framework for service delivery in Cameroon. Every ministry uses a hierarchy of field offices to deliver services in sub-national units. Field offices are hierarchically organised with a centralised bureaucracy starting from the national to the regional, followed by the district, then divisions and sub-divisions. Each level is directly responsible to the one above it. The various ministries

have kept intact the centralised system of field administration inherited at independence from the French-administered part of Cameroon; all important decisions on local development and finances by the central government are taken at the centre. Though the Anglophone areas enjoyed a measure of self-local-governance under British colonial administration, and for a few years after declaration of Cameroon as a republic, the administrative unification of Cameroon in 1972 is seen to have eliminated the privilege the local councils had (in the 1960s) on decision-making in service delivery in the English-speaking areas.

Cameroon has an elected national parliament (a senate has been proposed), with terms of office that can be shortened or extended by the president, who can also introduce bills. In Cameroon's constitution, there is provision for regional administration for the country's 10 regions. Presently, however, while regional governors are appointed by the president, there is no regional parliament. At the local level, elections for councillors and mayors have continued under the latest decentralisation process. Local council boundaries mostly follow sub-divisional boundaries.

The councillors are elected by universal suffrage in the respective council areas, and then elect from amongst themselves a mayor and two assistants. However, big cities/towns are administratively organised as city councils headed by the 'governor delegate' (a government appointee). Within city councils there are sub-divisional councils, which are headed by elected mayors. For instance, Yaoundé comprises of a city council and seven sub-divisional councils, as does Douala. In total, Cameroon has 14 city councils, 12 of which were created by a series of presidential decrees, as shown in the following table.

Table 3.1. Newly created city councils and their sub-divisions in Cameroon, 2008

<i>S/No</i>	<i>Decree (all 17 January 2008)</i>	<i>Name of city council</i>	<i>Number of sub-divisional councils</i>
1	2008/015	Bertoua	2
2	2008/016	Ngaoundere	3
3	2008/017	Maroua	3
4	2008/018	Edea	2
5	2008/019	Nkongsamba	3
6	2008/020	Garoua	3
7	2008/021	Bamenda	3
8	2008/022	Bafoussam	3
9	2008/023	Ebolowa	2
10	2008/024	Kribi	2
11	2008/025	Limbe	3
12	2008/026	Kumba	3

The city councils presented in Table 3.1 were created 17 January 2008, the official reason being that there are some projects of communal interest that one sub-divisional council may not be able to handle, and that city councils are best placed to manage development projects that overlap different parts of a city. Based on a series of presidential decrees on 6 February 2009, government delegates were appointed to head the newly created city councils, as well as Yaoundé and Douala.

3.2.5 The public service

The Ministry of the Public Service and Administrative Reform employs all civil servants, except personnel from the army, police, judiciary, and prison administration. There are about 160,000 civil servants, but the exact number is not readily available because since 2007 the government has been carrying out a massive public service recruitment drive to recover from a hiring freeze that had been in place since an economic crisis two decades ago. Another unknown is the educational qualifications of civil servants, but after the earlier crisis and following recommendations of international financial institutions most people who were laid off in the downsizing exercise of the late 1990s (as a precondition to debt servicing) were low-level employees with little education. There was minimal recruitment at that time, but those who were hired were top civil servants from professional schools.

At the time this study was conducted in late 2009 a national estimate of the workforce at council level was being collated but was not yet available. There was also no attempt to disseminate publicly the national figure of staff engaged by local councils. The main reason given was that the councils do not share a common service structure, owing to the differential ability of rich and poor councils to engage and pay staff. Recently, the minister in charge of public service ordered the setting up of a harmonised service structure for council employees (that is, a common staff organogram) as well as a recommended minimum number of staff for each department under a LG. Ultimately, this is to help set up a structure to know staff strength and get regular updates on staffing variations and trends across all councils.

3.2.6 Democratisation and the rocky road to decentralisation since 1982

The legal basis for decentralisation by devolution in Cameroon was set in the Constitution of January 1996 which declared the country to be a decentralised state. The decision to embark on decentralisation was stimulated by external and internal developments. From the external perspective, Cameroon was affected by the wind of change that blew across the continent in the late 1980s. This was fuelled by several factors echoed by respondents during the field survey, notably, the end of the Cold War, the collapse of the Soviet Union, and the related fact that Western democracies and international financial institutions no longer saw the need to support dictatorial

regimes in Africa. There were deepening economic crises in many African states and a renewed emphasis on economic and political reform by Western nations and financial institutions that made many African leaders to grudgingly yield to economic and political reforms (Takougang, 2003).

In March 1985, Cameroon's sole legal party, the UNC, was renamed the Rassemblement Démocratique du Peuple Camerounais (RPDC). The RPDC, in the first quarter of 1986, allowed a measure of democratisation by organising election primaries for members of RPDC bodies on all levels. Later, in 1988, national assembly and presidential elections were held, which saw the retention of the sole candidate for the presidency by a high margin of 98.75 per cent. In the meantime, an unofficial opposition organisation, the Social Democratic Front (SDF), led by John Fru Ndi, had emerged from the RPDC (Europa World Publications, 2008). By December 1990, following civil unrest and a promise from President Biya to introduce political reform, the national assembly approved a constitutional amendment that permitted the establishment of a multi-party system. The pressure for political reform intensified and, by April 1991, 11 leading opposition groups formed an alliance called the National Co-ordination Committee of Opposition Parties (NCCOP). A ban on opposition meetings was put in place by the government as the NCCOP intensified its campaign of civil disobedience. The NCCOP later dissolved due to differences in the strategies the constituent parties had in engaging with the government, and some parties, like the SDF, withdrew from the legislative elections of 1992.

In May 1993 President Biya's government published a draft constitutional amendment that provided for a democratic system of government; this draft legislation retained a unitary state and introduced a more decentralised system of governance in recognition of demands made by supporters of federalism (mostly from the Anglophones). In July 1993, the SDF adopted a draft constitution that provided for a decentralised federal state – more or less a two-state system with a structure designed by using criteria such as geographic continuity, cultural heritage and economic viability. The opposition later boycotted constitutional discussions in December 1994, and in 1995 an Anglophone organisation emerged called the Southern Cameroons National Council (SCNC), and it demanded that the English-speaking regions be granted autonomy as a prelude to proclaiming the independence of Southern Cameroon on 1 October 1996 (also called the 'zero option', see Takougang, 2006 and West Africa, 1994). In August 1995, the SCNC and the Cameroon Anglophone Movement (CAM) formally presented to the UN a demand for the establishment of an independent Republic of Southern Cameroons; this demand was made on the heels of claims of 'francophone domination'. The dissatisfaction of opposition movements to political developments in Cameroon was further expressed on the international stage when they urged the Commonwealth to refuse Cameroon's pending application. The SCNC, on behalf of the proposed Republic of Southern Cameroons, went further and submitted a rival application for Commonwealth membership. However, Cameroon was admitted

to the Commonwealth in November 1995, while the country's national assembly adopted a revised version of the constitution submitted by President Biya.

The combination of internal and external catalysts described above acted together to stimulate President Biya to institute political reforms, including legalisation of political parties, adoption of multiparty democracy, and adoption of decentralisation. The new constitution that was approved by the national assembly in December 1995, and signed by President Biya on 18 January 1996, declared Cameroon decentralised and heralded steps for actualising decentralisation. This appeared to follow a multi-state model as the constitution permitted the formation of a 10-region structure carved along the lines of the existing provincial structure. In response to calls for greater decentralisation, Article 55 (section 2) of the new constitution allows each elected regional and local council greater autonomy in administrative and financial management of local and regional affairs, albeit in theory. However, in section 3 of the same constitutional article, the state is allowed to exercise supervisory powers over regional and local authorities. The president specifically becomes more empowered by Article 58 to appoint delegates to represent the state in the regions. Such delegates are responsible for 'national administrative control...maintaining law and order... [and] co-ordinat[ing] civil state services in the regions'.

The broad powers enjoyed by regional delegates under the new constitution are similar to those enjoyed by federal inspectors under the Federal Constitution which was in effect from 1961 to 1972. At that time, the constitution allowed federal inspectors to undermine or override the authority of the prime minister of West Cameroon. It was at this time that the seeds of discontent were sown in Anglophone Cameroon. Article 59 of the constitution also gives the country's president power to suspend or dissolve any of the regional councils.

3.2.7 Elections in Cameroon

The conduct of elections is governed by a series of cross-referencing laws and election management tasks that are performed by a multiplicity of bodies and institutions. In the 1990s different laws were promulgated (including Law 92-002 of 14 August 1992 which lays down conditions for the election of municipal councillors; Law 92-10 of 17 September 1992 (modified by Law 97-020 of 8 September 1997), which lays down conditions governing election to the presidency of the Republic; Law 2000/15 of 19 December 2000, which institutes public financing of political parties and of election campaigns; and Decree 2001/305 of 8 October 2005, which sets up a commission to monitor the use of public funds by political parties. Assessments made of these electoral laws indicate that they contain overlapping and confusing provisions that gave rise to disagreements over their interpretation and implementation (Menang, 2006; Takougang, 2006; Nyamnjoh, 1999; NDI, 1993). Calls were made that electoral laws be updated and assembled into one comprehensive

code, and election affairs managed under a new body called Elections Cameroon (ELECAM), discussed below.

The bodies involved in the management of elections in Cameroon are as follows: Joint Commissions, MINATD, the Courts, the National Elections Observatory (NEO), and ELECAM.

Joint Commissions usually comprise representatives of the administration, political parties, and sometimes of civil society, and they perform tasks such as registration of voters and revision/updating of voters' rolls, distribution of voters' cards, and local polling commission for conducting poll and vote count. The composition of every commission in each division is fixed by an order of the Senior Divisional Officer (SDO - an administrative official working under directives of MINATD). There is also a National Commission for Final Counting of Votes set up during each election to compile the final results and forward them to the Constitutional Council for approval and publication.

MINATD takes key election management decisions in the following sequence: SDO signs prefectural order to set up joint commissions (as above); DO draws up final voters roll in his/her administrative jurisdiction, organises distribution of voters cards; SDO examines applications from prospective candidates for presidential elections, with power to accept or reject; MINATD issue orders to set up polling stations; DO signs decisions to set up local polling commissions; and finally MINATD signs order to set up National Vote Counting Commission.

The Courts: Members of the judiciary serve as chairpersons of supervisory commissions and National Vote Counting Commissions, or as arbitrators of electoral conflicts. These are perceived as agents of government and their role has not improved public confidence in declared results (Menang, 2006).

The NEO: Set up via section 2 of Law No.2000/016 of 19 December 2000 to 'contribute to the observance of the electoral law in order to ensure the regularity, impartiality, objectivity, transparency, and fairness of elections and to guarantee to voters and candidates the free exercise of their rights'.

Elections Cameroon/ ELECAM: Set up in December 2006 under Law 2006/011 to organise, manage, and supervise elections and referendums, it is a new body that will replace the revision commission, divisional supervisory commissions, and the NEO.

National elections

Voter turnout as a measure of political participation shows an increase from 60.6 per cent in 1992 to 75.6 per cent in 1997 (Kuenzi and Lambright, 2007: 665), and 82.2 per cent (Touo, 2009: 101-116) in 2004 (see Table 3.2 below). Although statistics show that slightly less than half (46.7 per cent) of the voting age population participated in the concurrent presidential and legislative elections, the increase in voter

turnout after the new constitution of 1996 may indicate a willingness to participate (though we have not factored in the costs of travelling to voting centre, media exposure, multi-partyism, or the size of urban population on the turnout). By and large, the Cameroon People's Democratic Movement (CPDM) – and President Paul Biya – won an impressive victory in the 2002 Cameroon legislative elections, despite the near-collapse of the regime and party that lost their parliamentary majority in 1992.

Table 3.2. Number of seats won by CPDM in 1992, 1997, and 2004 elections

<i>Year</i>	1992	1997	2004	<i>Total</i>
Seats	88	114	149	180
% of total	48.9	63.3	82.8	

Source: Condensed from Takougang, 2003

The new constitution increased the presidential term of office from five to seven years, with a maximum of two tenures for the incumbent. Thus, President Biya started fresh when he was re-elected with 92.6 per cent of votes cast on 12 October 1996, and he secured another term with 70.92 per cent of votes cast on 11 October 2004.

Municipal elections

Municipal elections took place in January 1996. The SDF won 27 per cent of seats (mostly from the West, that is, the English-speaking areas) and the UNDP, another opposition party, did better than expected in the North. After the 1996 municipal elections, in which the opposition won a significant number of key urban councils, the government appointed representatives with powers to manage council projects and finances (more details cited by Nyamnjuh, 1999). In 2008 government delegates were appointed to city councils because there were some projects of communal interest that one sub-divisional council may not have been able to handle, and because city councils are best placed to manage development projects that overlap different parts of the city (pers.comm., MINATD official, 2010).

3.3 Decentralisation by Devolution in Cameroon

As noted earlier, decentralisation in Cameroon is effected mainly through ministerial hierarchies or field administration. The president's decision to introduce decentralisation by devolution in 1996 has been interpreted differently by different stakeholders, but essentially as a middle course has been followed to balance demands from the two main quarters of different linguistic colonial heritage. On one hand, French-speaking officials were apt to point out that the winds of political change that blew through Eastern Europe and the former USSR finally got to Africa, thus the president seized the moment to introduce administrative and political changes in Cameroon. On the

other hand Anglophones interpreted the desire to decentralise as being to pacify⁴ restive opposition parties (the main one with Anglophone origin) owing to poor state of public service provision and an electoral and administrative system that seems to favour the French-speaking section, despite the fact that electoral laws are national in their character and do not favour any region or section more than the other. Since the initial constitutional declaration was made in 1996, some committees were put in place by the president to guide the decentralisation process.

3.3.1 Committees and government institutions on decentralisation

National Council on Decentralisation

The creation of this council was legalised by Decree 2008/013 of 17 January 2008. The national council is charged with the follow-up and evaluation of the implementation of decentralisation. Its members include the prime minister (as president of the council); assisted by the minister in charge of decentralisation at MINATD⁵; almost all cabinet ministers; two senators appointed by the bureau of senate; two parliamentarians appointed by the bureau of the national assembly; and two representatives of the Economic and Social Council. It has a secretariat headed by a permanent secretary, operating with budget support from the PM's office. The council has two sitting sessions and one extraordinary session per year, at the instance of the PM.

Local inter-ministerial committee

This local committee was created by Decree 2008/014 of 17 January 2008, with the objective of ensuring the preparation and follow-up of transfers of jurisdiction and resources to local authorities, as decided by the competent authority. The LIMC is headed by the minister of MINATD, and there are representatives of all ministers, including the representative of the secretary general of the presidency and PM's office, four representatives of councils, two representatives of regions, two representatives of chambers (commerce, agriculture), and two representatives of civil society. They meet quarterly, and in extraordinary sessions as deemed necessary, summoned only by the head.

There exists another committee to validate the recommendations of the inter-ministerial committee. The outcome of the deliberations is forwarded to the National Decentralisation Council, which is the final body in charge of the decentralisation process. This is all geared towards ensuring the effective implementation of decentralisation in the future.

In addition to these committees, other institutions that are facilitating the decentralisation process include FEICOM, ENAM and CEFAM.

FEICOM

The Fonds spécial d'Équipement et d'Intervention intercommunale (FEICOM) is the Special Council Fund for Mutual Assistance that was established to provide 'financial and technical assistance to councils in order to promote... their socio-economic development'. FEICOM is a public administrative establishment with a legal status and financial autonomy, set up by Law No.74/23 of 5 December 1974. It was reorganised twice by presidential decrees, on 11 December 2000 and 31 May 2006. In an in-depth interview conducted in Yaoundé during the field work (September 2009) David Abouem A Tchoyi⁶ observed that:

In the 70s, there was difficulty in financing development activities or service delivery at the local level. Since government did not have enough money, an institution was set up, FEICOM, as a local council bank to finance local councils in 1976/77. I drafted the decree creating FEICOM. We did not have the experience and it was an exploratory move. When it was formed, we obtained loans from Canada for equipments to the tune of CFAfr 14 billion (\$1 = 225). The equipment included bulldozers, earthmovers. Councils needed roads, but there was no equipment for construction. Thus councils were given the opportunity to have access to equipment through FEICOM. However the equipment were not well used: instead of serving council needs, equipments were hired out to private people. So repayment of the start-off loan met with delay. Over the course of the years, Cameroon was able to repay CFAfr 10 billion; Canada wrote off the remaining CFAfr 4 billion because Cameroon repaid at least 70% of the amount it borrowed as part of the loan agreement (David Abouem A Tchoyi, Consultant).

Overall, FEICOM is a 'reasonably well run organization' (Vaillancourt, 2001). This is because it has 'a network of contacts with municipal governments and the financial solidity that came with ... the existence of an autonomous accounting unit since 1996 and the new CAC mechanism since 1998' (ibid). FEICOM also had two major weaknesses, including the poor exchange of information between project supervision and financial activities and, while written guidelines are available for project submission, the organisation lacked a formal manual of operations. The introduction of an integrated database/intranet was recommended to break down these barriers as far back as 2002. Presently, FEICOM has a qualified regional delegation made up of engineers that supervise projects that they sponsor, and they have simplified 'gadgets' (manuals) of operations (pers.comm., MINATD official, 2010).

CEFAM

The Centre de Formation Pour L'Administration Municipale (CEFAM), also known as the Local Government Training Centre, is a residential staff college established in 1977 in Buea, close to Mount Cameroon. Legal backing for the creation of the centre is in Presidential Decree No 77/494; the centre trains senior staff of local council administration and intermediate staff of local council services. It is part of the

Ministry of Territorial Administration and Decentralisation, and it operates under the supervision of a board of directors. As of 2009, it offers two-year bilingual (English/French) residential training programmes to municipal employees who are paid their salary by their communes during the training. CEFAM also organises short training sessions for politicians (mayors and their deputies), FEICOM staff and municipal civil servants, both at the centre in Buea and in other cities. Courses on offer include: regional/local development studies, finance/treasury, law, and administration.

ENAM

The National School of Administration and Magistracy (ENAM) in Yaoundé also provides training for civil servants.

3.3.2 Laws on decentralisation

Three tiers of government exist by law in Cameroon: the central government, the regions, and local councils. There are 10 provinces (now regions), 58 divisions (*departements*), and 384 sub-divisions (council areas – *communes*). In 1996, the constitution of Cameroon was revised to declare Cameroon a unitary and decentralised state. Laws supporting decentralisation came eight years later in 2004, and these laws create the framework for decentralisation. For example, Law 2004/17 of 22 July 2004 on the goal of decentralisation, states in Section 2 that:

‘Decentralisation shall consist of devolution by the state, of special powers and appropriate resources to regional and local authorities’.

Law 2004/18 of 22 July 2004 sets out rules applicable to councils. In Section 2(1), the council is recognised as the basic decentralised local authority. Nomenclature of councils used to be threefold: rural councils; urban councils of special regime (councils in semi-urban and urban towns); and urban councils (Douala and Yaoundé). Now, rural councils are referred to as councils; urban councils of special regime also became councils under Decree 2007/117 of 24 April 2007 (a new appellation came with the creation of city councils with the series of decrees of 17 January 2008). The earlier urban councils of Douala and Yaoundé became city councils based on Decree 87-1365 of 25 September 1987; they also contain sub-divisional councils. For example, Douala (Cameroon’s commercial capital) has a main city council, as well as six sub-divisions. The city council is headed by a government-appointed delegate while the sub-divisions are headed by elected mayors. City councils were created for ‘practical reasons’,⁷ which will be discussed with statistical evidence later on.

Law 2004/19 of 22 July 2004 was promulgated with specific reference to regions. In Section 2(1), ‘the region shall be a regional authority comprising several divisions’. In reality, regions are not yet functional in Cameroon. Regions are to be headed by appointed governors; with decentralisation, regions are to be managed by locally elected bodies with governors appointed as representatives of the central government

with supervisory powers. Thus, there will be a regional council of elected members (divisional delegates elected by indirect universal suffrage) and appointed members (representatives of traditional rulers elected by their peers). It is from among this council that a president of the regional council shall be elected. However, appointed governors would still be there as representatives of the state within the regional council, with no power to control. Also, local councils, though headed by elected mayors, have Senior Divisional Officers (SDOs or prefects) appointed by the state to ensure that laws are followed or implemented in the councils, as well as to advise mayors.

When regions become operational, they shall be administratively managed by the Department of Regional and Local Authorities of MINATD, the same body that manages councils (pers.comm, MINATD official, 2010). In practice, the SDO jurisdiction covers the councils of his division, while government delegate jurisdiction covers only the city council areas (urban and semi-urban towns). Government delegates are more powerful financially because they have the power to raise local taxes, and they can disburse (they are powerful because the sub-divisions rely on them for disbursements, which the delegate can influence) additional council taxes in a way that sub-divisional councils cannot due to the overarching nature of their respective jurisdictions.

The table below shows the difference in funds allocated to a city council and a group of sub-divisional councils under it.

Table 3.3. Annual financial allocation to City Council ‘D’ and its sub-divisions

<i>Commune (city council)</i>	<i>Population</i>	<i>Amount (CFAfr)</i>
City council	1,869,660	456,533,594
Sub-divisions 1 to 6	1,869,660	196,000,000

Source: Confidential pers.comm.

The data illustrated in Table 3.3 looks lopsided because the allocation given to elected mayors to run the sub-divisions is much less than the allocation given to a government delegate that oversees the same area of jurisdiction. In Table 3.3, we have a city council that is comprised of six sub-divisional councils. In the first instance, proposed allocation from the central government to the city council (headed by a government delegate) is about CFAfr 457 million, which is more than twice the amount (CFAfr 196 million) that is shared among the six sub-divisional councils (headed by elected mayors). However, we have to take into consideration the missions attributed to each structure. Moreover, there are instruments that state the amount of subventions the city council allocates to each sub-divisional council, but this was not made available at the time of the survey. The secretary-general of the main opposition party (SDF) alleges that many of the government delegates are people who lost election primaries in the ruling party, and their appointment is seen first as compensation, and also as

a way for the ruling party to be in control of cities where local elections were won by opposition parties.

‘The government delegate dictates to the mayor what to do. So power is not really given back to the people.’ (Secretary General SDF, main opposition party)

The city council does not have a population, as such. The sum of the populations of the sub-divisional councils makes the population of the city, and the amount of the additional council tax disbursed to each council depends on the sum that the state collects from the council area. The amount to be collected depends on the economic activities of each council area.

City councils also serve as an avenue through which funds are disbursed to sub-divisional councils. For example Circular letter N° 02305/MINATD/DCTD of 19 October 2009 on the elaboration and execution of council budgets for the financial year 2010 outlines how much city councils have to disburse to the sub-divisional councils (see Table 3.4).

Table 3.4. Amount city councils have to disburse to sub-divisional councils

City council	Trimestral allocation per sub-divisional council (CFAfr)	Annual allocation per sub-divisional council
Douala	37,500,000	150,000,000
Yaoundé	25,000,000	100,000,000
Limbe	10,000,000	40,000,000
Others	5,000,000	20,000,000

Furthermore, when regions are operational, the regional governors will continue to carry out their daily activities without interfering with those of the regional presidents. The potential problem area may be that when regions (as a tier of government above the LGAs) become operational by 2010, direct grants allocated from the centre may affect the amount of funds meant to be transferred to local areas.

3.3.3 Transfer of responsibilities

When this field survey was conducted in late 2009, service delivery at the local level was through deconcentration; most aspects of service provision were handled by representatives of sector ministries that were based in the councils. Requests for social services provision are made through regional delegates of the various ministries, to the head of the ministry concerned for appropriate reaction. For example, in the education sector of a given council, when the inspector of education (basic or secondary) sees a need he writes to the minister through a divisional delegate, who transmits the request, through the regional delegate, to the minister of education. The minister uses a ‘text of application’ – referred to as an *arête* – to create new schools based on a collection of similar requests, and to appoint staff for the school. Normally, the ministry is

supposed to use its own funds for the execution of school building projects. More often than not, the local population is stimulated to contribute towards building the school, but with no legal obligation.

Cameroon is gradually moving towards devolution. Elected mayors now head local councils and sub-divisional councils, but so far in the decentralisation process elected mayors and councillors run the council with limited responsibilities, power, and resources. The government promises that certain responsibilities are to be transferred to local councils by 2010, under their supervision. Ministers have been requested to propose the areas of jurisdiction that they need to cede to councils by January 2010. At some point in 2010, ministers will be asked again to make proposals for relinquishing additional functions to councils in 2011. This process will be repeated yearly for five years until 2014. By 2015, the process of transfer of responsibilities of service delivery from ministries to councils is to be completed, and all powers for service delivery will be potentially held by mayors. Priority sectors where such transfer of responsibilities would begin in January 2010 include: education (basic + secondary), water, rural roads, health, agriculture and rural electrification. The extent to which ministries running the aforementioned sectors will transfer jurisdictions to councils is shown in Table 3.5.

Table 3.5. Responsibilities to be transferred from sector ministries to councils in 2010

<i>Ministerial department</i>	<i>Current responsibilities</i>	<i>To be transferred 2010</i>
Agriculture and rural development	Promotion of agricultural production, pastoral, artisanal and communal aquaculture	Put in place mechanisms for acquisitions of seeds, plants for farmers or producers
	Support to micro-projects that generate revenue and employment	Promotion of the transformation of waste and harvest residue to manure; promotion of village groups to fight against crop pests
Public transport	Creation and maintenance of municipal roads	Maintenance of divisional and regional roads
	Creation and maintenance of rural and non-classified roads	Clearing of road sides for visibility; maintenance of ferry and local beautification projects; maintenance of rural roads that are not of priority
Education	Creation of schools, acquisition of equipment, management of nurseries and primary and secondary schools	Equipment and maintenance of schools; recruitment and payment of personnel; acquire minimum packet (<i>paquet minimum</i> – stationery; chalk; pencils; teaching aids – which used to be contracted out for supply from Yaoundé)
Energy and water	Provision of potable water	Boreholes and wells
Health	Construction, equipment, management and maintenance of health units	Construction, equipment, management and maintenance of health units

Since February 2010, mayors have been charged with additional responsibilities for service delivery.⁸ Where some mayors have personnel shortfalls, they have to recruit new staff. In councils where mayors cannot afford to hire new staff, they can request personnel from the central government whose salaries would be borne by the centre, although mayors may pay allowances to retain transferred workers at the local level. Standards of service delivery are set by MINATD according to *Les Collectivites Territoriales Decentralisees Au Cameroun – Recueil de Textes (Collection/compendium of Instruments for Regional and Local Authorities in Cameroun)* (Kuate, 2007). As laws are made, this compendium is revised.

3.3.4 Funding of councils and fiscal decentralisation

Funds available to councils fall into the following categories:

General allocation: This is an intergovernmental transfer from the central government to local councils. The formula for distributing annual amounts to councils was not made available during the field survey. The legal process for making transfers more transparent and predictable was started in 2009, with enactment of some laws relating to local government finances, which is also related to the transfer of responsibilities to councils in 2010. (These laws will be discussed later.)

Frontier council allowance and ‘natural disaster’ allocation: Councils apply and a grant is given based on special criteria (but the fund has not more than CFAfr200 million (US\$376,210) per year per council area).

Forest royalties: This is relevant to timber-producing councils.

Before the 2009 laws governing fiscal transfers were promulgated, there was a complex arrangement of funds accruing to different tiers of government, and there seemed to be no formula to ensure equitable distribution of resources or a general rule as to the exact proportion of money that is transferred to sub-national tiers of government. In the deconcentrated arrangement, councils receive funds based on individual budget requirements. The amounts accruing to councils also differ according to their economic activities. For example, forest and wildlife royalties are shared as follows: state – 50 per cent, councils – 40 per cent, and communities – 10 per cent. Tax also varies: there is a council tax and state tax; some activities are shared and the proportion accruing to different tiers of government varies according to type of tax. For instance, on income tax, local councils may add 2 per cent to what is levied by the state.

In the context of decentralisation by devolution and the imminent transfer of responsibilities to councils in 2010, Law 2009/011 was promulgated on 10 July 2009 for the elaboration, presentation, execution, and control of the execution of the budget of regional and local authorities. It applies to regions, councils, city councils, council unions, public establishments and any other regional or local authority that may be

created. The percentage of state revenue to be given for general allocation for decentralisation will be determined on a yearly basis through proposals from the central government. Modalities for the sharing and transferring of this money would be determined by a legal instrument. During this field research in August 2009 it was not certain whether the legal instrument would be drafted by national executives (government appointees) or by legislators (elected representatives). This is potentially problematic, especially as the amount to be transferred is not specified.

Also, in Article 17 of Law 2009/011 on the financial law of regional and local authorities, provision of a general allocation for decentralisation is made to partially finance decentralisation. This allocation is meant for running the state's delegation office in the regions; it is also called the 'decentralisation allocation'. Yet it will not aid service delivery in any of the sectors. Some donors comment that the current amount earmarked for this purpose is unnecessary and could be better used for undertaking service delivery projects at the local level (pers.comm, an official at one donor agency).

The revenue available to councils from tax is guided by Law 2002/003 of 19 April 2002 on the general taxation code of Cameroon. The upper benchmark for taxation for councils is CFAfr100,000 (approximately US\$188); any activity or business that generates more than CFAfr100,000 is taxed by central government (Kuate, 2007: 193). However, there are some exceptions. For instance, while a building permit, which is 1 per cent of building cost, is collected by the councils, it is only the central government tax office that can collect the following at the local level: VAT (19.25 per cent), profit tax (1.65 per cent) and land tax (irrespective of amount).

Though local councils have the power to set taxes after deliberating at council sessions and enacting local laws, provisions made for councils' power to tax did not change in recently enacted laws. Looking at Article 11 of Law 2009/011, regional or local authorities cannot collect taxes except what is envisaged by the law (2002/003) or voted by the municipal councillors and approved by the competent supervisory authority – that is, MINATD; especially on activities not contained in the 2002/003 text. The councils can propose that their scope for taxation be expanded, but they still need approval where new activities that could be taxed at the local level are identified.

As things stand, qualitative evidence suggests that a large proportion of tax collected at the local level is first sent to the capital – Yaoundé – where officials decide what should be transferred back to councils for development. The new law on fiscal decentralisation is not responsive to the shortcomings of the current fiscal structure. Based on actual needs and available resources, the ministers of Finance and MINTAD will decide the amount to be transferred. They meet yearly to 'use discretion' to decide the amount to be transferred.

Friction also occurs in the area of fiscal responsibility. It is on record that government delegates use their prerogatives to take over the collection of rents and local tax in

big markets, thereby depriving sub-divisional councils of much-needed internally generated revenue. For example, a conflict was recorded in 2009 on the management of the Kumba main market. The issue was between the Kumba City Council and the Kumba I Sub-Divisional Council on the interpretation of the existing instrument. The SDO later intervened to ensure that the law was respected, by allowing the city council to control the main market, motor parks, slaughter slabs, and cemeteries in accordance with section 115 of Law N° 2009/019 of 15 December 2009 on Local Fiscal Systems, concerning the fiscal revenue of the city council. To prevent the recurrence of such conflicts it has now been decided that only city councils should manage main markets. But according to an official interviewed at one donor agency, the new law on fiscal decentralisation is deficient on this issue, as it does not address who has the responsibility to collect rates and taxes from markets once 'full decentralisation' starts in 2010.

3.4 Role of Donors

This section examines the role of donors in the provision of quasi-public goods and services, influence on decentralisation policy design, and programme support and implementation in Cameroon's decentralisation. A few⁹ donors and international organisations are involved in the decentralisation process in Cameroon. These include: German Technical Co-operation (GTZ), French Co-operation, SNV, the World Bank, and UNDP. Their individual and collective contribution to the decentralisation process is discussed below.

3.4.1 German Technical Co-operation (GTZ)

A GTZ official interviewed observes that partial devolution and deconcentration, 'as two legs of public administration', is going on side-by-side in Cameroon. Irrespective of the type of decentralisation, GTZ gives direct assistance in capacity building by providing training for various categories of central government personnel and local council staff. For this purpose, it engages the services of private trainers from CEFAM - the training school for local government authorities and the Institute of Public Management which is based in Yaoundé, supervised by the Ministry of the Public Service and Administrative Reform. The training is to expand the knowledge of council staff in areas of administrative correspondence, accounting, and record-keeping. High-ranking civil servants have priority for this training, in particular council functionaries (mayors, secretary generals and other council staff) and sector ministries (directors general). For mayors, training provided by GTZ is not nationwide, but restricted to four regions of Cameroon: Far North, Centre, West, and East. At another level, there is a follow-up or monitoring of the job performance of mayors with the aid of an instrument called accompaniment, in order to improve council staff performance.

GTZ also collaborates with other international donors or stakeholders in the decentralisation process in Cameroon, including the World Bank, UNDP, French Co-operation and SNV (a Dutch NGO). As a group, they contribute to curriculum development in training centres and institutions such as CEFAM, the Institute of Public Management and ENAM. Although these organisations, due to their peculiar nature, have different approaches to training course beneficiaries, they have a platform where course schedules are shared with a view to reconciling areas of overlap. 'But, sometimes, where one organisation tries to copy the training procedure of another, it is not always done in a good way' (pers.comm., GTZ official, August 2009). GTZ's misgivings about Cameroon's decentralisation process concern the administrative realities related to the simultaneous implementation of deconcentration and devolution in Cameroon. For example, there is a 'conflicting system of tax collection', in that the national tax office has delegated its regional and local arms to tax collection. Given that the local arm strives to meet annual targets, it sometimes makes collection forays into areas which have not been clearly defined as areas of coverage either for a national tax office or for local councils. At the council level, the elected mayor also has the power to collect tax, part of which can be retained by the council while another part has to be remitted to the central government. More often than not, some treasurers of the local councils do not remit such tax to the central government. Yet, in the new law on fiscal decentralisation, this overlap and potential area of conflict has not been addressed.

The GTZ official said that 'demand for reform of the system must come from both sides but this demand is coming more from the donors rather than from the country. To improve the current support to the decentralisation process there is a need to improve the training programme, we need more human resources. Few of donors are involved in the decentralisation programme in Cameroon.'

3.4.2 French Co-operation

French Co-operation (FC) has been supporting decentralisation through the modernisation of public administration and municipal development for more than 10 years in Cameroon. Specifically, FC supports the central government and MINATD to implement and monitor the decentralisation process. FC has produced a draft document report on decentralisation strategy and is presently in the third phase of the action plan, which covers 2010 to 2014. Activities and projects for the next four years are focused on the modernisation of administration and good governance, so as to be better placed to monitor the process of transfer of jurisdictions starting in 2010. The government inter-ministerial committee has recommended the transfer of more than 10 jurisdictions in various sectors such as: health, education, roads, energy, and water supply (see Table 3.5). FC gives technical support in drafting the legal instruments required for the effective transfer of these jurisdictions. Another goal is to help develop capacity to manage these sectors at the local level.

The FC representative¹⁰ participates in virtually all the meetings of the different commissions about decentralisation. There are regular meetings with a group specifically dealing with decentralisation whose members include: director of DCTD (Department of Regional and Local Authorities); director of juridical affairs; inspector at the Inspectorate for regional and local authorities; and a specialist member from the public service sector that is under discussion. The FC official also helps to process financial support from the French government. Financial support is targeted to the decentralisation process. This is targeted at human resources (training) and not to sectors or investment (materials and communication).

The FC official is of the opinion that there is no conflict in the workings of donors improving decentralisation in Cameroon. Financial means is coming in the way of increased allocations to councils once the jurisdictions are transferred in 2010 and new fiscal laws made operational through some 'texts of application' or guidance manuals. Until now, general allocation to local councils has been a maximum of CFAfr1 billion annually. From next year, this will rise to CFAfr48 billion. This signifies huge political will on the part of the president to decentralise. The CFAfr48 billion comprises CFAfr5 billion in running costs and a CFAfr43 billion investment allowance.

FC recommendations: The FC has identified more than 50 areas that need improvement (FC, not yet published). The personal opinion of FC officials about the areas that need improvement include: harnessing more energy to develop artisanal activities in medium-sized cities, enhancing value-added production capacity in agribusinesses, harnessing tourism potential, and ensuring that mayors should play a greater role in this area at the local level. It would be efficient if FEICOM or international donors could support the development of tree nurseries in conjunction with local councils. One example for staff efficiency is that there is no need to have one engineer for every local council or municipality in the rural areas. Municipalities can put together inter-communal teams, whose expertise could be made available to participating councils.

3.4.3 PADDL

The *Programme d'Appui a la Decentralisation et Developpement Local* (PADDL) is a German technical Co-operation (GTZ) service agreement with the government to support these areas: planning, budgeting, capacity building, and improving business climate. It is also involved in a community-driven participative programme (PNDP) in conjunction with French Co-operation, SNV (a Dutch NGO), the World Bank, and KFW (a German organisation). The PNDP is in its second phase, endowed with US\$67.8 million for capacity building, planning and council micro-projects. The planning is based around cantons - a group of two or three villages. When PNDP start to work with a council, some people are recruited to assess local needs, ranked

according to priority and drawn into a community development plan. All plans are merged into a council development plan in a participatory way. These needs are further assessed at the municipal level before the mayor signs. One micro-project can be financed by different partners. These donors work well together and have a forum to co-ordinate activities and support.

3.5 Summary and Conclusion

3.5.1 Design of decentralisation

There is no clear-cut pattern of decentralisation in Cameroon, it is a mix of different types: delegation, where service delivery is still undertaken by various ministerial departments from the centre; devolution, where elected mayors manage local councils; deconcentration, where government delegates are appointed to oversee city councils; and divestment, where there is a legal possibility for private sector involvement in many areas of public service delivery except defence and diplomacy. Many responsibilities have been divested since 2004, including water supply and electrification (supervised by an agency; its board members are selected from related ministries and from the private sector). These are forms of delegation.

Implications for service delivery: In the current circumstances, the improvements observed in some areas of public service delivery may not be wholly attributed to decentralisation. New markets have been built and these are providing rents for councils; local governments have been strong in awarding scholarships to support children to acquire basic education (for example, the initiative of Buea Municipality); and improvements in education attainment and health service delivery are indirectly contributing to the achievement of the Millennium Development Goals. But some of these services are due to the efforts of international NGOs.

‘There has been an increase in the building of health centres. The mayor of Bamenda, in collaboration with some NGOs, has been able to put in place good public toilet.’
(SDF, Secretary General)

These NGOs are not directly linked to the decentralisation programme. It is just that they have projects related to some areas of public service delivery that local governments are responsible for.

3.5.2 Adequate resource capacity

Councils have succeeded in generating more internal revenue, but it is not enough, and councils spend more on recurrent expenditure, though this varies depending on the nature of the council area (pers.comm., Mayor of Buea). Most responses to inquiries made on measurable outcomes of services delivered and level of financial resources used in putting service delivery in place were qualitative.¹¹ A sample of responses to an assessment of the resource capacity of councils is given in Table 3.6, showing using

Limbe City Council as an example to show the rising trend in local councils' income, both internally generated revenues and transfers from the FEICOM pool.

Table 3.6. Revenue accrued to Limbe City Council 2004 to 2008

<i>Year</i>	<i>Revenue (all sources) CFAfr</i>	<i>US\$ equivalent (CFAfr531 = US\$1 in 2009)</i>
2004	472,700,809	889,175
2005	1,191,002,782	2,240,339
2006	1,564,665,371	2,943,218
2007	2,082,981,231	3,918,198
2008	3,399,209,002	6,394,092

Source: Primary data from Limbe City Council

The information presented in Table 3.6 shows a remarkable increase in funds accruing to Limbe City Council. In the five-year period from 2004 to 2008, revenue to the city council's coffers saw an almost ten-fold increase. While the information was not readily available to paint a full national picture of the increase in funds to councils or to do a systematic comparison of trend of revenue across all councils, there was a consensus in the few councils visited that revenue accruing to councils is on the rise. While other councils may not have experienced the astronomical increase in revenue that Limbe City did, Limbe City Council's strategic location in an oil-producing area makes it more fortunate in terms of revenue generation from company tax. Buea Council is now trying to expand its income generation by focusing on tourism businesses in the surrounding areas.

The additional council taxes that the state collects on behalf of the councils and disburses back to them had never been given to councils with any guidelines or instructions about how the money was to be used. Furthermore, the sharing of the additional council taxes depends on the economic activities and the population of any given council area. Section 53 of Law 2009/019 of 15 December 2009 on local fiscal transfers stipulates that additional council taxes shall be established on the following taxes and duties for the benefit of councils: personal income tax, company tax, and value added tax. However, council bosses interviewed during this fieldwork claimed that resources transferred from the central government have increased (quantitative data not readily available), but that there is over-centralisation of decision-making. That is, funds that get to councils are already earmarked, which does not augur well for decision-making at the local level, and opposition party officials allege that the non-transparent way money gets transferred to councils creates opportunities for preferential transfers to councils whose mayors belong to the ruling party. According to the Secretary General of the SDF, this discrimination hampers any type of bottom-up plan that the communities might be considering. Moreover, appointed government delegates are effectively running the councils due to disproportionate budgetary allocations from the centre. Thus, elected mayors are hampered in the discharge of

their duties due to the preferential treatment given to government delegates. Yet, the current constitution has no place for government delegates.

Also, there is a contradiction where some of those who stood for the post of mayor were directors in government ministries. One reason for this is that mayors do not receive salaries, but get allowances. This was the loophole that made serving directors want to run for mayor. While they may know how to manage budgets, they have little to contribute on technical issues and their dual role does not allow them to concentrate maximum effort on council development. Added to this was the confusion as to which constituency such mayors owe their allegiance to, and to whom they are ultimately accountable. Section 65 of Law 2004/018 of 22 July 2004 deals with cases of incompatibility with the function of a mayor. All senior civil servants that were elected mayors, who were affected by this Article 65, were asked to resign. Those who did not abide were suspended (pers.comm., MINATD official, 2010).

3.5.3 Effective accountability mechanism

Government appointees, like governors and delegates, owe their allegiance only to the central government who appointed them, giving little scope for downward accountability. At the council level, councillors can pass a vote of no confidence in mayors; some mayors have been recalled but there is dissatisfaction that the procedure to recall a mayor is rather long. However, the opposition feels aggrieved by opportunities given to the ruling party to recall ineffective mayors.

'We have two mayors that we did not like their performance and we (SDF) reported to the Minister of Territorial Administration that such mayors have not met the aspiration of the electorate. We wanted to change them [but] the government said no way. So the mayors stayed in this position working but it was a disservice to the community. When a mayor of the government did something wrong, the government was quick to change that mayor. Since the mayor was voted to power on an SDF platform the party made a request to recall him. Members of the public also wrote to MINATD but nothing has happened.' (SDF Secretary General)

A MINATD official in May 2010 remarked that this matter has been resolved and the mayors concerned re-admitted to the party. However, elected mayors of the ruling party are of the opinion that the operating mechanism for accountability is in order.

'I am satisfied with the way councillors are held accountable. They can be recalled in case of misdemeanour. In our council, we had a case. Once elected, the onus is to serve a five-year term. Requirements for eligibility include: moral, physical and intellectual qualifications. The only way an elected official can be impeached or denied a place is when he/she violates certain standards set by law in a very democratic manner. In our case, because I was the complainant, I had to be removed from my position as the mayor temporarily when the case was heard. The councillor was stripped of his position and his insignia was withdrawn for a period of one year. When he repented and admitted his guilt publicly and apologised, he was re-instated. No

by-elections took place within the period of his suspension; it was not necessary. The political leaders of his constituency formed a committee that presented their issues at council deliberations or meetings; but they were not given sitting allowances; only councillors receive that.’ (pers.comm, Mayor, Buea Council)

3.5.4 Decentralisation policy in Africa driven by politics and contestation

In this section, we look at how decentralisation is perceived by different groups within the Cameroonian population.

The protagonists

There is a general consensus that much credit goes to the president of Cameroon for embarking on a non-reversible process to devolve powers to sub-national units. The minister of MINATD is very supportive of the decentralisation process. He is regarded as the main driver of decentralisation.

But opinions differ as to the pace of decentralisation process. It took about 12 years after 1996 for the government to legalise committees that would guide the decentralisation process. Differing states of preparedness for embracing devolution were exhibited by French-speaking and English-speaking officials. The long drawn-out decentralisation process was to give ample time for the Francophone areas to get accustomed to impending devolution, since they have been used to more a centralised system of administration since pre-independence. English-speaking officials are more eager for the decentralisation by devolution to take off and they expressed displeasure as to why it is taking nearly 15 years (that is, since 1996 when the constitutional declaration was made) for jurisdictions and resources to be devolved to councils. In the south-west (the support base of the opposition), despite the fact that Buea Council is administered by a mayor from the ruling party, officials demonstrated a heightened state of preparedness:

‘We saw it coming in our council and we have a strategic plan to involve all... very valuable partners within the municipality – retired administrators, medical doctors, educationists, people who have lived through decentralised system under British administration.’ (pers.comm, Mayor, Buea Council)

The antagonists

There are some central government politicians and bureaucrats who believe that they stand to lose from decentralisation and, therefore, vacillate on implementing related policy initiatives. For example, MINATD officials claimed that it took strong persuasion for some ministers to agree to join in ceding some of their jurisdictions to councils as planned for January 2010. Such ministers perceive decentralisation as a zero-sum game where the loss of functions in their sector means nothing more

than the gains of local politicians and bureaucrats in councils; they feel that so much power will slip away from them when decentralisation starts fully and they are trying to delay/obstruct the quick realisation of the programme.

‘Some people in government now don’t want decentralisation. The ministers do not want it because they would have to give away most of their powers. They will no longer be able to dictate what kinds of services to provide for the people.’ (SDF, Secretary General)

‘The ministers are so resistant even in public debates. The ministers are putting up stumbling blocks to decentralisation.’ (pers.comm, Mayor, Buea Council)

Other functionaries regarded as ‘anti-decentralisation’ are government appointees serving in local councils. Some of these officials are regarded as overzealous in the discharge of their duties. Respondents agreed that it is not part of government policy for such officials to ‘frustrate the smooth running of the councils headed by elected officials’. Thus, there is a need to discourage the overbearing authority of appointed officials. The minister of MINATD expressed concerns about it; which by extension means that the central government is concerned. In addition, concerted efforts must be made to educate the public at large about the benefits and advantages of full-scale decentralisation, especially since elected officials will be accountable to the public, not upwards to the government, to whom most officials owe their allegiance because they are appointed. Also, at the level of ministers, opposition party personalities suggest that downward accountability can be sustained, if the British system of appointing ministers from the body of elected members of parliament is used.

3.5.5 Differences between formal arrangements and actual decentralisation practice

A source of contention in the decentralisation process is the appointment of government delegates as heads of city councils. Their appointment came on the heels of electoral gains made by opposition parties in local council elections, especially in urban areas (Nyamnjoh, 1999; Takougang, 1996). The appointment of government delegates to head city councils is a government choice, however, which is not linked to any election (pers.comm., MINATD official, 2010). Irrespective of these interpretations, there is visible representation of central government in such council areas, and they are active in service delivery. There is no constitutional provision for the creation of, or appointment to, the post of ‘government delegate’. However, government appointees to this position are financially empowered many times over the annual allocation compared to sub-divisional councils. In effect, they are in a better position to deliver services, and they do indeed do it.

3.5.6 Human resources

Elected mayors are supposed to be in charge of hiring, firing and promoting staff, which must satisfy national legislation on employment, sanctioning and the dismissal of staff. However, what is happening concurrently is that some council staff are transferred from central government as part of the deconcentrated structure. Mayors, irrespective of party affiliation, are not happy with this development. Personnel such as secretaries-general are appointed by the central government to supervise the activities of elected officials at the councils. Strained relationships between elected and appointed officials have been reported in some cases. Existing laws give a lot of power to elected officials, but in some council areas 'the powers and functions of mayors have been absorbed by overzealous administrators and collaborators ... as appointed officials lord it over elected officials' (pers.comm., Mayor of Buea).

On the sensitivity of decentralisation to existing cultural, political and institutional arrangements within Cameroon, the decision to embark on decentralisation is seen in many quarters in Cameroon as a middle-course approach to satisfy, on one hand, the Anglophone regions' demand for devolution (otherwise secession), and, on the other hand, simultaneously practice delegation and de-concentration, which the Francophone regions are already used to. Steps taken towards nationwide devolution have been gradual; in fact, the process which began with a constitutional declaration in 1996 is expected to result in transfer of jurisdictions and resources to local council units in January 2010, looking at the enactment of laws promulgated mid-2009. Members of opposition parties and officials from the Anglophone regions criticise the lengthiness of the process. SDF officials are of the opinion that full devolution can be achieved in three years, and that it only takes a 'declaration and a decree from the head of state, and the Francophone regions would comply'. The Anglophones hinge their readiness to embark on devolution on their earlier experience of local governance under British colonial administration.

While the central government has signalled its intention to decentralise, and has since followed up with promulgating laws, as well as conducting elections at local council level, the government maintains some form of oversight at the councils by appointing some officials to supervise and guide elected officials who have little experience in local council administration. This has met with criticisms, exemplified by the comment made by a mayor below:

'The government's idea behind the appointed official is beautiful, to guide those who have just been elected but have little experience in the administration. But some appointed officials tend to exploit the ignorance of the newly elected officials.'
(Anonymous mayor in Cameroon)

Some newly elected local officials have also been criticised for attempting to exercise authority without regard for the jurisdiction of the officials that have been appointed to supervise them.

In sum, decentralisation as deconcentration is gradually giving way to decentralisation as devolution in Cameroon. Service delivery is benefiting from the inclusion of new actors, especially NGOs and donors at the local level. Some of the councils have also been active and effective, although this varies depending on the location of each council and the benefits they receive from the state organs.

Notes

1. Population Reference Bureau, 2009, World Population Data Sheet.
2. http://travel.nationalgeographic.com/places/maps/map_country_cameroon.html
3. For example: prior to Sadou Hayatou's appointment as PM in 1991, he was a Secretary General to the Presidency; in 1996, Peter Musonge, hitherto manager of Cameroon Development Corporation, was appointed PM; in December 2004 Ephraim Inoni, hitherto Assistant Secretary General of the Presidency, was appointed PM.
4. The opposition was aggrieved in 1998 by the arrest of 40 Anglophone Cameroonians on secession charges. The opposition claimed this was a pretext for the government to suppress demands for increased autonomy or decentralisation made by English-speaking areas (Europa World Publications, 2008, p.185).
5. MINATD is the Ministry of Territorial Administration and Decentralization (the main actor in decentralisation - to ensure co-ordination, supervision and implementation). MINATD used to be Ministry of Territorial Administration (MINAT). With the advent of decentralisation (1996) and empowered by law (2003), MINATD has been headed by Marafa Hamidou Yaya since 2002, as minister of state. There is a general impression that other ministers feel that he is fortifying his position, while they become gradually weakened when they cede competencies to local councils.
6. An adviser to MINATD; he moderates meetings on decentralisation. As a civil servant at MINAT in the 1970s, he served as Secretary-General of the drafting committee of the 1974 Law, and later became a permanent secretary in the PM's office to co-ordinate all the moves (administrative, legal, finance) concerning decentralisation. He led the group that drafted the decree creating FEICOM in the 70s. In 1992, he became a consultant in drafting bills and decrees and in 2004 conducted studies on the state of decentralisation in Cameroon, personnel needs, as well as establishing the cost of decentralisation to government and partners (published for government use, not for public consumption).
7. To ensure the presence of the ruling party in cities that were won mostly by opposition parties, city councils were created and government delegates were appointed to run the councils. The cities contain sub-divisional councils headed by elected mayors, the majority of whom belong to opposition parties.
8. Recent developments indicate that a series of prime ministerial decrees were issued on 26 February 2010 that defined the modalities for the transfer of some jurisdictions to the local councils.
9. 'Compared to Mali, where there are more than 15 donor organisations actively supporting decentralisation'. According to the FC representative, this may be due to the historical processes of the two countries. Mali was for a long troubled by insurgency; decentralisation

came as part of the peace deal. Thus in helping Mali to sustain peace, it sought the assistance of donors in many ways to improve governance, public administration and service delivery. Cameroon, on the other hand, had already had institutions like FEICOM (which does not exist in many other countries) for more than 20 years. FEICOM is now in the phase of being reorganised to improve on its job of being a bank to local councils.

10. In 1992, this official used to work in France at the Ministry of Foreign Affairs where he was in charge of giving support to municipal development programmes, in partnership with Italy, Holland and the World Bank. Specifically in Cameroon, in 1994 and 1995, the ministry came up with the programme to support municipalities and our involvement in this way encouraged Cameroon to embark on general decentralisation.
11. Efforts to get statistics to buttress these points proved abortive, either through lack of data and/or unwillingness of officials to part with the information requested.

4

Decentralisation in Ghana

Summary

This chapter traces the trajectory of decentralisation implementation in Ghana. It covers the circumstances that led to the adoption of decentralisation; the type of decentralisation being pursued; the main area(s) of focus; achievements so far; and the challenges and suggestions for improvement. In writing the chapter, three data-collection methods were adopted: an analysis of the country report submitted by the Ministry of Local Government to the Commonwealth Secretariat in January 2010; a two-week rapid field survey conducted in February 2010 by a consultant hired by the Commonwealth Secretariat to validate the country report; and a regional validation workshop organised in Gaborone, Botswana in April 2010 during which comments were solicited from government institutions on the draft country report. The final draft report was further reviewed by the Ministry of Local Government. This chapter therefore expresses the views of a number of stakeholders who contributed to writing it and does not necessarily reflect those of the government.

Since independence in 1957 successive governments of Ghana have implemented decentralisation, defined generally as a process of state reform composed of a set of public policies that transfer responsibilities, resources, or authority from higher to lower levels of government. However, the current decentralisation policy, which was started in 1988 by the Provisional National Defence Council (PNDC) – a military government – is the most comprehensive state–local governance reform ever introduced in the country. Since then the policy has become a dominant feature of successive civilian governments. Ghana’s decentralisation involves a mixture of *political devolution* that is enshrined in her Constitution with the aim of bringing governance and decision-making closer to the people and the *administrative and sectoral deconcentration* of key service delivery agencies.

The current decentralisation trajectory was inspired not only by the PNDC’s populist philosophy of ‘power to the people’, but also by the military government’s support for the structural adjustment programme prescribed by the IMF/World Bank. Since then Ghana’s decentralisation has also been seen as a rolling-back of the role of the state and an expansion of the private sector and other non-state institutions. In general under the current decentralisation policy, Ghana’s local development process has become a shared responsibility between the central government, 170 local governments (district assemblies), civil society organisations, the private sector and communities, although

the policy intends to make local government institutions more autonomous, more responsive to local needs, and technically and financially capable of expanding and improving service delivery. The year 2010 marks 22 years since Ghana started implementing its recent decentralisation policy. This chapter highlights some of the achievements/progress made, the key challenges, and some suggestions for improvement.

The chapter shows that Ghana's decentralisation policy has ensured that more people now have access to LG administration, thereby improving the distance between the citizens and their government. The mandatory transfer of not less than 7.5 per cent of the CG revenue to LGs has helped not only to improve the financial needs of LGs (without which many would collapse), but also to ensure that district capitals became new growth poles that helped spread development across the length and breadth of the country. The District Assemblies Common Fund (DACF) has helped to improve infrastructure in rural areas more than any local development intervention ever implemented in the country. Nevertheless, Ghana's decentralisation also faces a lot of implementation challenges. Arguably the most challenging issue is how to bridge the gap between the constitutional and policy intentions of decentralisation and actual practices.

There is no doubt that the intent and purpose of Ghana's decentralisation policy points to devolution, but what is being practiced now is a mixed bag of nominal devolution and deconcentration. State-local relationships is still dominated by CG in areas of resource flow, functional assignments, accountability lines and reporting relationships. And with time these practices have been cemented by inconsistent laws. Attempts to harmonise them have become real challenges as there are many interest groups that continue to hold on from one branch of the law to another, trying to frustrate efforts to deepen devolution in favour of deconcentration.

4.1 Introduction

In 1957 Ghana became the first sub-Saharan country in colonial Africa to gain its independence. A well-administered country by regional and African standards, Ghana is often regarded as a model for political and economic reforms. Located in West Africa and sharing borders with three French-speaking countries – Côte d'Ivoire in the West, Togo in the East and Burkina Faso in the North – Ghana has a total land area of 238,538 km² and an estimated 2009 population of 23.8 million people, of whom about 50 per cent live in urban areas. Ethnically Ghana is divided into small groups speaking more than 50 languages and dialects. The Akans constitute the largest ethnic group (49 per cent) followed by the Mole-Dagbon (17 per cent), Ewe (13 per cent), and Ga/Dangme (8 per cent) (Ghana Statistical Service, 2008).

Since independence from British rule, successive Governments of Ghana (GoG) have implemented decentralisation, defined generally as a process of state reform

comprised by a set of public policies that transfer responsibilities, resources, or authority from higher to lower levels of government (see chapter 1). However, the current decentralisation policy which was started in 1988 by the Provisional National Defence Council (PNDC) – a military regime – is the most comprehensive state–local governance reforms ever introduced in the country. Since then the policy has become a dominant feature of successive civilian governments. Ghana’s decentralisation involves a mixture of political devolution that is enshrined in her constitution with the aim of bringing governance and decision-making closer to the doorsteps of the people and *administrative and sectoral deconcentration* of key service delivery agencies at sub-national level.

Given that there is no ‘one size fit all’ design of decentralisation policies, but instead decentralisation has to be sensitive to the institutional context of a country, how has Ghana’s type of decentralisation been influenced by her historical, socio-cultural, economic, and political set-up? What types of decentralisation policies and programmes does the government aim to pursue and has implemented? What are the consequences of these for equity and the quality of local governance and service delivery? Who are the protagonists of decentralisation reforms in the country? What are their interests? How have they pushed through their interests? How have various actors and institutions (formal and informal, public, private, and civil society) reacted? Is the government serious about its declared intentions about decentralisation? How has the government shared power and resources with local institutions and local governments (LGs)? To what extent have central politicians perceived decentralisation not as a zero-sum game (in which they gain or lose) but a positive-sum (or win–win) game for central and local actors? What are the gaps between policy intentions (as stated in the statute books) and actual practice? These are the questions that this research paper on decentralisation in Ghana tries to answer.

4.1.1 Sources of data and data collection methods

The research collected data that illuminates the circumstances that led to the adoption of decentralisation; the type of decentralisation being pursued; the main area(s) of focus; achievements so far; the challenges and suggestions for improvement. The study adopted three types of data collection. The first was based on the country report that the Head of Civil Service submitted to the Commonwealth Secretariat for validation. The report was found to be inadequate in terms of providing the kind of information and analysis that would enable a proper assessment of the key issues in decentralisation. The inadequacy of the report led to a second phase of data gathering. This involved a two-week rapid field survey conducted by the author with the support of the Head of Civil Service. During the field survey interviews were used to solicit information from key respondents. Among them were senior government officials in the sectoral ministries, agencies, departments and LGs, national politicians, donor agencies, and academics (see Table 1.1 in chapter 1).

Apart from the semi-structured interviews that were carried out with key people, the study also used other document reviews, team discussions, and direct observations. There was also a regional validation workshop in Gaborone organised by the Commonwealth Secretariat in April 2010.

The chapter is divided into six sections including this introduction. Section 2 provides the socio-cultural, political, economic and historical context in which decentralisation should be understood in Ghana, while sections 3, 4 and 5 analyse devolution, deconcentration and market decentralisation respectively. In section 6 the chapter highlights the achievements and challenges of decentralisation, and makes suggestions on ways to improve policy implementation.

4.2 Decentralisation in the Ghana Context

4.2.1 Decentralisation before and during British rule

History has it that the first contact between Europe and Ghana (formerly called the Gold Coast) was in 1470 with the arrival of the Portuguese. During the next three centuries, the English, Danes, Dutch, Germans, and Portuguese controlled various parts of the country. Ghana was divided into four territories: the Gold Coast, comprising mainly people living along the coastline; Ashantis in the interior; the Protectorate Northern territory; and British Togoland, a former German colony. The four territorial divisions were administered separately until 1946, when the British government ruled them as a single unit. Native administration authority was established in the country and was composed of hand-picked or non-elected members (mostly paramount chiefs, sub-chiefs and elders). The native authorities were given powers to pass byelaws and generally to assist the British colonial government to administer law and order.

In 1951, a new National Constitution was promulgated that called for an enlarged national legislature composed principally of members elected by popular vote (directly or indirectly). In 1952 a new two-tier LG structure was designed that established 26 district councils and 252 sub-district councils. Two-thirds of the members of the local Councils were elected while one-third (mainly traditional leaders) were appointed. The Paramount Chief of the area was made the president of the Councils.

As part of the processes leading to the declaration of self-government at the national level, three general elections were conducted in 1951, 1954 and 1956. The Convention People's Party (CPP), led by Dr Kwame Nkrumah, won all three elections and led the country to independence in 1957, when Britain relinquished control over the four territories. Ghana then became the first sub-Saharan country in colonial Africa to gain independence. The territories were subsequently reorganised in the form of 10 regions. The original Gold Coast Colony now comprises the Western, Central, Eastern, and Greater Accra Regions, with a small portion at the mouth of the Volta

River assigned to the Volta Region; the Ashanti area was divided into the Ashanti and Brong-Ahafo Regions; the Northern Territories into the Northern, Upper East, and Upper West Regions; and British Togoland essentially is the same area as the Volta Region. During the period leading up to independence a number of Municipal Council Ordinances were passed to established municipalities in the four major towns: Accra, Kumasi, Sekondi-Takoradi and Cape Coast.

4.2.2 Decentralisation after independence up until major reforms in 1988

After independence, the CPP government sought to develop Ghana as a modern, semi-industrialised socialist state by emphasising both political and economic organisation by the state. A new constitution was adopted in 1960 that changed Ghana from a parliamentary system with a prime minister to a republican form of government headed by a powerful president, followed by a constitutional referendum in 1964 that changed the country to a one-party state. The CPP government was overthrown in 1966 by the military, which subsequently ruled the country until 1969, when a civilian government was restored after a parliamentary election in which the Progress Party (PP) won 105 of the 140 seats.

The Ministry of Local Government reports that from early independence until the early 1970s various LG laws were passed to maintain a distinction between central and LG institutions. There had always been two different machineries for the administration of Ghana: one based in the capital with branches at the local (district) level (de-concentration), and the other separate and distinct and based in well-defined localities referred to as LGs. The central government agencies at the local level dealt with national matters. They were also attractive to the better qualified personnel in terms of management skills and professional expertise. These central government agencies had less clearly defined powers in terms of local responsibilities, but had a much better presence by reason of their de facto position as agencies of central government. Decision-making took an unduly long time because these bodies had to refer decisions on most matters of any meaningful significance to a ministry in Accra which, bogged down with matters of national significance, was unable to react quickly enough to problems referred from the local level, thus causing the tempo of activities to slow down.

The LG bodies had been set up and vested with authority specifically for local matters and grew up side-by-side with de-concentrated agencies that operated at the local level. The LGs were required to provide municipal services and amenities in their localities without regard to whether or not they had the resources to deliver. These bodies lacked personnel with the requisite skills and professional expertise. Unable to raise funds to meet their obligations or to attract able and competent officers, the LG bodies only succeeded in creating for themselves an unpleasant image of, in most cases, ineptitude and incompetence. The dual hierarchy model of administration created a number

of problems, the major one being central government agencies encroaching on the rights and responsibilities of the weaker LG bodies because the sharing of rights and responsibilities between the two had not been clearly defined.

Against this backdrop of duplication, ineffectiveness and slow development at the local level, and the resulting dichotomy in the administrative system, in the 1974 Local Administration Decree (NRCM 258) was issued that created a single hierarchical model. It abolished the distinction between local and central government bodies at the local level by creating one common single structure called the District Council and assigning it responsibility for all government at the local level. Under the district council system, local service sectors such as agriculture, education, public health, fire service, community development, town and country planning, administration, etc. were decentralised to district councils. Some of the smaller local council areas were merged, resulting in the creation of 65 District Councils with appointed district councillors.

Though well-intentioned, the new system never worked due to the following factors:

- No effective, accountable and legitimate political authority (in terms of electoral legitimacy) was established at the district level to oversee the structure. Its implementation was left to bureaucrats, who were the same people who had always looked to the nation's capital (Accra) for instructions.
- In deciding to start decentralisation from the regional level, the regions were made very strong and only became additional bureaucratic road blocks in the attempt to decentralise to the local (district) level. Indeed decentralisation began and ended at the regional levels.
- The functions that were transferred to the District Councils (under NRCD 258) were not accompanied by a simultaneous transfer of jurisdiction and resources, which are necessary for effective decentralisation.
- No conscious efforts were made to ensure that the departments that were to become District Council departments under the Decree (NRCD 258) actually operated as such.
- Quite surprisingly, during this period, attempts were successfully made to centralise even further in Accra functions which had hitherto been exercised with moderate success by District Councils, examples being the Omnibus Services Authority Decree, 1972, as amended by the Omnibus Services Authority (Amendment) Decree, 1973, and the Ghana Education Service (Amendment Decree, 1976, SMCD 63).
- The attempt to create a monolithic LG service at the local level with central government taking responsibility for salaries resulted in a rat race of recruitment by the District Councils. Overnight, unemployed and unemployable relatives and friends of councillors found themselves on the payroll of District Councils.

Consequently, the bureaucracy and staffing of the District Councils became bloated and financial discipline broke down.

- Very little effort was made to address the infrastructural and other logistical requirements of the District Councils.
- Some of the Districts were so large that administration could not reach many areas.
- A Financial Administration Decree was enacted which centralised all fiscal controls in Accra.

Apart from central–local problems, there were also mounting economic problems, mismanagement and rampant corruption during this period. This resulted in frequent military takeovers in the 1970s until constitutional rule was restored briefly in 1979, marking Ghana’s Third Republic. The People’s National Party (PNP), the political heir of Nkrumah’s CPP, won 71 of the 140 members of parliament. It failed, however, to halt the continuing decline in the economy. Corruption flourished and the gap between rich and poor widened.

On 31 December 1981 the Provisional National Defence Council, under the leadership of Flt Lt Rawlings, overthrew the ruling PNP Government, suspended the Constitution, dissolved Parliament, proscribed existing political parties, and assumed executive and legislative powers. The PNDC Government announced that ‘power will not be concentrated at the top any more’ (Yeebo, 1985: 66).

In December 1982, the PNDC government announced an 11-point decentralisation plan designed to decentralise government from Accra to the regions, the districts, and local communities, to reform the state–local relationship, and to promote democracy and greater government efficiency. Meanwhile, interim management committees were appointed to manage the existing District Councils.

To operationalise the 11-point decentralisation agenda a number of committees were set up and charged with working out the concept, form, scope, and content of decentralisation and to make recommendations about how to put into practice the proclamations of ‘power to the people’ and ‘decentralise governance to the regions, districts and communities’. The committees included the Public Administration Restructuring and Decentralisation Implementation Committee (PARDIC), Ansaah-Asamoah Committee, and Sowo Committee. The summary of the recommendations made were to:

- see development as a shared responsibility between central government, local government, the private sector, civil society organisations, non-governmental organisations and the communities;
- restructure the public administration system away from over-centralisation to a more decentralised one. Thus some 22 functional areas of central

government were identified to be decentralised and integrated into the local government bodies;

- have a four- or three-tier local government system depending on whether the areas are highly urbanised or rural (see structure in Figure 4.1);
- re-demarcate the existing 65 districts into more manageable ones, creating 45 new districts, and bringing the total to 110 districts;
- create a single unit of local government authority as the highest political, administrative, rating, and planning authority, charged with the responsibility of overall development in the districts; elect two-thirds of the local government authority members and the other one-third would be appointed by the central government in consultation with traditional authorities and other interest groups (a local government collects rates while central governments collects taxes);
- have a district secretary (chief executive), to be appointed by the head of state subject to approval by the local government authority (simple majority), and who can be removed by the head of state, or the local assembly through a vote of no confidence; and
- cede some areas of revenue being collected by central government, and introduce an effective system of fiscal decentralisation.

The structure recommended is shown in Figure 4.1.

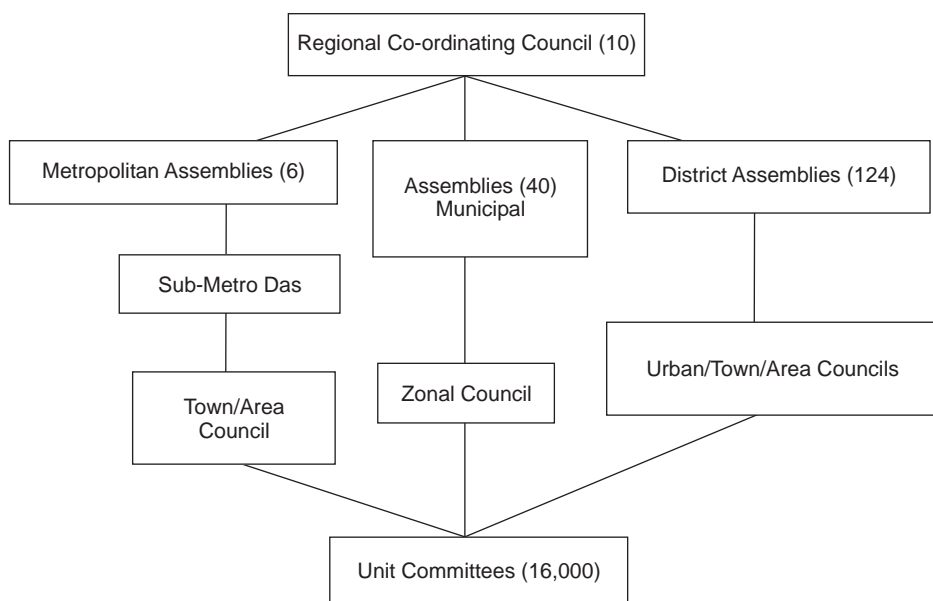


Figure 4.1. Local government structure

The recommendations were accepted and formed the basis of public administration and local government reform. As a follow-up to these recommendations, the PNDC in July 1987 launched two important policy documents, the *Blue Book*, which contained the vision and directions for decentralisation in Ghana, and the *Framework for National Economic Development* to direct economic development in Ghana.

In 1988 a new Local Government Law 1988 (PNDC Law 207) was passed and the programme of decentralisation was launched, with the aim of restructuring the public administration system, moving it away from over-centralisation to a decentralised one based on the principle of subsidiarity, economies of scope, economies of scale and inter-jurisdictional spill overs. It further announced a programme setting out modalities for the election of local councillors. Elections to the District Assemblies (DAs) were to be on an individual, not political party basis.

4.2.3 Current decentralisation policy and trajectory

Ghana's current decentralisation policy, which is enshrined in the 1992 Constitution is therefore based on the PNDC Law 207 of 1988. It seeks to:

- establish a decentralised administration through the transfer of authority, functions, means and jurisdiction from the central government to sub-national bodies (District Assemblies) to enhance the capacity of the public sector to plan, manage, and monitor social, spatial, and economic development;
- enhance popular participation in decision-making through the establishment of DAs and Sub-District Structures;
- devolve central administrative authority and divest implementation responsibilities to the district level by fusing government agencies in the region or district into one administrative unit through the process of integration, manpower absorption, composite budgeting and the provision of funds for the decentralised services;
- reassign functions making the central government undertake policy planning, monitoring and evaluation; and the regions, through the Regional Co-ordinating Councils (RCCs), play the role of co-ordination and harmonisation, whilst the DA become responsible for implementing development activities;
- introduce a decentralised planning system, whilst at the same time making capacity building programmes available to the districts; and
- introduce an effective system of fiscal decentralisation that gives the DA control over substantial portion of their revenues.

In general under the decentralisation policy development becomes a shared responsibility between the central government, DAs, civil society organisations, the private sector and communities. The policy has the intention of making the DAs more

autonomous, more responsive to local needs, and technically and financially capable of expanding and improving service delivery. Chapter 20 of the Constitution is dedicated to Decentralisation and Local Governance. It provides broad guidelines on the institutional arrangements, functions of different entities in the decentralised administration, key actors, their roles and responsibilities as well as resources. To demonstrate Ghana's commitment to decentralisation principles and processes and to further pursue them, article 254 of the Constitution states:

'Parliament shall enact laws and take steps necessary for further decentralisation of the administrative functions and projects of the central government but shall not exercise any control over the DAs that is incompatible with their decentralised status.'

Consequently, the national parliament has passed a series of laws ostensibly to enhance decentralisation and LG practices in Ghana. Ironically, some of the laws, as will be seen later, have become problematic issues that draw back implementation of the policy objectives.

4.2.4 Contemporary state administration

In 1992 the PNDC regime initiated a return to a constitutional rule. The constitution introduced an executive presidential system, a two-term limit to presidential tenure and a 200-member unicameral legislature (since increased to 230 in 2004). The Constitution declares Ghana a unitary republic with power shared between an executive president and a unicameral parliament, and an independent judiciary.

Central government

The president is the head of state and head of government. In 1992, the National Democratic Congress (NDC) – an offspring of the PNDC – won the first democratic elections by a sizeable margin of 58.4 per cent. The ruling NDC was retained with 57 per cent of the popular vote four years later, while in 2000, for the first time in the history of the country, there was a democratic change of government from one political party to another. The opposition New Patriotic Party (NPP) defeated the NDC by 13 per cent. The NPP won 56.73 per cent of the votes after a second round of voting (see Table 4.1).

Table 4.1. Political parties' control of central government since 1992

<i>Election year</i>	<i>Votes won by NDC (%)</i>	<i>Votes won by NPP (%)</i>	<i>Votes won by other political parties (%)</i>	<i>Voter turnout (%)</i>
1992	58.4	30.4	11.2	50.2
1996	57.4	39.6	3	78.2
2000*	43.1	56.9	-	60.4
2004	44.64	52.45	2.92	81.5
2008*	50.23	49.77	-	69.52

Source: Electoral Commission, Accra Ghana

*Presidential runoff elections between NDC and NPP

In 2004 the NPP retained power with 52.45 per cent of the vote and a remarkable voter turnout of 81.5 per cent. In 2008 Ghana experienced its second democratic change of government when the major opposition political party (NDC) defeated the ruling NPP government by the slimmest of margins – less than 30,000 votes after a second round of voting (50.23 per cent against the NPP's 49.77 per cent). In policy terms there are not many ideological differences between the NPP and NDC. Both political parties lean towards the market or a greater role for the private sector, with the government as a facilitator, although the NDC prefers to be called social democrats. In 2009 the NDC government announced plans to review the 1992 constitution and support further strengthening of decentralisation, but speculations are that the constitutional review will not start until after the 2012 elections.

There are 23 central government ministries each headed by a minister and assisted by one or two deputy ministers. The ministers are responsible for the leadership and policy direction of the ministries. As per the constitution two-thirds of ministers are appointed from parliament, which blurs the clear separation of the executive from the legislature. The technical heads of the ministries are chief directors (a civil service position) appointed by the president through the Public Services Commission. Each ministry is divided into several departments and agencies, each headed by directors. The second tier of government are LGs (district assemblies), defined generally as democratically elected spheres of government closest to the people and below the central government with mandates to deliberate, take decisions, and execute functions on behalf of electorates in a geographically designated area.

In between the two levels of government are several middle-level institutions and organisations that have delegated powers and functional authority in their areas of operation. These include 10 regional administrations that co-ordinate LGs in their territories along with semi-autonomous institutions and organisations such as the Ghana Education Service (GES), Health Services, Water and Electricity Corporations, Auditor and Accountant General Departments, and many others managed through a Board of Governors. The structure of state administration is shown in Figure 4.2.

Legislative assembly

Legislative functions are vested in parliament, which consists of 230 members popularly elected by universal adult suffrage for terms of four years. However, parliament's legislative powers are constrained by Article 108 of the Constitution, which prohibits it from initiating any bill that has financial implications for the government. In fact, the president has the power of veto over all bills except those to which a vote of urgency is attached. In 1992 the major opposition political parties boycotted parliamentary elections following an electoral dispute in the presidential election, so the NDC won virtually all the seats in the legislative assembly. In 1996, the opposition fully contested the parliamentary elections but the ruling NDC again won 133 of the 200 seats. In

2000, the main opposition party the NPP won a majority (103 of 200 seats) and further increased its seats to 128 in 2004. In the 2008 elections the pendulum swung back to the opposition NDC, who won a slim majority (see Table 4.2).

Table 4.2. Political parties' control of the Ghana Legislative Assembly since 1992

<i>Election year</i>	<i>No. of seats won by NDC</i>	<i>No. of seats won by NPP</i>	<i>No. of seats won by other political parties</i>	<i>Voter turnout %</i>
1992	189	Boycotted	11	28.1
1996	133	60	7	78
2000	92	103	9	62
2004	94	128	8	85.1
2008	114	107	7	69

Source: National Electoral Commission, Accra Ghana

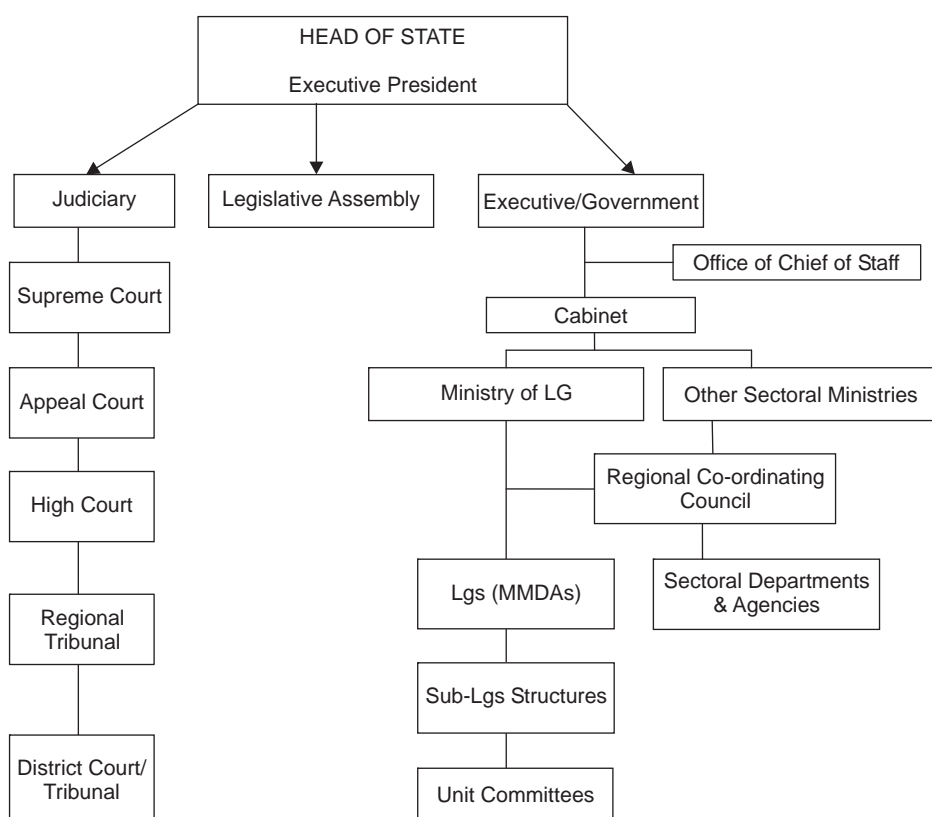


Figure 4.2. Simplified structure of state administration in Ghana

Although the core function of members of the national assembly is to deliberate and make laws while the execution of development projects and programmes are the responsibility of the government, members of Ghana's parliament are expected by their constituencies to also provide development projects. The electorate subjects their members of parliament (MPs) to all sorts of demands and favours to the extent that 6 per cent of the District Assemblies Common Fund (DACF) meant for LG development have been given out to MPs for constituency projects. In many constituencies in Ghana, the good work of an MP is judged by the number of projects he/she is able to bring to the constituency rather than the submissions or contributions he/she has made on the floor of parliament. In his 'State of the Nation Address' in 2009 the President promised to establish a Member of Parliament Constituency Development Fund separate from the DACF.

Judiciary

The structure and power of the judiciary are independent of the two other branches of government. The hierarchy of courts is composed of the Supreme Court of Ghana, the Court of Appeal, the High Court of Justice, regional tribunals, and lower courts or tribunals. The courts have jurisdiction over all civil and criminal matters. The supreme court has broad powers of judicial review. It is also authorised by the Constitution to rule on the constitutionality of any legislation or executive action at the request of any aggrieved citizen.

4.2.5 Socio-economic development

Ghana's post-independence economic story has been a difficult one. At independence, Ghana had a substantial physical and social infrastructure and US\$481 million in foreign reserves. Per capita income was high by African standards (its average income was then about the same as that of Mexico or South Korea) and the country enjoyed a 'middle income' international classification. The Nkrumah government further developed the infrastructure and made important public investments in the industrial sector. But by the end of 1960s, Ghana's reserves were gone. Mismanagement, corruption and political instability in the 1970s and 1980s resulted in the near-collapse of Ghana's economy.

In 1983, in co-ordination with the IMF, the PNDC launched structural adjustment and economic recovery programmes. While the reforms caused substantial shocks in the health, education, and agriculture sectors, the overall effects were positive and helped bring about a measure of economic stabilisation and recovery. By 1988 the economy experienced solid growth for the first time since 1978. More than two decades of political stability coupled with solid macroeconomic management with major debt relief, large inflows of donor resources, and relatively high cocoa and gold prices have resulted in steady improvements in real GDP growth, which in 2004

topped 5 per cent for the first time in a decade, reaching an estimated 6.2 per cent in 2006. Agriculture remains the backbone of the economy, accounting for more than one-third of GDP and about 50 per cent of employment. Industry, including mining, manufacturing, construction and electricity, accounts for about 30 per cent of GDP. Though Ghana depends on exports of gold and cocoa for much of her foreign exchange, recently remittances from Ghanaians working abroad provide the country's third-largest source of foreign exchange.¹ Much of the individual remittances are invested in the booming property sector in the cities. Rather than a project approach, donor support to Ghana is delivered in the form of sector-wide approach and budget support. Sector-wide support is focused on health, education, water, rural livelihoods and public-sector reform. Ghana's economic prospects were given a further boost with the announcement in June 2007 of significant oil finds off the coast. This has led to significant international commercial interest in the country's economy. It is estimated that within five years, Ghana is likely to be the third-largest producer of oil in West Africa.

Despite much progress, Ghana still faces significant development challenges, particularly in rural areas and in the three Northern Regions. Although in 2006 only 28.5 per cent of the population lives below the national poverty line (compared to 39.5 per cent in 1999), if compared to the international poverty line of US\$2 a day, then 41–60 per cent of the population are poor. Ghana is on track to meet the Millennium Development Goal of halving extreme poverty by 2015. Nevertheless, there are significant differences in the standard of living between urban and rural dwellers and between the southern and northern regions, with rural and northern residents being generally poorer.

During the past decade GoG has embarked on various economic and poverty reduction programmes with the aim of improving the living conditions of its citizens. In 2007, the Livelihood Empowerment Against Poverty (LEAP) programme was introduced and in 2008 individuals identified as extremely poor started receiving a monthly allocation of US\$8–15 (Ghana Statistical Service, 2008: 2).

4.2.6 Public sector management

Public services provision

Public service in Ghana is made up of 19 public institutions, including the civil service, judicial service, education service, prison service, health service, fire service, police, immigration and legal services. With the exception of the civil service, all other 18 public services have either regional and/or district offices. Local public services are delivered through deconcentrated, delegated and/or devolved organisational systems. For instance, while construction of local roads is the responsibility of LGs in Ghana, actual delivery is given to a central government Department of Feeder Roads. Streets, parks, market stalls and cemeteries are devolved services that LGs mobilise their own

revenue to deliver directly to residents, while community or small town and urban water supplies are delegated to Community Water and Sanitation Boards and the Ghana Water Company respectively.

Size of the public sector

The exact number of government employees in the public service is unknown, but in 2008 the Ministry of Finance (MoF) indicated that the service has reached 700,000 employees. Currently there are 24,481 civil servants that work in the ministries, extra ministerial organisations, agencies and departments; 31,705 civil servants in the LG service; 260,000 employees in the education service (mostly teachers); and 64,000 health professionals. The public sector wage bill as a share of total government spending fell from 33 per cent in 2000 to 26 per cent in 2003, but had risen again to nearly 29 per cent in 2006. The institutional framework for public sector human resource management includes the Public Services Commission, which recruits senior public servants (chief directors and heads of sub-vented state organisations) while the head of civil service recruits, posts, transfers, promotes and disciplines all civil servants below the position of director. The processes of recruitment, performance management, dismissal, etc. all start with the sector ministry, but it is the Office of the Head of Civil Service that gives final endorsement. The newly created LG Service is responsible for managing human resources in the district, municipal and metropolitan governments. Education and health, which are the two largest public services in Ghana, have separate personnel management systems: education is managed by the Ghana Education Services and health by the Ghana Health Service (GHS).

Currently there are no coherent procedures and methods for assessing the performance of senior public servants (chief directors). In 2007 an attempt was made to design a performance management system, but the process was abandoned in 2008 for no apparent reason. Below the position of chief director, the performance of all civil servants is assessed using a standard annual appraisal form.

4.2.7 Sub-national administration

The sub-national administration consists of 10 regional co-ordinating councils, district assemblies (DAs) and sub-district structures.

Regional co-ordinating councils

A regional co-ordinating council (RCC) is established for each administrative region. It is headed by a minister (a politician) appointed by the president. Sectoral ministries have offices that operate in the region as directorates. The RCC provides a link between the central government and DAs. The functions of the RCC (under Act 462) are to:

- monitor, co-ordinate and evaluate the performance of the district assemblies in the region;
- monitor the use of all monies allocated to the district assemblies by any agency of the central government;
- review and co-ordinate public service generally in the region;
- resolve any conflict between a district assembly and an agency of central government, public corporation, statutory body, non-governmental organisation or individuals (under Act 462, Section 10(8)); and
- perform such other functions as may be assigned to it by or under any enactment.

A number of planning and regional management functions (under Act 480) have also been assigned as follows:

- provide district assemblies with information and data as necessary to assist them in the formulation of district development plans;
- co-ordinate the plans and programme of DAs and harmonise them with national development policies and priorities;
- act on behalf of the commission with respect to such national programmes and projects in the region as the commission may direct;
- co-ordinate and monitor the programmes of all departments under the RCC and keep it informed of all development; and
- prepare annual report of the work of the RCC within three months after the end of the financial year to the president and the minister.

District assembly

As observed earlier, at the start of the decentralisation programme in 1988, the 65 administrative districts were increased to 110. This number has since increased and as of 2008 there are now 170 DAs.

A district assembly is the centre of administrative and developmental decision-making in the district and the basic unit of government administration. It has deliberative, legislative as well as executive functions. A DA may be called a metropolitan, municipal or district assembly, depending on the population it serves. They are collectively referred to as local governments (LGs). A metropolitan assembly have more and higher functions than a municipal or district assembly but there is no subordination of one over the other in terms of powers or decision-making authority. There are currently six metropolitan assemblies (population over 250,000), 40 municipal assemblies (population over 95,000), and 124 smaller district assemblies (population over 75,000) (GoG, undated: 11-12).

Below the LGs are subordinate local structures made up of 31 sub-metropolitan councils, 1,306 sub urban/town/zonal/area councils and 16,000 unit committees to perform functions specifically assigned to them by the legislative instruments (LIs) that established the LGs and/or were delegated to them by the DA. The sub-structures are established to ensure that government, administration and services become closer to the people. For example:

‘Urban Councils are created for settlements with a population above 15,000 and which are cosmopolitan in character but not of the scale associated with the metropolises, while zonal councils are in ‘one-town’ municipal assemblies for which the establishment of town/area councils will raise problems of parallel administrative structures. Establishment of sub-structures is based on the National Electoral Commission’s criteria of commonality of interest, population of 3,000, and identifiable streets, landmarks etc. as boundaries. Town councils are established for settlements with populations of 5,000–15,000. Area councils exist for settlements/villages which are grouped together, but whose individual settlements have a population of less than 5,000. Area councils are predominantly rural populations and in some cases can be identified with spheres of influence of a particular traditional authority. They are essentially rallying points of local enthusiasm in support of the development objectives of the DA. Unit committees form the base structure of Ghana’s LG system. A unit is normally a settlement, or a group of settlements with a population of 500–1,000 in the rural area, and a higher population (1,500) for the urban areas. Being in close touch with the people, unit committees are expected to play important roles in education, organisation of communal labour, revenue raising and ensuring environmental cleanliness, registration of births and deaths, and implementation and monitoring of self-help projects among others (GoG, undated: 14–15).

However, about 90 per cent of these sub-structures are not functioning because they have no offices or personnel and, most importantly, their upper-tiers LGs have not transferred responsibilities and resources to them. In regions where unit committees seem to function, for instance in Upper West Region, it has been successful because of DANIDA support.

4.2.8 Traditional administration

Ghana has a long history and culture where traditional authorities made up of chiefs, queens, queen mothers, family heads, community elders, and traditional priests play developmental and governance roles in LG. A traditional area may go beyond the boundaries of an LG. Although the LG system as it is designed now allocates responsibilities for local development to the DAs, traditional authorities have always remained the agents for community development, especially in rural areas. For instance the Asantehene Educational Fund has provided scholarships to thousands of Ghanaian schoolchildren, more than any single institutions outside the state. Similar development projects are being provided by chiefs in other traditional areas, such as the Okyehene Reforestation and HIV/AIDS programme and Togbe Afede

electrification project (Asogli Power Plant). Traditional authorities not only mobilise human and material resources for development, but they also form important links between the LG and the people by acting as channels of communication through the dissemination of government policy and decisions to the people. They are also critical in ensuring peace in their traditional area. Given that in Ghana chiefs are the custodians of land on behalf of the families and clans, they are key to any quest for the release of land for development projects. In the past, traditional authorities were allocated a third of the LG assembly's seats, but the 1992 Constitution modified this to say not less than 30 per cent and appointed by the president in consultation with traditional authorities and other interest groups. Under the present LG system chiefs are prohibited to contest political positions at the national and local government levels, but can be appointed by the government as part of the 30 per cent that the president can appoint in consultation with the local authority. Chiefs in Ghana want to continue to play relevant roles in local development and not to be sidelined, as seems to be the result of current decentralisation policies and practices.

4.3 Devolution through District Assembly System

Local governments (LGs) and district assemblies (DAs) (the phrases are used interchangeably and mean the same thing) are created by legislative instruments as the second tier of government. They have corporate status so can sue and be sued.

4.3.1 Functions of the district assembly

As the tier of government closest to the communities where the people live, DAs in Ghana are legislative, executive, planning and budgeting entities that are responsible for all of the development in their territory. The Local Government 1993 Act 462 (section 10 (3)) assigns them the following specific functions:

- Responsibility for the overall development of the district, ensuring the preparation and submission (through the RCC) for approval of the development plan to the National Development Planning Commission (NDPC) and budget to the MoF for the district.
- Formulation and execution of plans, programmes, and strategies for the effective mobilisation of the resources necessary for the overall development of the district.
- Promotion and support for productive activity and social development in the district and removal of any obstacles to initiatives and developments.
- Initiation of programmes for the development of basic infrastructure, and provision of municipal works and services in the district.

- Responsibility for the development, improvement and management of human settlements and the environment in the district.
- In co-operation with appropriate national and local security agencies, responsibility for the maintenance of security and public safety in the district.
- Ensuring ready access to the courts and public tribunals in the district for the promotion of justice.

4.3.2 Organisation of the district assembly

As the people’s representative, the DA is the highest legislative and decision-making body at the local level. It consists of the district chief executive, who is the representative of central government in the district, the members of parliament (MPs), who represent constituencies within the districts, and assembly members, 70 per cent of whom are directly elected by universal adult suffrage, and 30 per cent of whom are appointed by the president in consultation with traditional authorities and interest groups in the district. Heads of decentralised departments take part in the assembly deliberations to provide technical/expert advice but do not vote.

The assembly (in session) is headed by a presiding member who is elected from among the members. The mixed model of representation in the assemblies (70 per cent elected and 30 per cent appointed members) was originally introduced to enhance the ‘technical’ skills in the assemblies. However, evidence on the ground suggests that in some instances presidential appointees are not necessarily technical experts.

In the performance of its functions, the LGs operate through an Executive Committee and five mandatory sub-committees of the Executive Committee. These are: development planning, social services, works, finance and administration, and justice and security (see Figure 4.3). The DA may establish additional sub-committees

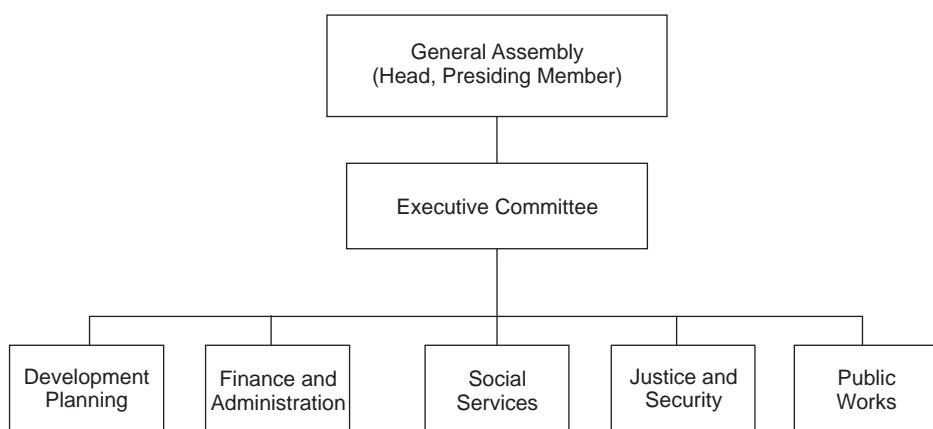


Figure 4.3. The integrated executive and political structure of LGs in Ghana

that they deem necessary. The sub-committees are deliberative in function and submit their results to the Executive Committee, which in turn reports to the district assembly in full session. Heads of departments of the assembly attend meetings of relevant sub-committees to advise the members.

4.3.3 Management of the district assembly

The day-to-day management of DAs and implementation of assembly resolutions is the responsibility of the Executive Committee. The district chief executive (DCE) or executive mayor is the head of the district executive committee and is appointed by the president but needs at least two-thirds of the members of the district assembly present and voting to approve decisions.

The Office of the Co-ordinating Directorate is the technical and administrative unit of the assembly and is responsible for co-ordinating and harmonising the work programmes of the decentralised departments of the assembly. LGs in Ghana do not have their own employees. Almost all the technical staff or bureaucrats of the DAs are deconcentrated central government employees from sectoral ministries, agencies and departments.

A new organisational structure has been proposed for the assembly (see Figure 4.4).

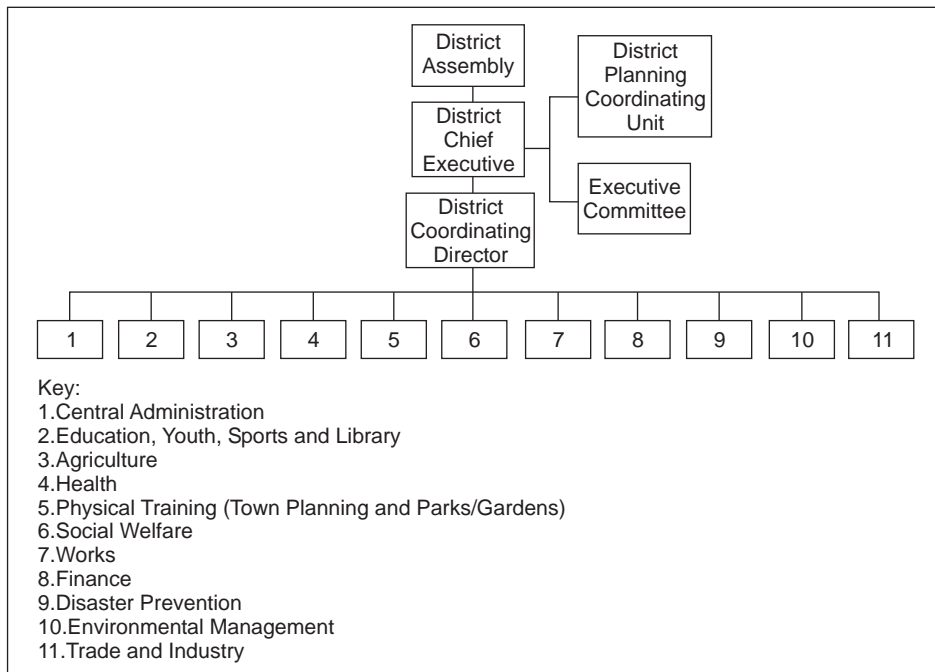


Figure 4.4. Proposed new organisational structure for district assemblies

4.3.4 District assembly elections

Since LG reforms in 1988, Ghana has had five DA elections where councillors (assemblymen and women) are elected for durations of four years for a maximum of two terms. Elections to LG positions are constitutionally non-partisan. A candidate seeking election to a DA or any lower government unit shall present him/herself to the electorate as an individual and may not use any symbol associated with any political party. Political parties are also forbidden to endorse, sponsor or offer a platform in any way for or against a candidate seeking election to a DA or any lower government unit. The National Electoral Commission (NEC) organises a state-sponsored political platform for candidates to campaign for votes. The first DA election was held in 1988–89 to elect 4,846 councillors nationwide. About 59 per cent of registered voters turned out to vote (in fact some rural districts had a 90 per cent turnout), the highest for any election in two decades. Most Ghanaians saw this first step toward the establishment of national democratic institutions as quite successful. The PNDC regime appointed another 2,423 councillors who were technocrats and well-respected community members who were put off by the electoral process. While those first DA elections produced a 59 per cent turnout, subsequent elections have not moved beyond 45 per cent (29.3 per cent in 1994; 41.6 per cent in 1998; 32.8 per cent in 2002 and 44 per cent in 2006). At the unit committee election in 1993, more than 3,000 positions were not contested. In 1998, 65 per cent of the locally electable positions were uncontested and in 2002 only 5,619 positions out of 15,386 (36 per cent) had the required number of contestants. Another 1,929 had no contestant at all, so elections did not take place in those localities (*Daily Graphic*, 2002); CDD, 2002). In the 2006 unit committee elections in the Greater Accra Region, only 90 out of 1,219 nominations were contested.

4.3.5 Capacity of members of LG assembly

Given that members of district assemblies are expected to make byelaws and take decisions on planning and budgeting issues presented by the executives, it is expected that the councillors would have the relevant intellectual capacity to interpret policies and make the right decisions. However, Ghana's LG laws do not prescribe any minimum educational qualification for members of the assembly, so generally the majority of councillors do not have academic qualifications beyond a basic education certificate. For example, in Dangme West District Assembly, out of 52 assemblymen and women only five (9.6 per cent) have a post-secondary school certificate and/or qualifications equivalent to university first degree. The appointment of 30 per cent of councillors by the president was meant to complement this deficiency. While in most cases government appointees are expected to have higher educational qualifications than their elected ones, the difference is not significant. Although the use of local languages is permitted in assembly deliberations, all official documents are written in English, so councillors without sufficient education are unable to read

and understand issues under discussion and, therefore, their participation in DA deliberations is limited. The educational qualifications of the DCEs in Ghana are not significantly different from those of councillors. It is estimated by the Ministry of Local Government and Rural Development (MoLG) that only about 40 per cent have secondary education and just a few have a university degree. The Institute of LG Studies (ILGS) provides course for newly elected local councillors to train them in their roles and responsibilities. The cost of this training is paid through deduction from the District Assemblies Common Fund. ILGS also provides handbooks and reference books to the councillors to guide them in their daily work.

4.3.6 Administrative and human resource management at LGs

Under the legal frameworks of LG Act 462 of 1993 and Act 656 of 2003, provisions have been made to establish an LG Service, whose objective is to create a loyal, motivated, and dedicated organisation of technocrats or bureaucrats to translate decentralisation policy to action by establishing departments to deliver services to citizens. But if there is one area in which implementation of Ghana's decentralisation has seen a major frustration, then it is the organisation and management of human resources. To deliver their responsibilities, LG Act 462(38) requires LGs to establish departments (16 for a metropolitan assembly, 13 for a municipal assembly, and 11 for a district assembly) to deliver services to citizens. Financial support was not given to the DAs to hire personnel to fill these departments. The law therefore made provision for all 22 departments² that were hitherto operating in LG jurisdictions as deconcentrated agencies of the central government to integrate their structures (staff, salary, function, budget, planning, etc.) into the DAs and become departments. But this did not happen as their parent sectoral ministries resisted this transfer, apparently because it would have taken away some of their powers, resources and influence. There were also legal issues to be rectified, as some of the departments (for instance the education and health services) were established by acts of parliament and needed similar legislative provisions to transfer them.

Furthermore, Act 462 required another act of parliament to establish an LG Service based on which employees and departments of the LGs were supposed to function as an integrated LG unit. LG Service Act 656 was enacted in December 2003 ostensibly to secure effective implementation of this integration. In fact the bill for the Act was held up for more than 10 years until donors made its enactment a condition for the release of budgetary support (Koranteng and Larbi, 2008). When the Act was finally passed in 2003 it only succeeded in transferring departments that were established through administrative procedures and not acts of parliament to LGs. In other words, the compromised LG Service Act created a weak LG service by accepting a centralised provision of local services like education and health, forestry, fire, and game and wildlife. Employees of these departments constitute about 80 per cent of people working at the districts as deconcentrated sectoral staff. As if to suggest

that the passage of LG Service Act will signify the end of the long wait for administrative reforms in Ghana's LG system, up until now (six years after LG service law was passed) the transfer of about 33,000 out of 43,000 civil servants from the Office of the Head of Civil Service to LGs has not taken place because section 164 of Act 462 requires the Minister of LG to prescribe the date for the commencement of this transfer ('The Minister shall by LI [legislative instrument] prescribe the date for the coming into force of section 38 and section 161 of this Act'). Up until now there has not been a minister of LG with the courage to 'blow the whistle' to commence, although the current minister says he will. Consequently, a legislative instrument to start the process has just been passed by parliament (on 25 February 2010).

The implication of this situation is that LGs in Ghana do not have functional or service delivery departments on their own but work through deconcentrated central government departments and agencies and also through private sector enterprises in the form of unstructured public-private partnerships (PPPs). Deconcentrated government employees that work in collaboration with LGs to deliver services are appointed, posted, transferred, promoted, and disciplined by central government bureaucrats in Accra, who have little or no information about their work performance at the local level. Civil servants at the LG level have no allegiance to the DA in whose jurisdiction they work and they frequently ignore LG policies and priorities and generally maintain allegiance to the central government. Locally elected councillors face severe frustrations in the very LG that they are supposed to control.

4.3.7 District assembly finances

As a prelude to intergovernmental fiscal decentralisation policy for the country, Article 240 of Ghana's Constitution makes provision for the establishment of a sound financial base (that is, adequate and reliable revenue) source for LGs to enable them to undertake their activities. This was followed up by the LG Act 462 which prescribes 10 categories of internally generated funds (IGFs), the borrowing framework, the financial management system, and the DACF.

LG expenditure assignment

Every LG, be it metropolitan, municipal or district assembly, has a legislative instrument (LI) that defines its expenditure jurisdictions. In all, LGs are expected to spend their money on 86 functions including basic education, primary health care, agriculture, water, roads and streets, welfare, community development, cottage industry, etc., but the law is not clear whether these services are mandatory or voluntary. There are substantial overlaps in the demarcation of expenditure assignment between the LGs and central government agencies. For example, in education, the LGs are required to build, equip, and maintain all primary and junior secondary schools and special schools, post teachers, and keep records of teachers. Yet, the Ghana Education

Service Act 506, 1995, assigns these same functions to the Ghana Education Service. Given that these sectoral agencies were established long before the LGs and decentralisation policy, there have not been effective laws to compel these established central government agencies to transfer their current and recurrent budget to the LGs. In practice, LGs in Ghana do not play a substantial role in the provision of basic public services such as water, sewerage, electricity, health, education and roads. These services are provided in the form of delegated or deconcentrated national systems.

LG revenue assignments

LG Act 462 (Section 86) lists the revenue sources of LGs as: property rates; fees and licences charged to hotels, lorry parks, and fuel stations; market dues and rents; special taxes imposed through fee-fixing resolutions by the assembly; and other miscellaneous taxes. In other words, an LG may charge fees for any service or facility it provides, or for any licence or permit issued, and have the power to fix and increase its charges. Although some of these sources of revenue are not significantly viable in rural districts, in the case of metropolitan and municipal governments in Accra, Kumasi, Tema, Sekondi-Takoradi, Tamale, etc. it may represent substantial revenue if they are mobilised. Ironically these well-endowed metropolitan governments have failed to mobilise substantial parts of their potential internally generated revenue (IGR) sources and prefer to rely on the DACF. IGR accounts for about 11 per cent of the budget in Tamale, 32 per cent in Kumasi, and 44 per cent in Accra. IGR is used in most cases to support recurrent budgets in the LGs. In the poor districts in Upper East, Upper West and Northern Regions, IGR averages about 5 per cent of the budget, while in their relatively better endowed districts in the Southern part of Ghana, IGR is about 10–20 per cent on average. The only LG in Ghana that collects more IGR than central government grant is Tema Municipal Assembly, who raise more than 95 per cent.

Intergovernmental fiscal transfers

The Constitution (section 252(1)) mandates parliament to make provision for the allocation of not less than 5 per cent of total national revenues to the DA for development. In 1993 the District Assemblies' Common Fund (Act 455) was enacted and an independent body was established to administer the fund. The following year (1994) the first amount of ₵1.26b (US\$2.4m) (approximately GH₵2.6m³ in 2007 currency) was released to be shared among 110 districts. In 2008 the NPP government increased the fund from 5 per cent to 7.5 per cent. By 2008 GH₵836 million (US\$796 million) had been transferred from the central government to LGs (see Table 4.3).

Table 4.3. Yearly central government transfers to LG via DACF

<i>Year</i>	<i>Amount transferred in GH¢ (converted from ¢ to GH¢)</i>	<i>Amount in US\$ (2008 exchange rate)</i>	<i>% Increase/decrease</i>
1994	2,619,300	2,494,571	-
1995	5,407,700	5,150,190	106.46
1996	7,803,600	7,432,000	44.31
1997	7,903,700	7,527,333	1.28
1998	15,528,800	14,789,333	96.48
1999	11,242,100	10,706,762	-27.6
2000	14,952,600	14,240,571	33.01
2001	18,872,900	17,974,190	26.22
2002	26,535,000	25,271,429	40.60
2003	64,856,200	61,767,810	144.42
2004	85,717,700	81,635,905	32.17
2005	70,191,700	66,849,238	-18.11
2006	139,161,500	132,534,762	98.26
2007	148,389,400	141,323,238	6.63
2008	217,000,095	206,666,757	46.24
Total	836,189,795	796,371,233	

Source: GOG, 2008: 9.

The DACF is distributed among all the LGs on the basis of a formula approved by parliament.

Since 1994 five major parameters have been used to share the money: equality (based on population per district), needs (based on accessibility to health, education, water, and tarred road services), responsiveness (based on a district's effort to generate its internal revenue), service pressure (population density) and reserve. These factors have been repeated over the years but indicators and weights have varied, with the aim of improving equity. For example in 2008 the weight was allocated as follows: equality (50 per cent), needs (40 per cent), responsiveness (5 per cent) and service pressure (5 per cent), and 15 per cent of the fund was reserved by the common fund administrator before the formula was applied. The reserve fund was shared among members of parliament (6 per cent), regional co-ordinating councils (1.5 per cent), ministers of LG authorised projects (2 per cent), administration of DACF (0.5 per cent) and Government of Ghana's contribution to the District Development Facility (DDF) (5 per cent). In accordance with the provision of Act 455, the Minister of LG in collaboration with the Minister of Finance issues guidelines for the use of the fund by the DAs. The guidelines therefore give little or no room for LGs to use their own discretion in the use of the fund. For example in 2008 the MoLG issued the following guidelines for the use of the fund (see Table 4.4):

Table 4.4. 2008 guidelines for the distribution of DACF

<i>Parameters</i>	<i>%</i>
Capacity and human resources improvement	2
National Youth Employment Programme	20
Self-help projects	5
District Education Fund	2
Establishing and strengthening sub-district structures	5
District Responsiveness Initiative on HIV/AIDS	1
Malaria	1
People with disabilities	2
Sports and culture	3
Other socio economic, administrative and environmental projects	59

LGs share of the common fund continues to be the most important source of money to finance LG activities in Ghana. It accounts for about 60–75 per cent of metropolitan governments' revenue, about 70–80 per cent of municipal revenue, and 85–95 per cent of district revenue. In the poorer three Northern regions of Ghana, the common fund accounts for about 90–96 per cent of LG revenue (with the exception of Tamale Metropolitan Assembly).

Other sources of LG finance

Donors and NGOs provide financial and other resources to facilitate the work of DAs. In Dangme West District Assembly, donor support to the LG budget in 2008 was about 18 per cent. In 1988, when new districts were created, a district resourcing programme involving the provision of vehicles, accommodation, and other logistics was provided by the central government.

One of the most important (but indirect) ways of financing LGs in Ghana is that the central government pays the salaries of more than 90 per cent of LGs employees, in addition to salaries for deconcentrated technical and administrative staff that deliver LG services.

The power of LGs to borrow money from outside the central government is limited to approximately US\$2,000 but this provision is rarely used because it is insignificant.

Auditing of LG finances

LG finances are monitored and audited by four institutions: (a) Auditor General's Department; (b) Internal Audit Agency; (c) Regional Co-ordinating Council; and (d) Office of the Common Fund Administrator. The Internal Audit Agency was established in 2006 to work in the offices of the DAs to provide on-the-spot auditing of

the DACF. It is meant to be a proactive way of continually checking the use of DACF instead of waiting until the end of the year. According to the DACF Administrator the establishment of the Internal Audit Agency has helped to reduce misapplication and misuse of the fund.

4.3.8 Decentralised planning and budgeting

Ghana operates a decentralised planning system which comprises the integrated planning activities of four institutions, including the:

- District Planning Authority at the LG level;
- Regional Co-ordinating Council at the regional level;
- Sectoral departments and agencies; and
- National Development Planning Commission (see Figure 4.5).

For the purposes of national development planning, each LG is by law established as the planning authority for its area. It is responsible for the preparation, administration and control of budgetary allocations. Every LG is expected to produce and submit a medium-term (five years) development plan to the National Development Planning Commission. As a result each LG has established a District Planning and Co-ordinating Unit (DPCU) that is responsible for undertaking this exercise, including the development of annual plans.

The decentralised planning system starts with guidelines issued by NDPC to all LGs on how to proceed in the preparation of district development plans.

The guidelines also show national development planning policy and strategy. The DPCU then undertakes consultation with all stakeholders and sub-local structures, collects information about their problems, needs, and how the LG can help. Basically at this stage the stakeholders provide shopping lists of the projects they want the assembly to deliver. The DPCU then collates all the shopping lists into a draft development plan and submits it to the executive committee and other sub-committees of the assembly for technical analysis. The draft plan is sent back to the communities for a public hearing, confirmation, and additional inputs or comments. The DPCU together with the finance and administration sub-committee will then estimate the cost of the plan and submit it to the general assembly for prioritisation.

The power to approve LG plans and budgets resides in the LG General Assembly. Once approved the plan is sent to the RCC, where all District Plans are harmonised into a Regional Plan before they are transmitted to the NDPC, which collates them to become the National Development Plan. During the harmonisation process a district plan may be changed, especially if there is a need for districts to join resources to undertake common activities.

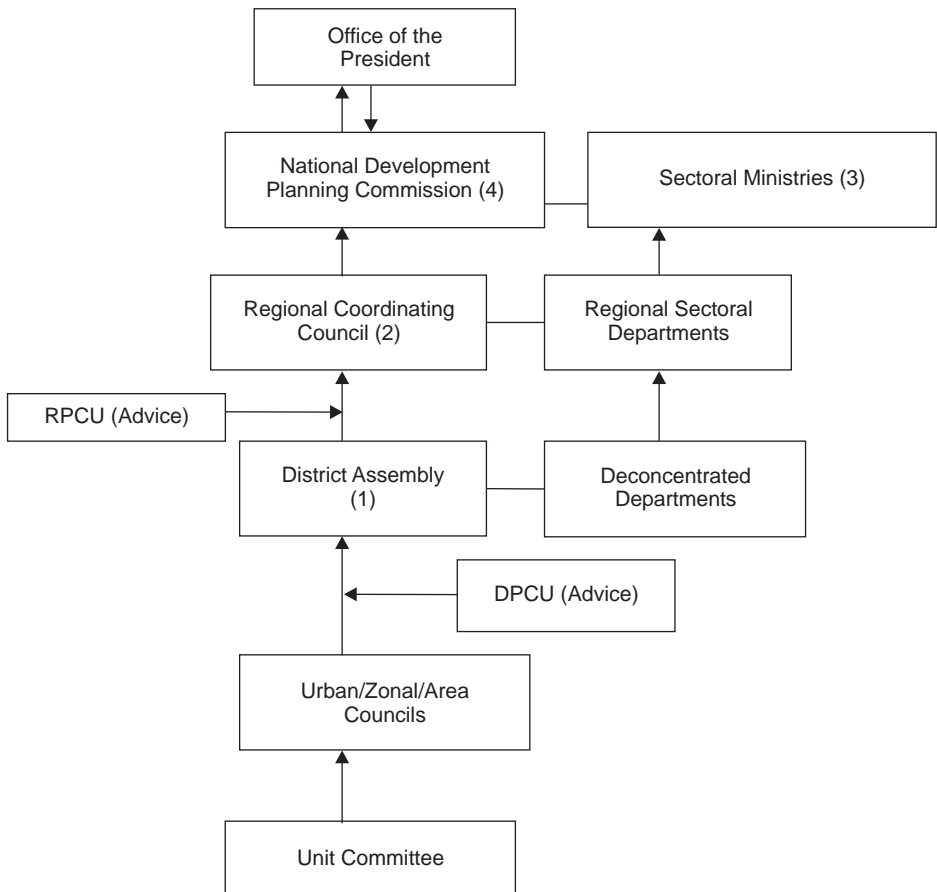


Figure 4.5. Simplified decentralised planning system in Ghana

One of the weaknesses of the district plan and budget is that some of the deconcentrated sectoral agencies also develop their own priority projects that are not necessarily the assembly's priority, thereby resulting in parallel initiatives and projects. Another weakness of the local budgetary process is that although the LG Act (462) prescribes the development of a composite budget that comprises the budgets of all the deconcentrated departments and that of the assembly, this has not happened because deconcentrated departments' budgets are linked to their sectoral ministry's budget, which is controlled from Accra, the nation's capital. Therefore although a district plan may include some activities of deconcentrated departments, the budget component that would ensure that the activity is implemented would not be included. When the national budget is released, the MoF sends the budget of deconcentrated departments to their sectoral ministries in Accra where they get stuck. During budgetary constraints priorities get changed and the ministries either reduce or divert the money meant for

activities in the districts to new areas. Therefore planned activities at the local level get delayed. About 40 per cent of district plans are not implemented within the planned period mainly because of inadequate financing arrangements. With the coming into being of LG Service (Act 656) it is hoped that composite budgeting will start and that the MoF will transfer not only the recurrent budget but also the development budget of these departments to the DAs.

4.4 Deconcentration of Central Government Administration

Central government ministries, departments and agencies (MDAs) continue to play important roles at the local level. Apart from providing policy direction to the LGs and monitoring their implementation, MDAs are also responsible for major development projects at the local level beyond the scope of the DAs.

4.4.1 Sectoral ministries

The Ministry of LG and Rural Development

The Ministry of LG and Rural Development (MoLG) is the central government agency with oversight for the operation and management of metropolitan, municipality and district assemblies (MMDAs) in Ghana. It formulates policies on decentralisation and LGs and ensures their implementation. There are 115 civil servants that work in the MoLG. The following central government departments fall under the MoLG and operate at the local level as deconcentrated departments with their own employees: Department of Community Development (831 civil servants); Department of Parks and Gardens (745 civil servants); Department of Town and Country Planning (875 civil servants); and Births and Deaths Registry (339 civil servants). With the coming into being of the LG Service, all these employees will integrate into the DAs and will no longer work under the head of civil service.

Ministry of Education

The Ministry of Education (MoE) is responsible for education sector development. There are 12 agencies working under the MoE including the Ghana Education Service, National Council for Higher Education, Library Board, Institute of Languages, Accreditation Board, and National Service Secretariat, among others. The GES, with about 260,000 employees (mostly teachers), constitutes about 50 per cent of the ministry's employees and is responsible for pre-university education services in Ghana. The GES, which hires, posts, transfers, pays and fires teachers, has deconcentrated offices in all the regions and districts in Ghana. Figure 4.6 shows the structure of education services management in Ghana.

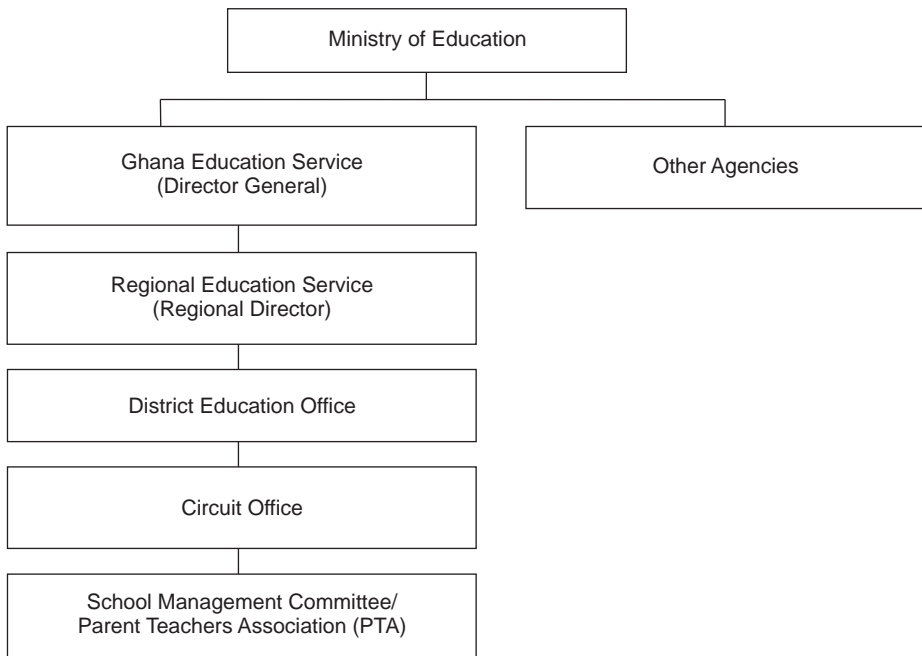


Figure 4.6. Deconcentration of education services in Ghana

The District Director of Education reports to the Director-General of the GES through the Regional Director. Every district is supposed to have a District Education Oversight Committee chaired by the DCE/mayor. Other members of the committee include the District Education Director and District Inspector of Schools. The School Management Committee that comprises parents and the head teacher are involved in education management at the community level. Education infrastructure involving school building and furniture are provided by the LGs while GES is responsible for the management of the schools including hiring, payment, transfer, training and firing of teachers. All faith-based schools are declared public schools and therefore receive financial and technical support from the government through GES.

Ministry of Health

The Ministry of Health (MoH) is the overall government sector responsible for health policy, fundraising and sourcing, allocation of resources, control of the capital or development budget, and establishment of agencies to implement government policies. Actual delivery of health services is rather the responsibility of Ghana Health Service that also provides the structure of implementation of health programmes in the country.

Out of the approximately 64,000 health professionals in the country, the Ghana Health Service employs about 38,000 (60 per cent). It is the only agency under the MoH that is deconcentrated to the regions and districts. With the passage of Act 525 in 1996, the Ghana Health Service was given the power to employ and negotiate the salaries of employees instead of in the past when it had to rely on the MoH, Office of Head of Civil Service and Public Service Commission. Health services are delegated into four semi-autonomous units: (a) teaching hospitals established as agencies directly under the MoH; (b) regional hospitals under Regional Health Directorates; (c) district hospitals under District Health Director; and (d) health centres and clinics under sub-district administration.

Each health agency has a governing council or a board that is the highest decision-making body. At the local level Act 525 provides for a district Director of Health Services who is answerable to the Director General of the Ghana Health Service for policy issues and the DCE/mayor for administrative purposes. At the community level DAs build clinics and health posts while the MoH is responsible for management (personnel, equipment, salaries, etc.).

In 2005 the District Mutual Health Insurance Scheme (DMHIS) was established nationwide. People pay a monthly premium, but the current NDC government plans to change the DMHIS to a Universal Health Insurance Scheme upon which individuals will make a one-time annual payment to the National Health Insurance Scheme (NHIS) (Mill, 2009). Internally generated revenue (in the form of insurance premiums and contributions) is the biggest source of funds for paying the recurrent expenditure of the National Health Service (NHS).

Ministry of Food and Agriculture

The Ministry of Food and Agriculture (MoFA) is charged with overall responsibility for the development of the agriculture sector. The agriculture sector is made up of five sub-sectors: crops other than cocoa, cocoa, livestock, fisheries and forestry. However, MoFA is only responsible for the crop and livestock sub-sectors. Cocoa is under the Office of the President; fisheries under the Ministry of Fisheries, while forestry is under the Ministry of Lands, Forestry and Mines. The MoFA has 488 employees at the national level and 6,340 working in the regions and districts as field officers.

MoFA implements its policies and programmes using three deconcentrated structures: national, regional and district levels. The National Directorates are headed by directors and are responsible for policy formulation, programme planning and facilitation, monitoring and evaluation, technology sourcing, promoting the market accessibility of agricultural goods, and exercising oversight responsibilities over the regions. These national directors are supervised by a chief director, who is in turn supervised by the minister and his deputies.

There are 10 Regional Agriculture Development Units (RADU) under the Regional Co-ordinating Council and 170 District Agriculture Development Units (DADUs) under the district assemblies. The DADUs and RADUs are responsible for the financial, administrative, technical, and managerial supervision of agricultural development programmes and activities in the regions and districts. The RADUs are headed by the Regional Director of Agriculture and supported by the Regional Agriculture Officers, while the DADUs are headed by the District Director of Agriculture and supported by District Agriculture Officers.

RADU and DADU prepare quarterly and annual reports for the DCEs and regional ministers on the implementation of their annual plans and budgets. Apart from the three deconcentrated structures, there are also six delegated agencies in the agriculture sector. These are the Ghana Irrigation Development Agency, Grains and Legumes Development Board, Irrigation Company of Upper Region, Ghana Food Distribution Company, Poultry Development Board and Veterinary Council.

Ministry of Water Resources, Works and Housing

The Ministry of Water Resources, Works and Housing is responsible for policy issues in water and housing. Water provision in urban areas is the responsibility of the Ghana Water Company which in 2006 signed a management contract with Aqua Vitens Rand Limited (AVRL) to operate urban water. Small town and rural water provision is the responsibility of the Community Water and Sanitation Agency (CWSA). District Assemblies provide financial support to CWSA to provide boreholes to communities. In Ghana housing provision is seen as an individual responsibility and not so much a public responsibility. Central government and LG have totally withdrawn from its provision and have facilitated private-sector provision. Unfortunately private-sector houses are beyond the reach of most Ghanaians. LGs do not provide any housing support for people except disaster relief during emergencies.

Ministry of Roads and Highways

The road sector under the Ministry of Roads and Highways is divided into three: highways are direct under the ministry, feeder roads are deconcentrated to the district assemblies, and urban roads are under the metropolitan and municipal assemblies. However, the Departments of Feeder Roads and Urban Roads operate as central government departments. When the LG Service becomes operational the two will be integrated into the Public Works Department of the DAs. The Department of Feeder roads that is responsible for roads in the districts has divided the country into 90 road districts. The department employs about 600 personnel, of whom only 13 per cent are in the national headquarters in Accra. The rest reside and work in the regions and districts. About 30 per cent of the funds for road construction come from the Ghana Road Fund that is centrally managed. With

the coming into being of LG Service and the integration of the Department of Feeder Roads into the DAs, it is expected that the Ghana Road Fund will transfer the budget component to the DAs, but again the Department of Feeder Roads has raised a legal issue which suggests that under the law the Road Fund recognises only the Department of Feeder Roads and not the district assemblies.

4.4.2 Deconcentration of human resources

Human resource management in Ghana's civil service is centralised in Accra. The head of civil service is responsible for recruitment, deployment, promotion and dismissal of all civil servants working at the national, regional and district levels. In 2009 there were about 56,000 civil servants employed by the Office of Head of Civil Service, of whom about 24,500 (43.6 per cent) work in the national offices of government institutions (ministries, departments, agencies and extra-ministerial organisations) in Accra, 2,772 (4.9 per cent) work in the regional offices, and about 29,000 work in districts. In the ministries about 13 per cent have university degrees while about 44 per cent have post-secondary education. Data at the sub-national level was still being compiled at the time of this study.

Table 4.5. Civil service staff capacity in Ghana

<i>Institution</i>	<i>No. of civil servants</i>	<i>%</i>	<i>Level of education University Degree or equivalent[†]</i>	<i>Post-secondary⁵</i>	<i>Secondary/basic</i>	<i>Primary or none</i>
			<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
National offices	24,481	43.6	12.6	44.3	28.5	14.6
Regional staff	2,772	4.9	n/a	n/a	n/a	n/a
District decentralised staff	28,933	51.5	n/a	n/a	n/a	n/a
Total	56,186	100				

With the coming into being of Act 656, all civil servants that work at the LG level as deconcentrated employees will be transferred from the central civil service to LG Service. According to Ayee there are about 285,000 civil servants in Ghana, of whom 25 per cent work at the local level. Of the 25 per cent of civil servants at the LG level, 60 per cent lack the requisite expertise to perform their functions (Ayee, 2008, p.248). Consequently capacity-building institutions such as the Institute of Local Government Studies (ILGS) and Management Development Productivity Institute (MDPI) have been established to train personnel at the local level.

4.5 Decentralisation to Markets and Non-State Institutions

As observed earlier, Ghana's current decentralisation initiative is anchored on six interrelated pillars including public-private partnerships or market decentralisation.

Decentralisation to the market has been seen more in terms of privatisation and public-private partnerships, while decentralisation to NGOs and CBOs is seen as public community partnerships.

4.5.1 Privatisation and public-private partnerships

Before privatisation started in 1988 there were 350 state-owned enterprises, many of which had become loss-making enterprises, consuming over a fifth of the country's recurrent spending in the form of loans and subsidies to keep them afloat. By 1998 the government had divested partly or completely from more than 180 enterprises including banks and mining, manufacturing and service companies. Privatisation did not move beyond the productive sector to public services. About 45,000 government employees were dismissed between 1988 and 1995. While privatisation has so far partly eased the government's fiscal burden and turned some loss-making state enterprises into profitable private firms, enthusiasm for it has waned in recent times. A number of state corporations such as the Electricity Corporation of Ghana and Ghana Railways, Ghana National Petroleum Corporation (GNPC), etc. have been on a divestiture list since 1995 without being sold because of political opposition. The current lure of the private sector to government services is couched in the form of strategic investment, the so-called public-private partnerships. Privatisation is centralised in Accra and is being implemented by the State Divestiture Implementation Committee (DIC). LGs play no role in its organisation and management.

Section 10(4)(c) of the LG Act 462 instructs the Assemblies to initiate and encourage joint participation with other people or bodies to execute approved development plans of the LG. Some LGs have taken advantage of the above provisions to enter into different types of arrangements with individuals and private organisations to execute their mandate, including revenue mobilisation, sanitation and waste management, procurement, water supply, etc.

In the provision of solid waste collection (SWC) the MoLG, in conjunction with the Das, has entered into a partnership with Zoom Lion Ghana Limited. This company has been successful in collecting heaps of waste that in the past had made Ghanaian cities filthy. The negative side of the Ghanaian PPP with Zoom Lion is that by contracting waste collection in most cities to a monopolised private company, the process has stifled many of the small waste collection companies in the country.

In the agriculture sector, the 2008 report of the MoFA shows that there has been an increase in the involvement of the private sector and NGOs in the delivery of services such as farmer training, farmer-based organisational development, and the procurement and distribution of agricultural equipment. The construction and maintenance of all feeder roads in the districts have been contracted out to small enterprises through a compulsory competitive bidding process. The Department of Feeder Roads only supervises the work of private companies. A recent development

which is worrying at the local level is the number of foreign companies that are delivering local services. For instance in the drilling of bore holes to provide rural water, Chinese-backed local private enterprises are estimated to win about 70 per cent of all the contracts.

While there are many public-private partnerships in infrastructure and social services provision (for SWC, sanitation, schools, roads, market stalls, drainage, rural water, etc.), partnerships in advocacy and decision-making are erratic.

4.5.2 Decentralisation to non-governmental and civil society organisations

NGOs, civil society, faith-based and community organisations play important roles in the LG system in Ghana. They facilitate political and social interaction by mobilising groups to participate in economic, social, and political activities in the district. A wide range of these actors are working at district level providing development assistance, relief and welfare activities. Some of the major sectors these non-state actors are involved in are education, health and micro-credit delivery, HIV/AIDS, and environmental and sanitation management. Some of the LGs have good records of the key NGOs that operate in their districts as they are expected to register their presence with the assembly.

4.5.3 Other institutions that support decentralisation and LG development

National Association of Local Authorities of Ghana (NALAG)

The National Association of Local Authorities (NALAG) is an umbrella organisation of LGs in Ghana. The Association originated in 1964 as two separate organisations (National Association of Local Councils and the Association of City/Municipal Councils) that merged in 1977. Among the objectives of NALAG are to represent and communicate the collective interests of the association and to lobby government and other organisations (local and international) for support in promoting LGs. The association works to achieve its objectives through advocacy and lobbying, organisation of training programmes, research, networking and facilitation of city-city links. NALAG has desk offices in all the 10 regions and collaborates with many national institutions (MoLG, ILGS, NDPC, etc.) and international organisations. The main source of funding for NALAG is membership subscriptions. NALAG has not been effective in its advocacy role especially in the area of strengthening decentralisation in Ghana because of structural problems. The DCEs/mayors that represent the DAs are appointed by central government and therefore any act of advocacy may be misread as opposition to the central government.

Institute of LG Studies (ILGS)

The Institute of LG Studies was established by the government in 1999 to organise training for LG employees at regional, district and other lower LG bodies and organisations interested in LG issues to enhance their managerial, administrative, financial and operational efficiency. According to ILGS there are about 60,000 potential functionaries in the LG system that need to be trained in a number of disciplines. This includes about 8,000 assemblymen and women, 170 chief executives, 170 regional co-ordinating directors, 16,000 unit committee members, market and traders associations, NGO staff operating at the local level, leaders of CBOs, local-level contractors, etc.

In 2009 the ILGS was able to train about 5,000 people from these groups on topics such as public finance and management, local economic development, leadership skills, gender mainstreaming, etc. The ILGS uses experiential teaching and learning methods which makes its approach effective and different from mainstream academic work. After training, participants receive a certificate of attendance. The ILGS charges 100 per cent fees for its training programmes.

4.6 Achievements, Challenges and Suggestions for Improvement

The year 2010 marked 22 years since Ghana started implementing its recent decentralisation policy. In this section we highlight some of the achievements/progress made, the key challenges encountered, and suggestions for improvements.

4.6.1 Progress/achievements

Strong legal support for decentralisation and the LG system

Ghana's decentralisation system is entrenched in Chapter 20 of the country's Constitution. This means that abolishing decentralisation as a system of state administration in the country would not just require a simple legislative instrument or an Act of Parliament but a national referendum – a complicated legal system that is not easy to conduct. This constitutional provision therefore provides a strong backing for decentralisation in a country that has a long history of centralisation and a powerful executive system of government. Apart from the Constitution, there are a number of Acts of Parliament that separately regulate other elements of decentralisation. Together they have given decentralisation strong legal backing. Table 4.6 highlights some of the laws, their main objectives and current implementation status.

Table 4.6. Legal provisions that support decentralisation in Ghana

<i>Legal provisions</i>	<i>Main objectives/functions</i>	<i>Comments</i>
PNDC Law 207 of 1988	Established District Assemblies as the highest political, legislative, administrative, rating and executive authorities at the local level.	Repealed by LG Act 462.
Chapter 20 of 1992 Constitution	Developed to entrench decentralisation and LG system.	Still in operation. It is not expected to be amended/repealed.
LG Act 1993 (Act 462)	Enacted to replace PNDC L 207.	Provided legal framework for operationalising provisions in 1992 Constitution. It kept many of the provisions in PNDC Law 207.
Act 1994 (Act 455)	Enacted to create District Assemblies Common Fund.	It is the only law that highlights Ghana's fiscal decentralisation.
Act 480 of 1994	National Development Planning (Systems).	Sets the procedures for preparing local and national development plans.
Institute of LGs Studies Act (Act 647 of 2003)	Create Institute of LG Studies.	Provides short-term training for LG bureaucrats and politicians.
LG Service Act (Act 656 of 2003)	To secure the effective administration and management of LGs in Ghana.	The Act holds a lot of promise for LG management in Ghana. It establishes the LG Service, distinct from the central Civil Service. Its provisions are now being implemented.
Internal Audit Act (Act 658 of 2003)	To establish a body to co-ordinate, facilitate and provide quality assurance for internal audit activities.	It is intended to reduce the misapplication of and corruption in the DACF.
Public Procurement Act (Act 663 of 2003)	Regulates procurement of goods, works and services financed in whole or part from public funds.	Introduced strict public procurement structures and mechanisms with the aim of reducing corruption. It has reinforced centralised control of public procurement (to take advantages of economies of scale).
LG Department LI 1961 of 2009	Established LG Departments.	Its provisions are being implemented.

Bringing government closer to the people

Before the inception of the current decentralisation policy, there were only 65 DAs in Ghana with a population of about 13.6m people. Without considering differences in size, this roughly averages about 209,000 people to an LG jurisdiction. As a result of the decentralisation policy, there has been a 'gradual' increase in the number of LG jurisdictions from 65 to 170 over a period of 20 years. With the current estimated population of 23.1m people this translates into about 136,000 people to an LG jurisdiction. More people now have access to LG administration thereby improving the distance between people and their government. In addition, local-level sub-structures have been created that bring government even closer to the people than the DAs. The challenge to the government is to ensure that lower level structures work effectively.

Central government transfers to LGs

The introduction of DACF has been a major source of financial support for LGs. None of the DAs in Ghana can survive without DACF. In the three northern regions of Ghana, the DACF provides about 95 per cent of the funds needed to get the assemblies to operate. It currently stands at 7.5 per cent of GDP.

Equitable spread of local infrastructure project

In 1988, when 110 DAs were created, the government ensured that administrative capitals were provided with physical infrastructure (roads, office buildings, residential accommodation for staff, electricity, district health centres, schools, etc.). This initiative ensured that district capitals became new growth centres that would help spread development across the length and breadth of the country. Since the DACF is used solely for development it has helped to improve infrastructure in rural areas more than any local development intervention ever implemented in the country. (It must however be noted that the recent creation of districts has not been matched by similar effort by the government to provide physical infrastructure projects. Some of the newly created DAs are using rented office accommodation.) Given that DACF adopts a 'basic needs' approach that takes into consideration the level of development of each district (accessibility to health, education, water and paved roads), it has helped to address social inequalities among LG jurisdictions. One can easily observe visible effort to address the development imbalance between urban and rural areas, between regions, and between districts through development activities funded with the DACF.

Grassroots participation in decision-making

There is no doubt that current decentralisation policy in Ghana has improved participation by ordinary people in the affairs of their local community. In the past, decision-making at the local level was reserved for the elders, chiefs and a few opinion leaders. The design of Ghana's decentralisation ensured that illiterates, farmers, fishermen, traders, and ordinary citizens who in the past would not be considered for LG positions and leadership are now part of the process, thereby expanding participation.

4.6.2 Challenges to decentralisation and suggestions for improvement

Despite the achievements described earlier, several critical challenges have emerged from the implementation process. Some of them are discussed below.

Divergence between constitutional intentions and political interests

Arguably the most challenging issue in the implementation of Ghana's decentralisation policy is the difference between the Constitutional provision of decentralisation,

the political interests of those who design policy, and bureaucrats who implement it. Lack of consistency or convergence in this area has led to a big gap between policy and practice whereby public administration is still dominated by central government in areas of resource flow, functional assignments, accountability lines and reporting relationships; and with time these practices have been cemented by inconsistent laws. Attempts to harmonise them has become a real challenge as there are so many interest groups (sectoral, departmental, political, etc.) that continue to move from one branch of the law to another trying to frustrate any progress in deepening decentralisation. There is no doubt that the intent and purpose of Ghana's decentralisation policy points to devolution, but what is being practiced is a mixed bag of nominal devolution and deconcentration. Since devolution brings inter-sectoral conflicts because line ministries and their leaders do not want to cede any of their budget, functions or influence to others – and especially to LGs – there is a need for political leadership that is committed to implementing hard and difficult decisions that cut across sectoral boundaries. An important strategy would be to create a substantive institutional body (not an ad hoc committee) that is higher than a sectoral ministry with a leadership that has the ears of the presidency and is convinced that devolution is the way to go.

Creation of LGs jurisdictions and their capacity to effectively deliver

The creation of LG jurisdictions in Ghana seems to have passed a threshold, to the extent that the government is unable to sustain the infrastructure and institutional capacities needed to enable them to operate effectively. The decentralisation policy started with 65 districts. This was increased to 110 in 1988. By 2006, an additional 28 districts had been created by splitting some of the original 110, bringing their number up to 138. In February 2008, there were more districts created and some were labelled municipal. This brought the final number to 170 districts in Ghana. While there are several reasons for creating LG jurisdictions, the inability of the central government to provide infrastructure and other logistical support to enable these newly created LGs to function is offsetting the objectives of bringing government closer to the people. Where newly created LGs have failed to deliver, it has created disillusioned citizens who appear to have no confidence in the LG system in Ghana and especially in the area of service delivery.

Involvement of chiefs in local government and development

In many villages and rural areas chiefs play a multi-dimensional role as the formal LG structures. They command a lot of respect from the citizens and control land – a key factor of production at the local level. In mineral-rich districts, chiefs receive money in the form of royalties from the state and mining companies. As indicated earlier some chiefs are able to seek funding from donor partners to implement development projects in parallel with DAs. In the rural areas when service delivery fails many more

people still prefer to seek answers and assistance from their traditional authorities, especially chiefs, than go to their LG representative (assemblymen, unit committee or any of the sub-structures). It is therefore important that their involvement in the DAs is encouraged and maintained.

Promoting local accountability: Appointment or election of LG leaders?

The central appointment of DCEs is now a major source of debate in Ghana. While general opinion in the country favours the election of DCEs through universal adult suffrage, this appears not to be the preferred option of any ruling political party. Both the NDC and NPP governments tend to use the existing system of appointments to their advantage, hence are hesitant to support the election of DCEs even if they promise to do otherwise. The challenge this dichotomy is posing to Ghana's decentralisation system is that many citizens do not think that the present system promotes downward accountability and therefore have little favourable citizens' support. If DCEs are elected, some of the people argue, mayors worried about losing their jobs will be forced to make themselves more useful to the people.

Party-based versus non-party-based LG political system

The LG system is supposed to operate on a non-partisan basis within a multi-party democratic arrangement in which the president and members of parliament are elected through universal adult suffrage. The non-partisan LG system, adopted in 1988, was to draw the DAs away from partisan considerations so they could concentrate on development – a non-partisan issue. With the coming into being of multi-party constitutional rule in 1992, where national politics is conducted on political party system, there is a major debate now in Ghana about whether LG politics can continue to be conducted on a non-party based system. The NEC, which is responsible for organising campaigns for local elections, is constrained financially and therefore unable to whip up people's interest in the elections. Voter turnout at LG elections is therefore very low compared to national elections (see Table 4.7). Unlike presidential and parliamentary elections that provide some excitement for the people and make them feel that their decisions matter, LG elections in Ghana are boring and sometimes pass unnoticed.

Table 4.7. Voter turnout between national and LG elections

<i>National election (Year)</i>	1992	1996	2000	2004	2008
Voter turnout (%)	50.2	78.2	60.4	81.5	69.52
LG election (year)	1988/89	1994	1998	2002	2006
Voter turnout (%)	59.3	29.3	41.6	32.8	44

Source: National Electoral Commission, Accra, Ghana

People feel empowered when they see national politicians grovelling for their votes. The feeling is different in LG elections: campaigning is often boring and, to make matters worse, the LGs seem not to make much difference in people's lives. In fact a lot of Ghanaians are disenchanted by Ghana's decentralisation because it promises so much but has delivered too little for so long. People argue that at least some MPs promise to have roads repaired and some fulfil their promise, but LG politicians promise nothing and deliver nothing (Awortwi, 2010: 10). Therefore Ghana's non-partisan LG elections result in DAs full of people with no formal political agenda. The NPP government that succeeded the Rawlings regime had promised a constitutional amendment to make LG elections multi-party and the position of DCE an elected one, but it reneged on its commitment after winning power. Their rationale was also to take advantage of the status quo - filling those positions with their political favourites. The current NDC government does not appear to support a party-based LG political system.

There is no doubt that Ghana's elections have elements of tribalism and regionalism associated with them. For instance, during the 2008 presidential and parliamentary elections some areas in the Volta and Ashanti Regions became no-go areas for particular political parties. As a result there are concerns that when LG elections are organised based on the same multi-party system as the national elections, political parties will create enclaves in some local areas that would not be good for local development. There appears to be over-exaggeration in this assertion and Ghana's case is no different from any transition country where democracy is beginning to take root. The party-based organisation of LG elections would help to improve people's interest and participation in LG politics.

Institutional arrangements for service provision and accountability

In Ghana about 50 per cent of urban dwellers have no access to solid waste collection and less than 30 per cent have an acceptable household toilet facility. Urban water supply is not reliable not just for the slum dwellers, but also for relatively affluent neighbourhoods, and households with water meters are often forced to buy from private water sellers because their taps have run dry or only spurt water one or two days per week. Only 3 per cent of 41,946km of feeder roads in Ghana are paved and only about 40 per cent can be used throughout the year. Generally basic services such as water, sanitation and SWC, housing, primary health care, etc. are inadequately delivered for a number of reasons: inadequate funds, unclear responsibility and expenditure assignment between LG and central government departments, and weak accountability mechanisms. Given that LG services are delivered through deconcentrated central government departments and employees, it is unfair to blame DAs when services are not delivered. One major challenge to Ghana's institutional arrangements for service provision is that there appears to be no accountability system in service provision either in the devolved or deconcentrated system. There is no central level

government agency that is responsible for ensuring that public services meet public expectations. The mandate of Ghana's Public Service Commission is limited to the recruitment of category A and B employees of the public service. The performance of public services is expected to be assessed by individual ministries that also provide the services, so there is no proper accountability or supervisory systems and structures. At the local level, there is too much patronage in both political and administrative mechanisms to the extent that citizens do not demand high-quality services from their political and administrative leaders. The Ministry of Public Sector Reform that was established during the NPP government started the process of ensuring that public services meet public expectation by establishing national standards, but the ministry was abandoned when NDC took over. It is important that the mandate of the Public Service Commission be expanded to include oversight responsibility for the quality of public services delivery. Also, a small claims court and ombudsman system should be established to try and represent people who feel dissatisfied with the quality of services that they receive from public and LG institutions. This would compel public service providers to sit up and take notice.

Effective functioning of sub-LG structures

Generally about 90 per cent of Ghana's sub-LG structures are not functioning due to a number of factors: there are too many and they are too small; they have too many members; they lack adequate and skilled personnel; they lack the financial resources to perform; and they are consequently not viable. To facilitate effective operationalisation of sub-LG structures there is a need for the government to reduce their numbers and membership by at least 50 per cent to make them manageable. This will enable the LGs to provide financial incentives to facilitate their work. Voluntarism as it is practised at the unit committee level is unworkable in the present monetised Ghanaian economy and certainly not for unit committee members – a majority of whom are poor and cannot offer their time for free.

LGs' ability to hire and fire without victimising employees

One of the important objectives of Ghana's decentralisation and LG concept is the ability of DAs to hire and fire their own staff. It is expected that this will improve the accountability and loyalty of employees to the LG instead of to a centrally appointed central government agency in the nation's capital. However, in Ghana many civil servants are concerned about giving powers to mayors or chief executives to hire and fire. Their anxiety comes from the excessive victimisation of employees, especially those that are hired through a mixture of administrative and political processes. For instance in 2000 when the NDC government lost power to the opposition NPP, the new government dismissed thousands of employees who had worked in the districts as officers of National Disaster and Mobilisation (NADMO), Non-Formal Education (NFED) and National Communication and Civic Education (NCCE). The employees

were accused of being operatives of the past government. In 2008 when the NPP lost power to the NDC, the victimisation process was repeated. In addition, thousands of employees who had worked in the School Feeding Program and National Health Insurance Scheme were dismissed. Given that mayors/DCEs are normally politicians of the ruling party appointed by the president to represent its interest, any power given to them to hire and fire may be abused. In fact it may be dangerous in the current political polarisation to give DCEs powers to hire and fire. To allay the fear of possible victimisation of LG employees, a LG service secretariat has been established in the nation's capital to hire and fire. While this may appear temporary, the real challenge is how to empower LGs to directly hire and fire without victimising employees because of their perceived political inclinations. The LG service secretariat should begin to develop clear rules of employment at the LG level. Just like the procurement board that has been established at the LG level, so should there be an appointment board that draws its members from various groups (political, administrative, technocratic, etc.) so that the DCEs cannot completely manipulate the employment process.

Ministerial re-alignment

As a result of Act 656 some deconcentrated departments would be integrated into the LG departments and would not be part of their parent ministry. This means that some sector ministries would have to transfer not only their employees but also salary, administration, service and investment to the DAs. The consequence is that some ministries will not have the same influence as they used to have. This will be a huge challenge to some ministries, whose influence depends on their budget size and personnel numbers. Given that the MoF is used to sectoral budgets, the challenge will be if the MoF transfers the corresponding budget items to the districts. In addition, it is also not clear whether the sectoral ministries will continue to have oversight responsibility for the services that devolved LG departments would deliver. There is therefore a need for ministerial re-alignment to enable line ministries to reflect their present reality.

Political will and transformational leadership

Progress in Ghana's decentralisation process stalled for lack of political commitment and leadership. Strong political will and an understanding of the strategies are needed to implement them. Given the political set-up in Ghana one needs a strong leadership that is convinced that decentralisation is not a zero-sum game.

Central government earmarks of LG grants

There is no doubt that DACF has improved the financial status of all LGs in Ghana, and without it none of them could have survived. Nevertheless, there are too many central government earmarks in the use of the fund. In 2007 about 50 per cent of

the use of the total fund was dictated by guidelines issued by the MoLG and MoF. About 25 per cent of the funds in 2007 were deducted at source by the common fund administrator. When the common fund was introduced in 1994, the idea of subjecting it to central government deductions was meant to be an interim measure designed to manage the interface between the period of centralised project funding and a decentralised one. That is, if central government directives were not issued it would be difficult to complete projects that the central government had already started but had not yet completed in the districts (Aye, 2004: 136). However, 15 years later, central government deductions have become a permanent phenomenon. Every year new items are added to the earmarks, leading to less and less control by LGs over their grants. The challenge is for the central government to give much more discretion to DAs in the use of the fund. There is no doubt that LGs in Ghana have improved their capacity to handle the grants. At the district level, planning, budgeting and administrative officers have the same university degree as those in the regions and the ministries, so inadequate capacity as the basis for not giving LGs discretion over the use of their grants is untenable. In addition, cases of corruption and misuse of government funds as reported by the Auditor General do not only involve the DAs. In fact corruption is widespread across central and LGs, so that cannot be used as a reason for earmarking LG grants. The central government and MoF must give LGs some room to manoeuvre in the use of their grants.

Improving internally generated revenue

DACF was meant to bridge the gap between revenue and expenditure assignments. However, it appears to be replacing mobilisation of internally generated revenue. With the exception of rural districts that have a narrow revenue base, municipal and metropolitan assemblies should not be made to rely heavily on central government transfers. In fact if Accra, Kumasi, Tema, and other metropolises can be assisted to undertake proper evaluations of their property taxes and plug the loopholes in revenue collection, they would be able to mobilise more than twice what they receive from the DACF.

Attention to local economic development

LGs in Ghana put much emphasis on the provision of social services and less on promoting local economic development (LED). An attempt by the MoLG in the past to use 20 per cent of the DACF to support productivity in microenterprises in order to reduce their vulnerability was a total flop as the money was considered by the beneficiaries (most of whom were ruling political party supporters) as payback for their loyalty. Consequently loan recovery was very poor, resulting in many LGs being unwilling to provide further financial support to microenterprises. In subsequent years the MoLG reduced the DACF allocation from 20 per cent to 10 per cent and it is now only 5 per cent. The declining allocation shows the government's disinterest

in supporting LED. But it's in the interests of LG to support LED for the purposes of job creation and income growth at the local level. LED should not be considered as only the responsibility of the central government. Currently LED initiatives in the form of pilot projects financed by international organisations are taking place in a few districts. For instance the International Labour Organisation's (ILO) Decent Work Programme and LED is being organised in eight districts. The MoLG should compile the experiences of many of the successful LED initiatives, such as GATE 1 and 2, LEAP, ILO Decent Work Programme, etc. and ensure that LED becomes part and parcel of the responsibilities of LG.

Performance management in political and administrative leadership

A project to introduce a performance management system in Ghana started in 1997. About US\$40m was said to have been invested in the project with the objective of developing procedures and systems for performance management in the country's public service. The first performance agreement was to be signed between ministers and chief directors. However, by 2001 the process to ensure that the performance management system was introduced had collapsed, ostensibly because the chief of staff at the time did not buy into the idea. So at the moment Ghanaian chief executives at the national, regional and local level (ministers, mayors, chief directors, heads of public organisations, etc.) do not sign any performance agreements with the government and neither is their performance subject to any serious assessment. The Office of the Chief of Staff is a very powerful administrative unit of the Ghana state administrative system. The Chief of Staff, seen as a senior prefect of ministers and closest to the head of state, is the prime mover and shaker of government reform programmes. Without the support of the chief of staff many administrative or managerial reforms, including that of decentralisation, will not become government priority agenda.

Implementing the long-awaited LG service

Under the LG Act of 1993 (Act 462), 22 departments working at the district level were to cease to exist in their present form and be reconstituted into departments at the DAs. The Act also envisages the implementation of the composite budget system, under which the budgets of the deconcentrated departments were to be integrated into the budgets of the DAs. In addition, an LG Service was to be created to which the staff of the newly established departments of the DA were to become members. It is also expected that the conditions of service of LG employees will be different from that of the civil service. As earlier indicated, follow-up legislation to effect these changes was delayed in Parliament for more than a decade until it was finally passed in 2003 (LG Service, Act 656). However, implementation of the tenets of the new law has again been delayed because of many intractable legal and administrative problems. Section 164 of Act 462 requires the Minister of LG through an LI to determine when the old departments were to cease to exist and the new departments come

into existence. But this was not done until February 2010 when an LI No.1961 was passed by parliament to commence work on LG service and composite budgeting. While this occurrence marks a significant progress in Ghana's long-awaited LG Service, it does not bring to an end the saga of administrative decentralisation in the country. The LI 1961 only created five departments (central administration, works department, physical planning department, trade and industry, agriculture and social welfare and community departments) and dissolved only 10 out of 22 deconcentrated departments. The remaining ones would continue to operate as deconcentrated sectoral departments because the current LI could not dissolve them. These had been established by an Act of Parliament as centralised departments within the civil service and therefore needed separate Acts to amend them to a decentralised status, a process that may take some time given Ghana's past records of delays in effecting changes in established laws. Given the slow pace with which incremental decentralisation has proceeded, perhaps a big bang approach is the way to go.

Another challenge is that the LG Service Secretariat that has been established to oversee implementation of human resource management of LGs is supposed to be on the same level as the Head of Civil Service or Public Service Commission, but critics are of the view that the secretariat has not been given the same leadership position as that of the civil or public service. At the moment it is led by a strong political party member, thereby giving the Secretariat a political shadow that in the context of Ghana is not good for the institution to function effectively.

Participation of women in LG

The number of women in LG assemblies in Ghana does not reflect the country's population make-up. Although women are about 51 per cent of the population, they are woefully under-represented in local assemblies and play a marginal role in LG politics. Only 1 per cent of the locally elected politicians in 1989 were women. Subsequent elections have seen slightly higher percentages, but generally less than 10 per cent. What this means is that without affirmative action to cede a number of seats to women, they will continue to be under-represented by the electoral process because of socio-cultural factors that have not favoured them.

4.6.3 Current initiatives to address some of the challenges

If there is any single public policy that has been examined in Ghana over the last 20 years, it is perhaps that of decentralisation. In almost all its facets, proposals and solutions have been offered. The suggestions that have been made in this chapter would add to the number of current initiatives that governments of Ghana have proposed, some of which are in the process of being implemented while others have been abandoned. Below we highlight some of the initiatives.

National Decentralisation Action Plan

In 2003 the NPP government, on the initiative of the Ministry of LG, renewed its commitment to decentralisation after completion of a national Poverty Reduction and Growth strategy document. As one of the processes to guide strategic targeting of resources to poverty reduction efforts at the local level and also promote greater participation of key private-sector, civil society and traditional authorities in the processes of governance and development at the local level, a National Decentralisation Action Plan (NDAP) was developed to re-invigorate national policy and institutions for decentralisation. An inter-sectoral working group to provide technical direction for the implementation of NDAP and a Presidential Advisory Committee to provide political commitment to strengthening decentralisation implementation were established. Ghana's development partners also provided active participation in the strategic development process, resulting in the establishment of a Comprehensive Development Framework Working Group on Decentralisation. The NDAP set eight strategic objectives:

- To strengthen political leadership and inter-sectoral collaboration for decentralisation.
- Enhance decentralisation policy management, implementation and monitoring.
- Increase discretionary funding to district assemblies and consolidate the overall district resource envelope.
- Strengthen overall district-level financial and human resource management and accountability.
- Strengthen district assemblies' functional and governance performance.
- Strengthen decentralised co-ordination and monitoring and evaluation at regional level.
- Enhance and strengthen sub-district level governance.
- Promote popular participation and deepen association and partnership between district assemblies, civil society, private sector and tradition authorities.

By the end of 2008 when the NPP was voted out of government there was no assessment on the extent to which any of the objectives was achieved.

Intergovernmental fiscal decentralisation framework

In March 2008 a draft intergovernmental fiscal decentralisation policy framework was sent to cabinet by the MoLG for consideration. The policy framework addresses the overlaps in the assignment of functions between the central government and LGs, the misallocation of resources and financial accountability mechanisms. The policy also aimed to support LGs to undertake the effective collection of locally generated

revenue. The comprehensive fiscal decentralisation policy document was financially quantified and had the support of a number of donors who were ready to provide financial assistance for its implementation. Work plans and a schedule of activities were carefully drawn up, but again this document just added to the piles of lofty ideas that are written but never implemented because different political parties or governments had initiated it.

Deepening and acceleration of decentralisation policy: A new focus?

In 2009 the NDC government that took over from the NPP and started another process towards developing a new focus for Ghana's decentralisation. This was to fulfil its campaign manifesto 'Deepening and Accelerating the Decentralisation Policy.' The NDC has embarked upon what it termed 'Regional Consultations' to solicit views from a cross section of Ghanaians on decentralisation policy and its implementation. These Regional Consultations led to a national stakeholders' conference on decentralisation in January 2010 that provided an opportunity to about 250 invited participants and 65 identifiable groups and professional associations to reflect on policy and implementation issues and make recommendations. The task force responsible for the programme has just completed its work and is yet to submit a report. An interview with three of the team members solicited the following facts from the consultation:

- A consensus is emerging that the LG system should remain non-partisan.
- There is also a consensus that chiefs must be assigned some role in Ghana's LG system.
- Opinion is split over the election of DCEs. Opposition political parties, academics and civil society organisations want to see DCEs elected while the ruling government wants to keep the existing appointment system. The chairman of the task force is of the opinion that if it is put to a referendum or any organised vote, most people would support the election of mayors/DCEs.
- There is also a split in opinion about the '30 per cent appointments' of councillors, although only a minority want all councillors elected.

Introduction of performance management in LGs

The MoLG and development partners have introduced a performance-based grant system for LGs in Ghana. This initiative partly addresses the financing gap and also aims to introduce incentive systems for performance. The programme, called a 'functional organisational assessment tool' (FOAT) facilitates and harmonises performance assessment and the provision of a district development facility (DDF) in a manner that rewards good performance. The formula for allocating the total grant of US\$25m in 2008 was as follows: basic grant (40 per cent); performance grant (40 per cent); and capacity-building grant (20 per cent). The 40 per cent of the fund allocated

to basic grants is shared among the LGs as follows: 40 per cent is shared equally; 50 per cent is shared based on population; and 10 per cent is shared based on land size. The performance grant of 40 per cent (US\$10m) is shared among only 50 out of 138 LGs, that is those that were judged to have satisfied the minimum conditions of successful performance as assessed by a team of consultants. The introduction of FOAT and DDF was a bold step towards rewarding performance at the LG level. A follow-up should subject mayors/DCEs to the same performance agreement. DCEs/mayors as heads of the executive committee of the assembly do make a difference between success and failure of Ghana's LG system. However for a mayor to be subjected to proper performance assessment would require a considerable degree of autonomy in operation and longevity in duration of contract. The current arrangement where DCEs are appointed by the president and are fired based if they displease him in the least will not be suitable for performance contract. In that case there is a need for the election of DCEs as suggested earlier. Furthermore, the issue of who is responsible to supervise and assess the performance of DCEs should be clarified. Currently, both regional ministers and the Minister of LG claim responsibility but nobody does it.

Municipal Finance Authority

In 2006 the government started discussions on the need for the establishment of a Municipal Finance Authority through which DAs could raise loans from the capital market through issuance of municipal bonds. No decision was made until a new government took over in 2009. So far discussions on this novelty have died down and the MoLG does not intend to raise it further because, as they put it, 'the Ministry of Finance did not support the idea'.

Ghana Municipal Finance and Management Initiative

This project is an initiative of the GoG with sponsorship by the Cities Alliance, World Bank and UN-Habitat with the aim of assisting LGs in Ghana to significantly increase their IGR, improve their management and accounting systems, raise sufficient funds to reduce the backlog of infrastructure and service delivery requirements, and improve their credit worthiness to borrow from the capital market.

Inter-Ministerial Committee to oversee implementation of decentralisation policy

An Inter-Ministerial Co-ordinating Committee (IMCC) is being set up to provide policy direction for Ghana's decentralisation process, direct the process of harmonising sector legislation with that of decentralisation, and monitor implementation of sectoral activities to ensure that they are consistent with the country's decentralisation policies and programmes. The IMCC will be chaired by the country's vice president

to reduce inter-ministerial conflict. The MoLG will continue to be the secretariat for the committee.

Notes

1. Gross annual remittances are estimated to be about US\$4 billion. This figure includes remittances from individuals as well as non-governmental organisations (NGOs) and embassies. Individual remittances were estimated at about US\$1.9 billion in 2008.
2. Departments of Social Welfare; Community Development; Town & Country Planning; Public Works; Parks & Garden; Rural Housing & Cottage Industry; Births and Deaths; Forestry; Controller & Accountant-General; Medical Officer of Health; Feeder Roads; Animal Health & Production; Fisheries; Extension Services; Crop Services; Agriculture Engineering; Districts Sports; Cooperatives; Fire Service; Library Board; Game & Wildlife; and National Youth & Organising Commission.
3. In July 2007 The Bank of Ghana re-denominated the Ghanaian currency (Cedi) by setting a ₵10000 to GH₵1 new Ghana Cedi.
4. PhD, MPhil, MA, MBA, MSC, Post Graduate Diploma, BA, BSc, ACCA/ICA.
5. Higher National Diploma, Diploma, Intermediate certificate and GCE A Level.

5

Decentralisation in Mozambique

Summary

This chapter traces the trajectory of decentralisation implementation in Mozambique. It covers the circumstances that led to the adoption of decentralisation; the type of decentralisation being pursued, the main area(s) of focus, achievements so far, the challenges and some suggestions for improvement. In writing the report, three data-collection methods were adopted: an analysis of the country report submitted by the Ministry of Public Services to the Commonwealth Secretariat, a two-week rapid field survey conducted by a consultant hired by the Commonwealth Secretariat to validate the country report, and a regional validation workshop organised in Gaborone during which comments were solicited from government institutions on the draft country report. The final draft report was further reviewed by the Ministry of Public Services.

This chapter, therefore, expresses the views of the government and of a number of stakeholders who contributed. The chapter is divided into six sections. The first section provides a short introduction to Mozambique and a detailed explanation of the methodology adopted to write the report. Section 2 provides the socio-cultural, political, economic and historical context in which decentralisation should be understood in Mozambique, while sections 3, 4 and 5 analyse devolution, deconcentration and market decentralisation respectively. In section 6, the report highlights the achievements of decentralisation, the challenges and lessons, and provides suggestions on ways to improve on the policy implementation in the country.

In 1998 Mozambique embarked upon the decentralisation of state administration using two parallel processes: the devolution of some central government functions, authority and finances to 43 municipal governments (mainly in urban areas), and administrative deconcentration by transferring specific duties and functions of the central government to 128 rural districts (called local bodies of the state) and providing them with legitimacy and instruments to execute their tasks. The importance of decentralisation to Mozambique is further emphasised in the state's strategic vision, 'Agenda 2025', and the government's 10-year 'Global Strategy for Public Sector Reform (2001–2011)'. These documents consider decentralisation as the most important pillar for modernisation of the state.

Decentralisation manifests in the political, fiscal, administrative and accountability reforms that have taken place in the country in terms of the relationship between

the centre, provinces, districts and municipalities. The development that has taken place since 1998 constitutes significant progress in Mozambique, given the country's historical, economic, socio-cultural, political and institutional background. In an effort to change the state–local relationship, the Government of Mozambique has enacted a series of laws that provide legal support for decentralisation implementation in the country.

An important achievement of decentralisation in Mozambique is the expansion of service delivery, although systematic data is patchy. Anecdotal evidence suggests that the provision of basic services has improved in rural areas as a result of a massive injection of government funds to district administrations (DAs). The proportion of the population with access to potable water has increased from 37.1 per cent (2001) to 48.5 per cent (2007). In terms of basic sanitation, in 2007 25,638 pit-hole latrines were built in rural areas all over the country, which represents 39 per cent coverage (GoM, 2008: 12). In the urban areas, there have been improvements in solid waste collection and land-use planning. The coverage for urban water supply has also risen from 31.2 per cent in 2000 to 40 per cent in 2007. The government's official report on the country's progress in meeting the Millennium Development Goals (MDGs) clearly shows that there is potential to halve the number of people without access to safe drinking water and sanitation. Primary school completion rates have increased significantly from 38.7 per cent in 2003 to 72.6 per cent in 2007. The construction of classrooms and recruitment of teachers were considered key issues for achieving this. There has been progress in these services partly because they have been decentralised to district administrations and provincial governments instead of being provided by the central government as in the past.

Another achievement of decentralisation in Mozambique is the gradual improvement of voter turnout at municipal elections. While voter turnout in national elections is falling steeply (from 87 per cent in 1994 to 44 per cent in 2009), turnout in local elections is rising substantially (from 15 per cent in 1998 to 46 per cent in 2008). This suggests that people are beginning to see the relevance of local democracy, while they feel indifferent at the national level. With a gradual increase in the number of municipalities, local democracy will improve further to cover wider Mozambican society and not only the few urban areas. In addition, Mozambique is among the few countries in Africa where mayors and councillors are directly elected by the people through universal adult suffrage. Mozambican municipal administration has a clear separation of powers between local legislative assembly and the executive.

Nevertheless, there are a number of challenges facing the implementation of decentralisation in the country. First, in the context of state reforms, a decentralisation policy document would typically precede the passage of a decentralisation law. While there are many decrees, ministerial plans and programmes, and national strategic plans that address some of the fundamental issues in decentralisation, no formal policy document on decentralisation has been adopted so far.

Second, while the principle of gradualism has been adopted, based on which devolution or ‘municipalisation’ would be extended slowly to all parts of the country, the central government has not clearly outlined the conditions/benchmarks under which this would happen in any policy document. In 2008, ten rural areas were promoted to municipalities but without clear parameters for gradualism. Critics argue that the government has been selective. Generally there is a deep misunderstanding on the part of intellectuals, civil society and the donor community about the gradualist approach of Mozambican government. There is, therefore, a need for the new decentralisation policy to clearly explain the gradualism process and further provide parameters/benchmarks and methods for assessment and promotion. The policy must also provide direction on sectoral decentralisation and ministerial re-alignment so as to discourage innovative but incoherent sectoral approaches to decentralisation in the country.

Third, the Government of Mozambique may be commended for implementing simultaneous decentralisation and capacity-building measures at the district level, but there is also the need for the central government to change the attitude and mindset of some central government and provincial government bureaucrats, who constantly use the excuse of inadequate capacity at the DA level to hold back the decentralisation process. While there is no doubt that the capacity of the majority of the districts to plan, budget and execute deconcentrated functions is low, the burden is on the central government to convince its own sectoral employees in Maputo and those in provincial capitals that capacity development at the DA level will be achieved through learning by doing and not only classroom work.

Fourth, poverty has decreased in Mozambique from 69 per cent in 1997 to 54 per cent in 2003. It is expected to drop further to 45 per cent and 40 per cent in 2008 and 2015 respectively (GoM, 2008: 10). While this reduction may not be attributed totally to decentralisation (given the massive injection of foreign aid and big projects into the economy), it is also not a coincidence that over the same period the proportion of expenditure allocated to social services that have had positive effects on poverty reduction has been remarkable. Expenditure on education (20.8 per cent), health (13.5 per cent) and infrastructure (16.4 per cent), totalling 50.7 per cent, far exceeds the target for the MDGs and demonstrates the government’s commitment to poverty reduction. The key challenge is for the government to ensure that funds earmarked for poverty reduction do not get stuck at the centre and line agencies but go to the districts, while at the same time ensuring that expenditure is monitored properly. In other words, the current decentralisation reform is benefiting provincial governments more than the districts and municipalities that are seen as closest to the people. About 95 per cent of recurrent sub-national resources are anchored within the provincial budget. The provincial level is where decisions are made and money spent, particularly with respect to the key sectoral services (education, health, agriculture, public works and water). With the introduction of elected provincial assemblies in 2009 the

challenge would be on the central government to prevent provincial lawmakers from creating laws that would make it harder to deconcentrate resources further downward to the district level.

Fifth, while a number of stakeholders (donors, civil society, academics, etc.) would want to see further strengthening of municipalities in the country, the central government has passed new laws which weaken their autonomy. This includes: a new law that reduces central government transfers (CGT) to municipalities from 3 per cent to 1.5 per cent. In actual practice CGT to municipalities has not gone beyond 1 per cent. The government's argument for reducing CGT is that the municipalities have sufficient revenue sources that they do not tap. While this may be true for urban municipalities like Maputo, the less endowed and rural ones may really suffer from this policy.) In addition, Law 11/2005 empowers provincial governors and the minister of state administration to supervise the work of municipalities. In other words, municipalities have dual subordination to the minister of state administration and the provincial governors with the latter having the power to overrule municipalities. Although supervision of municipal governments by a higher level government is needed for effective decentralisation, there is a need to guard against excessive controls by state bodies.

5.1 Introduction

Mozambique, with a population of about 20.3 million people, is in Southern Africa and occupies an area of 799,380 km². About 70 per cent of the population lives in rural areas and 5 per cent lives in the national capital, Maputo. The country adopted a centralised state approach after independence from Portugal in 1975, but soon went into a civil war that killed about 1 million people and nearly collapsed the state and her institutions. The first wind of change in the state's approach in 1987 was essentially economic, after which political changes followed in 1990. Since 1998, Mozambique has been embarking on a process to decentralise state administration using two parallel processes: (a) devolution of some central government functions, authority and finances to 43 municipal governments (mainly in urban areas, called municipalisation); and (b) administrative deconcentration by transferring specific duties and jurisdictions to 128 rural districts (called local bodies of the state) and providing them with the legitimacy and instruments to execute their tasks. The importance of decentralisation to Mozambique is emphasised in the state's strategic vision, 'Agenda 2025,' and the government's ten-year 'Global Strategy for Public Sector Reform (2001–2011)'. These documents consider decentralisation as the most important pillar for the modernisation of the state.

The developments that have taken place since 1998 constitute significant progress in Mozambique's state administration. However, decentralisation is a complex and time-consuming reform process. The policy design, strategies for implementation and

subsequent impacts are significantly influenced by a number of factors (historical, geographical, economic, social, cultural, political, and institutional context) of a country. In Mozambique, how have these factors influenced the choice of decentralisation policy and strategies? What are the consequences of these on equity, empowerment of local institutions and quality of local governance and services delivery? Who are the protagonists of decentralisation reforms in the country? What are their interests? How have they pushed through their interests? How have various actors and institutions (formal and informal, public, private, and civil society) reacted? What are the gaps between policy intentions (as stated in statutory books) and actual practice? How has the central government facilitated political, economic, financial and accountable decentralisation policies in favour of lower levels of government, semi-autonomous organisations and deconcentrated field administration?

5.1.1 Sources of data and data collection methods

The research collected data that illuminates the circumstances that led to the adoption of decentralisation; the type of decentralisation being pursued; the main area(s) of focus; achievements so far; the challenges and suggestions for improvement. The study adopted three types of data collection. The first was based on the country report that the Mozambique Ministry of Public Services submitted to the Commonwealth Secretariat for validation. The report was found to be inadequate in terms of providing the kind of information and analysis that would enable a proper assessment of some key issues in decentralisation (see section 1.3.3). The inadequacy of the report led to a second phase in the data-gathering process. This involved a two-week rapid field survey conducted by the author with the support of the Technical Unit of Public Sector Reforms (UTRESP) and Ministry of Public Service. During the field survey interviews were used to solicit information from key respondents. Among them were senior government officials in the sectoral ministries, central government and LG politicians, leaders of civil society organisations, donor agencies, and academics (see Table 1.1 in chapter 1).

Apart from the key people who were interviewed, the study also used document reviews, team discussions and direct observations. Given the time constraints, the team visited only two out of ten provinces: Manica Province in the centre and Maputo Province in the south of the country. There was also a regional validation workshop in Gaborone organised by the Commonwealth Secretariat.

The chapter is divided into six sections including this introduction. Section 2 provides the socio-cultural, political, economic and historical context in which decentralisation should be understood in Mozambique, while sections 3, 4 and 5 analyse devolution, deconcentration and market decentralisation respectively. In section 6, the report highlights the achievements of decentralisation, the challenges and lessons, and provides suggestions on ways to improve on the policy implementation in Mozambique.

5.2 Decentralisation in the Mozambique Context

5.2.1 Decentralisation during Portuguese rule

Many European nations granted independence to their colonies in the years following World War II, but Portugal maintained its rule over Mozambique for nearly three more decades. During colonial rule, Mozambique was considered a province of Portugal and was organised in a four-tiered administrative structure. Local administrative structure, which comprised districts (the current provincial level) and *circunscricão* (the current district level), were centrally administered from the capital, Maputo, while the country as a whole was directly controlled from Portugal. Only in the villages were the locals (led by traditional authorities) involved in administration. The Portuguese colonial administration increased their co-operation with 'traditional authorities', particularly in the rural areas, for whom they invented the term '*régulo*' (see Figure 5.1).

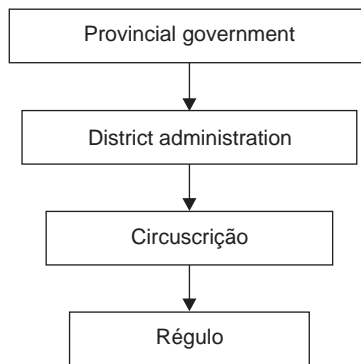


Figure 5.1. State administration before independence

In 1962, three anti-colonial political groups established the Frente da Libertação de Moçambique (Liberation Front of Mozambique, FRELIMO). An armed campaign against Portuguese rule began two years later and continued until 7 September 1974 with a peace agreement between the Portuguese and FRELIMO. On 25 June 1975, Mozambique finally got independence. At independence, Mozambique was left with a highly centralised and bureaucratised administrative structure.

5.2.2 Decentralisation after independence

Following independence, FRELIMO benefited from widespread support as the liberation party. FRELIMO official policy was to abandon all colonial political, economic and social institutions and structures. The first move was the establishment of a socialist state based on the principles of democratic centralism and state economic planning, and with a political decision-making process solely controlled by the centre under a one-party system. Given that the struggle for independence was supported by leftist countries such as Tanzania, the former Soviet Union and China, it was

logical that a centralised approach was adopted. One year after independence (24 July 1976) a ‘nationalisation day’ was organised where the state took over all social and economic services, be they state, private or missionary owned, and managed them as state enterprises. The rationale for state control of these services was to guarantee accessibility and rights to all citizens, a reversal of Portuguese policies. FRELIMO also sought to abandon the local administrative structures – the *régulos* – that the Portuguese had introduced and to severely punish those who had a proven record of co-operating with the Portuguese. FRELIMO punished the *régulos* for their complicity with the Portuguese colonial administration.

As a means of offering a functional alternative to colonial left-overs, FRELIMO established an elaborate political structure throughout the country from the centre to the village level. A ‘new’ five-tier state administrative structure was developed: central government, provincial government, district administration, administrative post and localities¹ (Decree 8/78, see Figure 5.2).

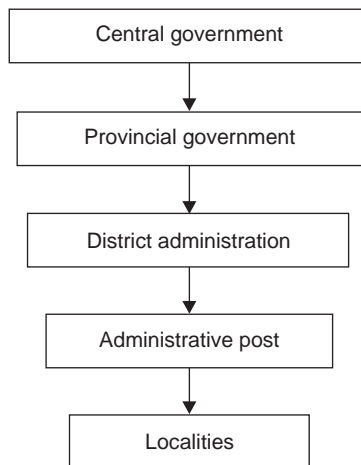


Figure 5.2. State administration after independence

In the centralist administrative structure, the sub-national structures were mere information providers to the next highest administrative level, while the provinces communicated the central decisions downwards (Roll, 2004). FRELIMO also created youth, women’s and worker’s organisations in all levels of government. During this period, there was little distinction between the people who worked in the state structures, the ‘party’, and the ‘government’. With an increasing use of force and violence in the implementation of government programmes and with deteriorating economic conditions and standards of living in rural areas, enthusiasm for FRELIMO rapidly declined.

The governments of Rhodesia and apartheid South Africa supported the creation of an armed resistance movement, Resistência Nacional Mocambicana (Mozambique

National Resistance, or RENAMO). Following Zimbabwean independence in 1980, South Africa became RENAMO's chief supporter, and the conflict intensified, with RENAMO becoming the main challenger to the government's authority. RENAMO became particularly active in the centre and north of Mozambique. They tried to form alliances with the 'traditional authorities' to recruit fighters and also waged war on the rural population as a way of fighting FRELIMO structures (Roll, 2004).

In 1983 President Samora Machel conceded during FRELIMO's Party Congress that socialist planning had failed and signalled the need for major political and economic reforms. Mozambique initiated negotiations with the World Bank and International Monetary Fund (IMF) for financial and technical assistance to rehabilitate the country's collapsed economy and social infrastructure. In 1987, the FRELIMO government adopted a Structural Adjustment Programme (SAP) and Economic Recovery Programme (ERP) under the aegis of the IMF and the World Bank (Wuyts, 1996). These reforms included the redirection of investment from state farms to rural co-operatives and family farms. Constitutional reforms took place in 1990 which provided for a multi-party political system, a market-based economy, and free elections – setting the stage for a major transformation of the state. In 1991, the government deregulated much of the public sector and allowed private participation in the social and economic sectors. The country's civil war ended in October 1992 with the Rome General Peace Accord.

The introduction of SAP and ERP opened the doors to a market-driven economy. Since then Mozambique's economy has seen steady growth, averaging about 7 per cent per annum (see Table 5.1). But Mozambique's economic growth has been driven mainly by massive inflows of foreign aid and mega projects.

International donor agencies have been strongly involved in 'developing' Mozambique and possibly even rebuilding a prototype of 'the new African state' (see Alden, 2001), making the country a donor darling in Africa (Awortwi, 2009). Official development assistance (ODA) has amounted to about US\$10.9 billion, about US\$1 billion a year

Table 5.1. Mozambique's economic performance since 2002

<i>Production</i>	2002	2003	2004	2005	2006	2007	<i>Average growth</i>
Agriculture, livestock and forestry	12.2	8.4	9.1	1.8	10.4	11.2	8.6
Mining	8.1	5.5	15.7	11.1	11.1	11	10
Manufacturing	10.4	-2.8	12.7	3.6	9.9	3.9	2.8
Utilities (electricity and water)	4.5	-5.3	5.7	12.8	23.6	9.0	8.4
Transport and communication	8.0	11.0	16.4	19.5	2.9	14.2	20.4
Financial services	3.2	12.7	0.9	2.9	2.9	2.4	2.7
Government services	3.8	4.0	5.6	2.1	4.5	9.1	4.9
Total GDP growth	9.5	7.0	4.6	8.4	9.2	7.2	7.8

Source: KPMG, 2009: 40

since 1999. In 2004, net ODA amounted to about US\$1.2 billion, corresponding to 23.6 per cent of national income, while in 2006 the country received approximately US\$1.5 billion. With about US\$65 in aid per person, Mozambique is one of Africa's largest recipients of aid, and receives more than double the regional average of about US\$26 per capita. For over 25 years, more than 50 per cent of the state budget has been financed by external aid, reaching 60.4 per cent in 2007. The largest donors are the World Bank, European Union and USA, each providing more than US\$100 million per year, followed by Denmark, the UK, Sweden, Norway and the Netherlands, each providing between US\$60–80 million per year (EURODAD/CAFOD/Trocaire, 2008: 7–13).

Mega projects financed by foreign direct investment have added to the capital inflows. For example, the MOZAL aluminium project, a partnership between BHP Billiton, Japan's Mitsubishi Co, South Africa's Industrial Development Corporation, and the Mozambican government, has invested US\$2.5 billion into the economy while the SASOL gas pipeline to South Africa is estimated to have invested US\$72 million. However, these projects have had weak linkages with the local economy. The agrarian sector, which offers opportunities for economic activities and employment for 80.5 per cent of the economically active population, receives only 6.8 per cent (2010 Government Budget) of public investment. As a result, productivity and income levels are low in the country. Even with consistently high economic growth rates over a decade, Mozambique remains one of the poorest countries in the world; 172 out of a total of 177 countries on the UNDP Human Development Index (2005), and the lowest in the Southern African Development Community (SADC). And this despite the fact that poverty has reduced from 69.4 per cent of the population in 1997 to 54.5 per cent in 2003 (República de Moçambique, 2006: 10). Rural poverty is very high and inequality in access to economic and social services and opportunities is highly skewed against rural areas (see Table 5.2).

Table 5.2. Rural–urban inequalities in development

<i>Selected MDG indicators</i>	1997			2003		
	<i>National</i>	<i>Urban</i>	<i>Rural</i>	<i>National</i>	<i>Urban</i>	<i>Rural</i>
Population living below the national poverty line (%)	69.4	62	71.3	54.4	51.5	55.3
Children with insufficient weigh (5yrs)	26	14.8	30.7	25.6	15.2	27.1
Under 5 mortality rate (per 1000 live births)	219	150	237	143	192	181
Children vaccinated against measles (1yr) (%)	57.5	93	47.1	76.7	90.8	70.8
Population with access to cleaned water (%)	37.1	66.8	26.1	35.7	57.7	26.4
Population with access to improved sanitation (%)	41.1	74.7	28.7	44.8	71.7	33.4
Deliveries assisted by qualified health staff (%)	44.2	81.4	33.9	47.7	80.7	34.2
Life expectancy at birth (years)	42.3	48.8	40.2	46.3	50.1	44.9
Adult literacy	39.5	67	27.8	46.4	69.7	34.3

Source: GoM, 2008: 10

The HIV/AIDS pandemic is still a major threat to development in the country, with the prevalence rate about 16 per cent in 2004.

5.2.3 Contemporary state administration

As a unitary state, Mozambique maintains its five-tier administrative structure: central government, provincial government, district administration, administrative post, and localities.

Central government

The central government is headed by an executive president who is elected by the people through a multi-party election. The president appoints a prime minister, to whom he delegates some of his responsibility, but the president remains head of government. In the absence of the president, the prime minister chairs the meetings of the Council of Ministers (Cabinet). The Office of the Prime Minister is made up of advisors, a secretary to the cabinet and a few clerical staff. There are 25 central government ministries and 3 state ministries in the Office of the President. There are 48 ministers and deputies responsible for the leadership and policy direction of the central government ministries. There is also no limit to the number of ministries and ministers that can be created and appointed by the president. In 2010, all heads of the technical staff of the ministries (permanent secretaries) were recruited through a process of public tender. In the ministries, there are consultants who provide technical advice to the sector ministers. Each ministry has technical and consultative councils. The technical council is chaired by the permanent secretary while the consultative council is chaired by the sector minister. Given that some of the permanent secretaries do not have technical qualifications in their sector, in most cases during the consultative council's meeting the permanent secretaries are replaced by national directors. There is no centralised employment of civil servants so each ministry employs and dismisses its own staff.

Legislative branch

Parliament is Mozambique's supreme legislative body. It is made up of 250 members elected through a party list in each province for a five-year term. Seats in the National Assembly are awarded based on the percentage of votes that the party receives in the provinces. Under the United Nations guidance and with the strong presence of international observers, Mozambique held its first general multi-party election in 1994 in which 250 MPs were elected. Joaquim Chissano of FRELIMO was elected president with 53 per cent of the votes and received 128 seats in the National Assembly, followed by RENAMO with 112, and 9 for the Democratic Union (UD). By 2004, the number of seats held by the opposition had shrunk to 90 (25 per cent), which got worse in 2009 election, when it managed only 59 seats (see Table 5.3).

Table 5.3. FRELIMO's political control of Mozambique National Assembly

Year	Ruling FRELIMO		Opposition		Voter turnout (%)
	% votes won	No. of seats in parliament	% votes won	No. of seats in parliament	
1994	53	128	45	121	87
1999	53.2	133	46.4	117	67
2004	75	160	25	90	43.6
2009	75	191	25	59	44.4

The Carter Centre (2004); 2009 Electoral Commission

A new provincial legislative assembly came into effect in 2009 with the election of members. The relationship between the provincial assembly and national parliament is still not clear.

Judiciary

The Supreme Court is the highest court and below it are provincial and district courts. A constitutional court created in 2003 is charged with determining the constitutionality of laws and decrees, supervising the electoral process and ruling on electoral disputes. There are also courts that exercise specialised jurisdiction, such as the administrative court, the customs court and the maritime court. The lowest judicial level are the community tribunals that operate in an informal manner (see Figure 5.3).

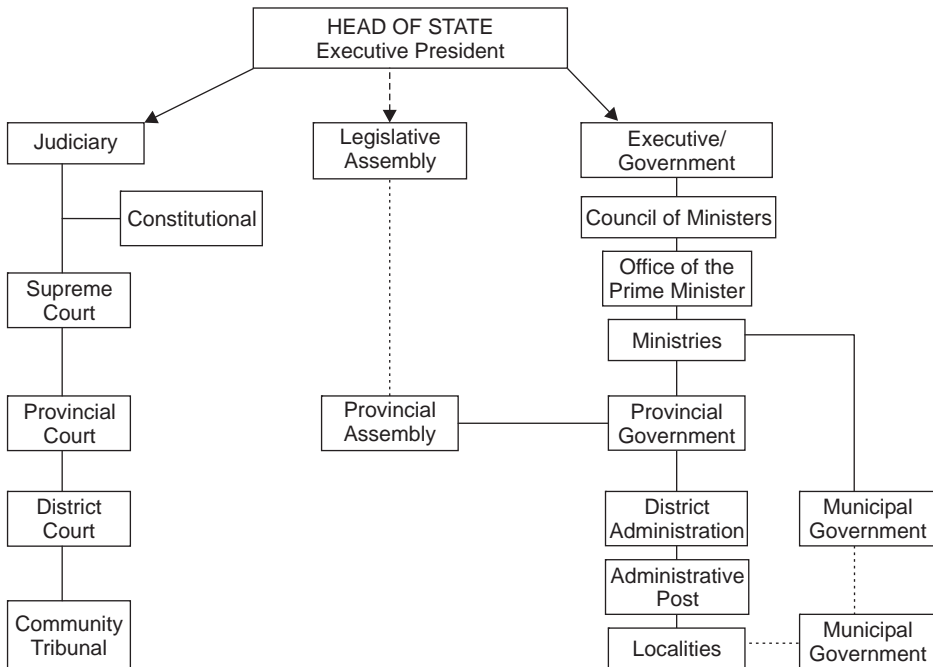


Figure 5.3. Structure of state administration

5.2.4 Sub-national administration

There are two types of sub-national governments: (a) provincial government administrations, and below them district administrations and administrative posts; and (b) municipal governments.

Provincial government

There are ten provincial and one city province government in Mozambique. Nampula and Zambezia are the most populated provinces. Niassa Province, despite being the largest province in terms of area, remains the least populated, while Maputo, the smallest province, is the most densely populated province (see Table 5.4). The province with the highest incidence of poverty is Inhambane in the south-east.

Table 5.4. Provinces in Mozambique

<i>Name of province</i>	<i>Name of capital</i>	<i>Area (km²)</i>	<i>Population 2009</i>	<i>Incidence of poverty (%)</i>
Sofala	Beira	68,018	1,796,668	36
Tete	Tete	100,724	1,679,470	60
Manica	Chimoio	61,661	1,483,574	44
Zambezia	Quelimane	105,008	4,055,430	45
Nampula	Nampula	81,606	4,055,878	53
Cabo Delgado	Pemba	82,625	1,751,499	63
Niassa	Lichinga	129,056	1,114,626	52
Inhambane	Inhambane	68, 615	1,509,680	81
Gaza	Xai-Xai	75,709	1,422,353	60
Maputo Province	Maputo	26, 058	1,150,985	69
City of Maputo	Maputo	300	1,325,845	54
Total	Mozambique	799,380	21,350,008	54

Source: Population figures from National Institute of Statistics; Incidence of poverty: GoM (2008: 13)

The governor is the head of the provincial government and is appointed by the head of state. The permanent secretary is appointed by the prime minister in consultation with the governor and the minister of state administration. Some sectoral ministries have directorates at the provincial level; others share the same directorate. The provincial directors of the ministries are appointed by central government sectoral ministers in consultation with the governor. The civil servants are, however, employed by the respective governors in consultation with the directors of the ministries. Provincial directors have dual allegiance: technically to their sectoral ministry in Maputo and administratively to the province in which they work.

District administration

Below the provincial government are 128 district administrations, 393 administrative posts and 1,042 localities. The heads of district administrations are appointed by the

minister of state administration in consultation with the governor of the provincial government. The head of the civil servants in the district (known as the district permanent secretary) is appointed by the governor of the provincial government. The administrative post consists of the head, a police officer and a few public servants all appointed by the governor of the province. The main function of the post is land management. Below the administrative post are *localidade* or a number of *aldeias* (villages) organised around a particular traditional or community authority.

Municipal government

There are 43 municipal governments. The executive head of a municipality (mayor) and the municipal legislators are elected directly by the citizens for a five-year term. The status of 'municipality' is given to urban areas. In the beginning of this process (1998), 33 municipalities were created. Ten years later (2008), 10 more were added.

5.2.5 Traditional authorities

After independence, traditional authorities were sidelined because they were seen as vestiges of colonial domination. In the discussions between government, donors and some 'traditional authorities', it was very much contested whether the latter should be recognised and integrated into the official administrative apparatus of the state (see West and Kloeck-Jenson, 1999; Weimer, 1999). FRELIMO was against traditional authorities being included in the new political and administrative set-up of Mozambique because they were considered to have been used by the colonial government to dominate the people. So to silence the traditional authorities, FRELIMO established a non-political system at the community level to operate in parallel with the traditional authority. It was only in 2000 that FRELIMO recognised traditional authorities with the passage of Decree 15/2000, 'channels of communication and forms of articulation between local state administration and community authorities (*autoridades comunitárias*)'. The law permits local authorities to collect some rural taxes, provide local conflict resolution, community policing and facilitation of community participation. As compensation, 'community authorities' are officially recognised and their leadership is formalised. They also receive a small salary and sometimes a share (10 per cent) of the local tax collected.

5.3 Devolution through Municipalisation Process

5.3.1 Quest for devolution

When the war ended in 1992, decentralisation was donors' preferred policy for developing countries. Like-minded donors in Mozambique (Denmark, Switzerland and the Netherlands) wanted a big bang democratic decentralisation to provide opportunities for the development of local governance. Together with the World Bank, they

provided financial assistance to the government of Mozambique to begin the process of democratic decentralisation. A series of national and district workshops and forums were organised. The government instituted a programme called Programme for the Reform of Local Bodies (PROL). The aim of PROL was to transform the system of local state administration into local government institutions with some degree of autonomy in administration and finance. It was to create a system of district-level elections across the entire nation. These donors succeeded in encouraging the FRELIMO Legislative Assembly to pass Law 3/94. If it had been implemented, it would have resulted in a sea change in Mozambique, from a highly centralised system of state administration to a highly decentralised system (devolution). The intention was to have all districts led by locally elected legislative and executive bodies with substantive service delivery functions, along with financial and administrative autonomy.

Immediately after the passage of the law, the first multi-party election was organised. The main opposition party, RENAMO, got about 40 per cent of the seats in Parliament. The majority of the seats that RENAMO won were in the rural areas. Law 3/94, which the government had passed without consultation, was deemed flawed and needed revocation. The new FRELIMO-led multi-party national assembly found some sections in the constitution that seemed to suggest that Law 3/94 was unconstitutional.² Having come out of a civil war and wanting to avoid a renewal of conflict, not many stakeholders, including the 'like-minded' donors, were prepared to contest the constitutional amendments, though there were serious disagreements among the donors, the few intellectuals involved, and RENAMO. Eventually the ruling FRELIMO Party amended the constitution (Law 9/96) and created dual decentralisation, with autonomous municipal councils and local organs of the central state (districts). A new LG law (Law 2/97) was passed to define the municipalities and the broader legal framework. During discussions on the number of municipalities to be created, FRELIMO wanted a limited number of autonomous LGs. The party proposed 23 while RENAMO wanted 50, ostensibly to cover many of the rural areas that it had won. In the end, a middle ground was reached where 33 municipalities (10 provincial capitals, two largest towns from each of the provinces, and ten rural areas) were selected to start the municipalisation process (*autarquias*). The rest of the country retained the state local bodies where the central government appointed district administrators and managed them. The intention was to give gradual autonomy to towns if they improved their capacity to handle the work of government. In other words, the rationale was to implement a gradual local autonomy system.

5.3.2 Municipal government elections

Mozambique municipalities have an executive mayor system where the mayor is directly elected by the people for a five-year term. The mayors have the power to appoint their own cabinet to run the municipality. Municipal elections are conducted through the multi-party system. In 1998, the promise of local democracy through the

organisation of elections in 33 newly created municipalities was overshadowed by a RENAMO boycott. The party withdrew from the elections because of disagreements over the implementation of Law 2/97, the selectivity of the municipalisation process, and unanswered complaints about flaws in the registration process. FRELIMO won in every municipality, but the turnout was very low, at about 15 per cent. In the 2003 elections, FRELIMO consolidated its hold by gaining a strong majority of municipalities, winning 28 municipal mayorships and holding absolute majorities in 29 municipal assemblies, with victories in many areas that RENAMO had won in previous national elections. RENAMO only managed to win five municipal mayorships and majorities in four municipal assemblies. In the third municipal election in 2009 FRELIMO won 42 out of 43 municipalities (see Table 5.5). Only one municipality went to an independent candidate. RENAMO did not win any municipal councils. Opposition political parties are weak at both the national and local level. As one senior municipal director put it: ‘as a political organisation, the FRELIMO party is stronger than the state. Once the party nominates you as their candidate you will surely win election. So the party has control over who becomes the mayor.’

With the implementation of LG Law 2/97, only about one-third of the national population living in the urban areas has the right to elect their local leaders. Voter turnout in the second municipal election in 2003 increased significantly to 28 per cent, but it was still only about one-third of the national assembly elections turnout. Government officials attributed low turnout in municipal elections to people’s disinterest in local politics and tried to cast doubt on municipalisation. Another reason for the low turnout at local elections is that people think their votes will not change anything since there is no credible opposition party to compete with FRELIMO. In 2008, overall turnout was 46 per cent, a highly significant increase of 18 per cent from 2003. Though voter turnout was generally low (below 50 per cent), for the first time turnout at municipal elections surpassed national assembly elections (compare voter turnout in Table 5.3 with Table 5.5). At the national level voter turnout has decreased from 87 per cent in 1994 to 44 per cent in 2009.

The previous analysis shows that while national voter turnout is decreasing, voter turnout for local elections is increasing (although the figure is still low). This shows that municipal politics is beginning to gain local relevance despite FRELIMO’s dominance.

Table 5.5. Share of vote and voter turnout at municipal elections

<i>Year</i>	<i>FRELIMO</i>	<i>Opposition</i>	<i>Voter turnout (%)</i>
1998	33/33	Boycotted	15
2003	28/33	5/33	28
2008	42/43	1/43	46

Source: Electoral Commission

5.3.3 Human resources in municipal government

During the transition to the municipalisation process, deconcentrated sectoral employees (with the exception of those working in education, health and tourism) were immediately absorbed by the municipalities. However, some employees of the three sectors remained with the provincial government. In other words, there arose two parallel staff systems: sectoral (field administration or deconcentrated) staff and municipal staff. The sectoral employees are paid by the central government and have no legal obligations to co-ordinate their work with the municipal government. Municipal governments have the power to hire, motivate and fire their own employees. Unlike central government, municipal governments have no fixed salary structure so they are able to negotiate flexible contractual terms with their employees and also attract better qualified people than district administrations. For instance, the Maputo municipality pays competitive salaries to the extent that a graduate with a Licenciatura degree gets about US\$800, while the central government only pays about US\$300, though this cannot be generalised to all municipalities.

5.3.4 Structure of municipal government and management

The municipal executive council and municipal assembly exist as two separate institutions with their own organisational structures. The executive council is headed by the mayor and is organised around four key service areas: urbanisation, land, water and sanitation; social services (education, health, women and children); economic services (agriculture, roads, electricity; and finance, trade and small businesses (see Figure 5.4). The mayor employs administrative staff to manage the municipality. The municipal assembly, which is the local legislature, approves the municipal plan and budget and authorises expenditure of the executive. In other words, the main function of the local assembly is to supervise the implementation of the executive council's work plans and budget. No member of the municipal assembly works in the executive so there is a clear separation of powers and functions. Since 2008, all local assembly members receive monthly salaries instead of seating allowances. The salary depends on how much a municipality is able to mobilise from its internally generated sources. LG finance law required municipalities to use only 30 per cent of their internally generated revenue to pay local politicians (councillors and mayor), but this was increased to 40 per cent in 2009.

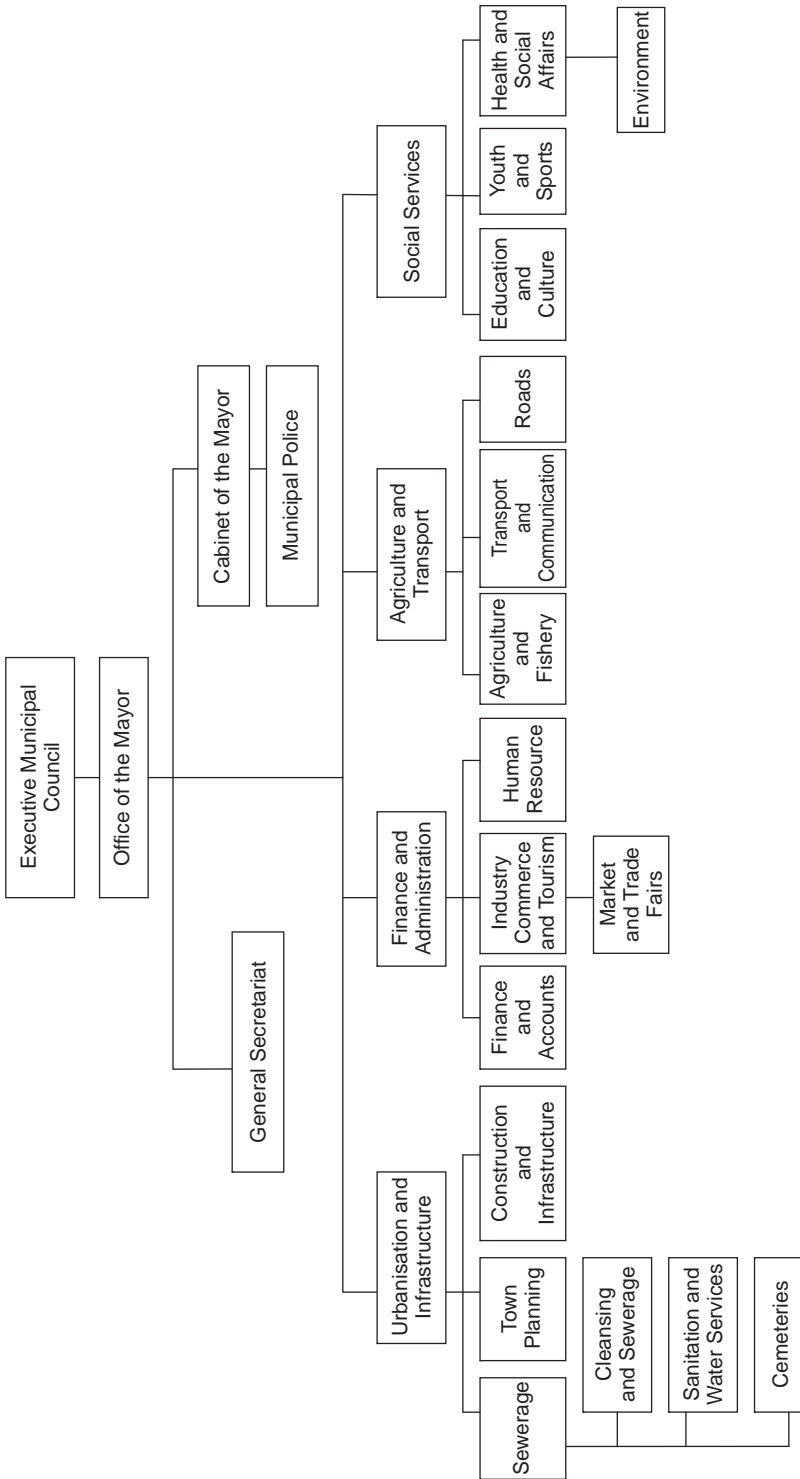


Figure 5.4. Organisational structure of municipal council

5.3.5 Municipal expenditure assignment

According to Law 2/1997, the functional responsibilities of municipalities include: local economic and social development; environment, basic sanitation and quality of life; public utilities; health; culture, recreation and sports; education; municipal police; and urban development, construction and housing. In addition, complementary legislation (Article 25 of Law 11/1997, now Article 27 of Law 1/2008) assigns several 'exclusive responsibilities' to municipalities. Article 26 of this law (now Article 29 of Law 1/2008) further stipulates that shared (concurrent) expenditure responsibilities in any other field may be carried out by municipalities under contractual relationships with relevant state administration units. In practice, municipalities deliver local economic services such as public utilities, local roads and basic municipal infrastructure, refuse collection and water supply (in some municipalities). While Law 1/2008 stipulates that municipalities may carry out expenditure responsibilities in the provision of social services such as public education and health care under a contractual relationship with relevant state administration units, it is unclear whether this would constitute a truly 'shared' responsibility or rather a 'delegated' responsibility.

Expenditure pattern

Slightly more than half of municipal expenditures are recurrent and the remaining share development expenditure. The development budget is spent on water, electricity and primary school infrastructure. The municipal government shares the cost of some service provision with state/provincial agencies. For example, in an electrification project a municipal council would buy the poles and the transformer while the national electricity company supplies the power. In Manica, the municipal government undertakes water supply services to poor communities that are outside the reach of the national supply line. The municipality also builds classrooms for primary schools and provides solid waste collection (SWC) services. Most of the development budget is spent on agriculture services because the municipality has both rural and urban features.

5.3.6 Municipal revenue assignments

Law 11/97 and revised Law 1/2008 give powers to municipalities to generate local revenue in order to finance expenditure and investment responsibilities that have been decentralised to them. Municipalities are given the authority to collect property tax, poll tax, market revenue and advertising revenue (bill boards). With the exception of Maputo, municipalities' internally generated revenue (IGR) is about 7–15 per cent of total municipal revenue. For example, the annual budget of Manica Municipality is about MT24.4m (US\$871,428), of which only 13 per cent is generated locally (see Table 5.6).

Table 5.6. Sources of municipal budget in Manica municipality, 2008

<i>Source of revenue</i>	<i>Amount (million MT)</i>	<i>%</i>
Central government grant for development	5.8	23.7
Central government grants for recurrent expenditure	5.8	23.7
Internally generated funds	3.2	13.1
Road Fund	2.6	10.8
Donor support project	7	28.7
Total budget	24.4	100

Source: Manica municipal government office

Mozambique's case is not an isolated one. Poor local revenue generation is typical of many African countries. In Mozambique there are two reasons for this: little attention is being paid to local revenue raising, and there is a low revenue base (many informal taxable economic activities). Much of the country's tax base is centralised for efficiency reasons, including income tax, resource tax, company tax, etc. In Manica, the municipality has not yet collected taxes on properties such as land and houses because the mayor claims they do not have the capacity to determine the best procedure to fix property rates as they do not have data on the value or size of private properties. This applies to almost all the municipalities.

5.3.7 Intergovernmental fiscal transfers

Central government fiscal transfers constitute a very significant part of total municipal revenue, without which municipalities would find it difficult to operate. In 1997, Financial Law 11/97 set 3 per cent of the national budget to be transferred to municipalities. This financial law was amended in 2008 (Law 1/2008) to reduce the transfer to 1.5 per cent, the reason being that the central government never sent 3 per cent, so why not make it official at 1.5 per cent to avoid any legal challenge? The fiscal transfers are basically disbursed in two forms, the Municipal Compensation Fund (FCA) and the Investment Fund for Municipal Initiatives (FIIA). The FCA is a non-earmarked grant that municipalities are able to use to finance recurrent expenditure with the exception of remuneration to councillors and members of the Municipal Assembly. FIIA can only be used to finance capital expenditure and the municipalities have full discretion to identify the initiatives to be funded with these resources. Additional transfers from central government are allowed by law in situations of *force majeure* which may threaten the ability of municipalities to supply essential public services, as in the case of natural disasters. Given that the central government is still responsible for delivering social services in the country, including primary education, primary health services, and certain public works, a variety of public services and infrastructure within the municipality are financed directly by the centre and therefore do not go

through the normal municipal financing system. In the near future, these services will be transferred to the municipalities.

If municipal expenditure is considered to be the only devolved sub-national expenditure, then Mozambique would be considered extremely centralised as only 1 per cent or less is devolved compared to other African countries like Ghana (7.5 per cent) and Uganda (30 per cent) (Awortwi, 2010). In fact, municipal spending as a percentage of total public-sector spending actually shows a slight decrease from 1.03 per cent in 2003 to 0.78 per cent in 2007, the lowest over the five year period.

Predictability of intergovernmental fiscal transfer

In 2008, a formula for distributing central government transfers to municipalities was introduced that takes into consideration population and physical size of the area, but there is no independent body that determines how the formula is factored into the calculation of the grant. Only the MoF is responsible for this. The formula for distributing recurrent expenditure is as below:

$$FCAa = NHa/NHT \times 75\% FCA + Ata/ATT \times 25\% FCA$$

FCA = Total fund
NHa = Population of the municipality
NHT = Total population of the municipalities in the country
Ata = Municipal area
ATT = Total municipal area

5.3.8 Other sources of municipal finance

Borrowing from banks

Municipal Finance Law 1/2008 allows municipalities to borrow money from commercial banks within the country, but sourcing commercial funds from outside Mozambique needs permission from the MoF.

External donations

Apart from intergovernmental revenue transfers, municipalities also benefit extensively from external funds, especially donations from foreign governments through their development agencies. In some municipalities foreign aid is substantial. For instance, the total budget of Maputo Municipality in 2009 was about US\$50m, of which about 52 per cent came from foreign aid, 28 per cent from internally generated revenue and 20 per cent from central government transfer.

5.3.9 Regulation of municipal financing

The relationship between the municipality and the central government is one of supervisory protection. The Ministry of State Administration and the Ministry of Finance are the official bodies assigned by law to perform this supervisory function, although they can delegate such authority. The supervision by the State of municipal finances is summarised in the supervision of the political-administrative acts of municipalities.

5.3.10 Municipal planning and budgeting

Municipal plans and budgets are approved by the municipal council. The Ministry of State Administration endorses them without any interference. In 2004, participatory budgeting was introduced in Dondo Municipality, but this planning approach has not been widely endorsed by other municipalities. At the moment only Dondo and Maputo Municipality use participatory budgeting. Though participatory budgeting is not required by municipal laws, the Association of Municipalities is encouraging more municipalities to adopt the process.

5.4 Deconcentration of Central Government Administration

5.4.1 Deconcentration of central government sectoral ministries

Sectoral deconcentration was part of the broader public sector reforms that started in 2001. Before deconcentration, all sector ministries had their own directorate and these directorates were duplicated in the provinces and sometimes in the districts. The planning, financing and implementation of projects were carried out directly by the ministries at the local level. Provincial governments only had functions through a multitude of projects that the ministries were implementing. Sectoral deconcentration became possible because donors pushed for it, and because they control much of the development budget, and central bureaucrats could not resist much. A director in the MoA put it this way, 'Money is power, so you cannot resist when you do not have money.' Donors pushed for the deconcentration of procurement and budgeting that the sector ministry had used to dominate provincial governments.

Agricultural sector deconcentration

The Ministry of Agriculture (MoA) is responsible for sectoral policy and regulation of agricultural land, forestry, crop production and livestock. Since 2003, planning and budgeting has been delegated to the Agriculture Directorate at provincial government level. The right to use land and exploit forest resources was also transferred to provincial and district governments. Employees of the Directorate of Agriculture at the provincial level are employed by the provincial government and not the MoA. There are about 6,300 civil/public servants in the agriculture sector, of whom about 80 per cent are employed at the provincial level (see Table 5.7). Nevertheless, because the

Table 5.7. Agriculture sector employees (2005–2008)

<i>Place of Work</i>	2005	2006	2007	2008
Ministry of Agriculture	672	658	580	606
Autonomous central institutions	1,143	1,097	628	628
Provincial level	4,540	4,383	5,267	5,049
Total	6,355	6,138	6,475	6,283

Source: Ministry of Agriculture

MoA controls the investment budget, the Directorate of Agriculture at the provincial government level is still subordinate to the ministry.

Health sector

Health services are divided into four levels: primary health care (PHC) in towns; rural and district clinics/hospitals; provincial hospitals; and the central hospital. The MoH is responsible for health policy, for the training and employment of health professionals, and for constructing health care centres. It is the responsibility of the municipalities to deliver PHC services, but at the moment they are still delivered through the central government deconcentrated system because, according to the MoH, the municipalities have not come forward to claim its implementation. The MoH is one line ministry that resists decentralisation of the health sector in any form. The MoH has totally replicated its organisational structure at the provincial level and instituted strict control over the provincial health directorate. The MoH has about 30,000 employees at national, provincial and district levels. Health sector policy and legislation have not changed to respond to the decentralisation laws. About 67 per cent of the total capital budget of the health sector is centralised at the MoH. Two main excuses that MoH makes in order not to deconcentrate are that the districts and provinces lack management and procurement skills, and that centralism takes advantage of economies of scale.

Education sector

Deconcentration of education started in 1994 with the decision to transfer some functions from the ministry to the provinces. Education policy involving strategic planning, curriculum development, and teacher training remained with the central government while infrastructure, hiring teachers, paying salaries, and other duties transferred to provinces. There are 133,000 employees on the payroll of the MoE, of whom 90,000 are teachers (excluding university lecturers) in 13,000 public schools. Provincial governments have authority and responsibility to plan, budget, hire, deploy, pay, promote and fire teachers in their jurisdiction. In terms of curricula, provinces are allowed to adapt the national curriculum to their circumstances. For example, in Niassa Province sex education has been introduced even though it is not

part of the national curriculum. At primary school level, provinces are allowed to use local languages if they so wish instead of Portuguese. There are public, private and church-based schools. Public schools are managed by the district administration and provincial governments. The MoE expects municipalities to take over responsibility for primary education, including infrastructure, teaching and payment of staff, but at the moment these services are delivered by provincial governments because, as the Permanent Secretary of the Ministry puts it, 'municipalities appear not ready to take over'. In 2006, the MoE instructed DAs to manage primary education instead of the provincial government. The DAs had only six months to take over the responsibility. At the community level, school management councils are the highest decision-making bodies for primary schools. Parents are involved in the management of the council.

'From the beginning of education deconcentration, central bureaucrats were sceptical about its success. They were not used to change. The mentality was that people at the provincial level did not have the capacity but we took the risk and implemented it. Our approach was to deconcentrate and build capacity at the same time. Of course there were challenges but we could not wait.' (Permanent Secretary, MoE)

There are ambiguities in the way many of the service delivery responsibilities of the DAs are stated. For instance, in the area of water supply, the functions assigned to the districts are clearly defined in the regulations as 'to construct stand pipes and to open boreholes and wells,' and 'to manage or to promote the management of the water supply systems'. In contrast, with regard to the district's role in the realm of education, the regulations are vaguely stated as 'to guarantee the good functioning of the educational establishments of the district', 'to promote the fight against illiteracy', and 'to promote linkages with the school community'. So, are districts assigned the responsibility to construct school facilities, and are districts assigned the responsibility to operate and maintain schools? Ambiguity in these areas leaves much room for misinterpretations and dereliction of responsibilities between the sectoral ministry and district administration.

5.4.2 Sectoral allocation of resources

The education sector is by far the dominant sector in sub-national recurrent spending, accounting for 46 per cent of total sub-national recurrent spending. In contrast, the health sector leads in sub-national capital spending, accounting for 24 per cent of the total (see Table 5.8).

About 35 per cent of recurrent expenditure occurs at the provincial level. However, there are distinct variations in the degree of expenditure decentralisation among sectors. For instance, in the education sector about 80 per cent of recurrent expenditure actually takes place at the provincial level, making education the most deconcentrated sector when considering recurrent spending. The degree of deconcentration of recurrent expenditure is much lower in the other 'deconcentrated sectors',

Table 5.8. Sub-national (recurrent and capital) spending by sector, 2007

	<i>Total</i> (millions of MT)			<i>Per capita</i> (million of MT)		
	<i>Recurrent</i>	<i>Capital</i>	<i>Total</i>	<i>Recurrent</i>	<i>Capital</i>	<i>Total</i>
Agriculture	230.38	292.55	522.92	11.31	14.36	25.68
Public works	162.20	59.68	221.88	7.96	2.93	10.89
Education	6,239.10	653.20	6,892.30	306.34	32.07	338.41
Health	1,673.53	984.69	2,658.23	82.17	48.35	130.52
Other	4,425.34	864.73	5,290.06	217.28	42.46	259.74
Provincial Total	12,730.55	2,854.85	15,585.39	625.06	140.17	765.24
District	719.19	1,218.73	1,937.92	35.31	59.84	95.15
Total	13,449.74	4,073.57	17,523.32	660.38	200.01	860.39

Source: Boex et al., 2008: 61

including agriculture, public works and health. In each of these sectors, only 40–50 per cent of recurrent expenditure is deconcentrated. In contrast, a large majority of spending in all remaining sectors is done through the central government level (see Table 5.9).

Table 5.9. Recurrent expenditure deconcentration by sector, 2007

	<i>Total</i> (millions of MT)			<i>Total</i> (%)		
	<i>Central</i>	<i>Provincial</i>	<i>Total</i>	<i>Central</i>	<i>Provincial</i>	<i>Total</i>
Agriculture	305.91	230.38	536.28	57.04	42.96	100.00
Public works	174.70	162.20	336.89	51.85	48.15	100.00
Education	1,478.03	6,125.92	7,603.95	19.44	80.56	100.00
Health	1,521.50	1,673.53	3,195.03	47.62	52.38	100.00
Other	20,230.55	4,538.52	24,769.07	81.68	18.32	100.00
Total	23,710.68	12,730.55	36,441.23	65.07	34.93	100.00

Source: Boex et al., 2008, p.61

With regards to capital expenditure in the different sectors, Table 5.10 shows that 80 per cent or more of capital expenditure takes place at the central level for *every sector*. Procurement of services is concentrated in the sectoral ministries. This is consistent with the trend in many centralised economies where central government officials in particular prefer to stay in control of capital investments in the country.

Table 5.10. Capital expenditure deconcentration by sector, 2007

	<i>Total</i> (millions of MT)			<i>Total</i> (%)		
	<i>Central</i>	<i>Provincial</i>	<i>Total</i>	<i>Central</i>	<i>Provincial</i>	<i>Total</i>
Agriculture	1,159.85	292.55	1,452.40	79.86	20.14	100.00
Public works	9,153.64	59.68	9,213.32	99.35	0.65	100.00
Education	4,427.27	653.20	5,080.47	87.14	12.86	100.00
Health	4,938.95	984.69	5,923.65	83.38	16.62	100.00
Other	9,471.56	864.73	10,336.29	91.63	8.37	100.00
Total	29,151.27	2,854.85	32,006.12	91.08	8.92	100.00

Source: Boex et al., 2008, p.58

The policy implications of this analysis are that any attempts to further strengthen decentralisation by shifting resources from the provincial level to the district level will be particularly opposed by provincial officials within the sectors as this will further undermine the little control of resources they have and make them less influential and redundant.

5.4.3 Deconcentration to district administration

In 2003, the central government initiated a second round of deconcentration with the emphasis on DAs. The most important ‘deconcentrated’ agents were the local representatives of national and provincial line ministries and the ‘district directors’ (mainly for agriculture, education and health). This whole bundle of different organisations and representatives was officially called the *órgãos locais do estado* (OLEs) the ‘local organs of the state’. A new institutional framework, ‘The Law of the Local Organs of the State’ (LOLE, Law 8/2003), along with its implementing regulations (Decree 11/2005) provides the legal framework for operationalising the DA system. These laws designate the district as the principal unit for the organisation and functioning of the local administration of the state and the basis for planning economic, social and cultural development.

Prior to the LOLE, central government ministries were ‘vertically deconcentrated’ by sector, so that district-level sectoral units were fully accountable to the sectoral directorate at the provincial level, which in turn reported to the central line ministry. Likewise, the budget of each district service delivery unit was vertically contained in the budget of the next highest level of sectoral organisation. In contrast to the previous practices, LOLE establishes a more integrated and ‘territorially deconcentrated’ (as opposed to sectorally deconcentrated) model of local administration. A minimum of four and maximum of six service functions are organised in a form of aggregated district directorates: education, sports and youth and technology; health, human and social affairs; economic activities (trade, tourism, agriculture and industry); and

planning and infrastructure. LOLE also introduced mechanisms of participation by local communities. Within the new institutional framework, the provinces and districts are not hierarchically integrated. Instead, LOLE assigns different functions to the province and district levels, and although the district is administratively and politically subordinate to the provincial level, each of them is supposed to have their own annual plan and budget. LOLE also made provision for integrated DA services. Before LOLE, DAs had district directors at all the line ministries (tourism, education, health, planning, agriculture, etc.). After LOLE, all services were put together into five integrated district service departments.

5.4.4 Functional assignment of district administration

Article 46 of LOLE assigns a number of service and administrative functions to the DA. These include emergency services, preservation of the environment, commerce and industry, water supply, education, health, natural resource management, energy resources, transportation and public transport, participative local development, public services (such as cemeteries), slaughter houses, markets and fairs, recreation, culture, and tourism. The general administrative functions include execution of the Programme of the Government and the Social and Economic Plan (PES), approval of development plans and the budget of the districts, approval and execution of the local development plans, the overseeing of the collection of tax revenues and non-fiscal revenues of the state in its area of ability, guaranteeing the defence and consolidation of the public domain of the state and the property of the state in the respective district; and determination of taxes and tariffs of non-fiscal revenue sources, as provided for by law and approval of their own internal regulations.

5.4.5 Citizen participation through consultative council

Citizen participation in deliberations and decision-making at the DA level is organised through the consultative council (CC). The CC is not only a matter of simple representation, discussion of local problems and looking for solutions, but a process of empowerment of the communities acting as clients of the state. The CCs participate in the construction and management of, for instance, school buildings, community drinking water (boreholes), road maintenance, and community resources. By involving the people in a deconcentrated system, the government not only recognises the mechanisms of local governance, but also develops the competence of local people in the hands-on planning and execution of budgets at local level while at the same time creates conditions for local accountability.

5.4.6 Deconcentration of human resource management

The general rule from Decree 14/1997 states that to enter into the Mozambique civil service a person needs to apply through public advertisement. Recruitment takes

place where the person would be employed. The National Director of Public Services was responsible for regulating the salaries and performance of civil servants. However, with the passage of Law 5/2006, 'human resource management' was decentralised to provincial and district administrations. The two sub-national organisations were given the authority to recruit, develop, promote, and dismiss their own employees. In 2007, the Ministry of Public Service was created with the mandate of ensuring that the public service was adequately resourced with human capacity and that civil servants who work in the various levels of state administration (central government, PG, DA and administrative-post levels) are properly regulated and managed (recruited, contracted, trained, promoted, dismissed, etc.). Decree 5/2006, which regulates the recruitment and retirement of civil servants, was subsequently repealed by Law 14/2009.

Human resources capacity

In 2008 there were 167,420 civil servants (66.7 per cent male and 33.3 per cent female) in Mozambique. By mid-2009, this figure had risen to 172,000, of whom only 15 per cent were in the central government ministries in Maputo while the rest worked in the provinces and districts as sectoral field officers. The number of municipal government employees is unknown as there is no centralised co-ordination of LG employees. Only 55.8 per cent of employees in public service are permanent staff, 18.6 per cent are on probation, and 25.6 per cent are on temporary contracts. Those on temporary contracts are mostly paid by donors through projects. About 70 per cent of the recurrent budget of the state is spent on salaries, with education and health taking up the most (80 per cent). There is an extremely low level of professional or academic qualification for civil servants, especially those that work at sub-provincial level. While in the mid-1990s less than 2 per cent of civil servants had a university degree, most of whom were concentrated in the capital, data from the Ministry of State Administration shows that only 0.1 per cent of those working at the provincial level had a university degree, while 37 per cent had no formal education at all (UNCDF/UNDP, 1998). In 2008, the Ministry of Public Service published a report on the educational qualifications of civil servants in Mozambique (see Table 5.11), but it is now estimated by the government that about 8.1 per cent of all civil servants have university degrees, 25.69 per cent have completed their high school education and 42.04 per cent have completed basic education. Amongst the civil servants with university degrees, 13.4 per cent are working in the districts (outside the provincial capitals).

The educational level of civil servants indicates the quality and competence of government machinery to develop and implement programmes. In Mozambique, Inhambane Province employs the least number of civil servants with higher education, and is also the province with the highest incidence of poverty at 81 per cent.

Table 5.11. Number of civil servants at national and sub-national level and their educational qualification

Location	No. of civil servants		Education			
	No.	(%)	Elementary ³ (%)	Basic (%)	Inter-mediate (%)	High school (%)
Central government	25,610	15.30	25	42	25	8
Sofala	14,105	8.42	23.8	41.2	28.9	6.1
Tete	10,773	6.43	21.3	49.9	26	2.8
Manica	10,119	6.04	19	48.4	28.9	3.6
Zambezia	18,138	10.83	24.6	53.4	18.5	3.5
Nampula	19,916	11.90	26.9	47.8	20	5.2
Cabo Delgado	10,067	6.01	22.5	59.1	14.9	3.5
Niassa	10115	6.04	27.5	47.3	22	3.2
Inhambane	12,684	7.58	25.5	47.2	24.5	2.8
Gaza	12,188	7.28	23	43.9	29.7	3.4
Maputo Province	12,301	7.35	22	36.1	34.2	7.6
City of Maputo	11,404	6.81	29	20.7	28.3	22

Source: Ministry of Public Service, 2008

Training of civil servants

Through the system of training in public administration (SIFAP), two types of professional training programmes are offered to civil servants. The first is the Higher Institute of Public Administration (ISAP) training programmes that are offered to central government employees and short courses for central, provincial and district administration employees. ISAP has offices in Maputo, Niassa and Sofala provinces to deliver the short courses. Every year about 450 civil servants from the central government ministries and agencies are trained in certificate programmes in public administration (CPSAP) at ISAP. The second professional training programme is provided by the Institute of Municipal and Public Administration (IFAPA) for sub-national and municipal employees. IFAPA has three training centres in the provinces of Maputo, Sofala and Niassa. There has not been any study to evaluate the effectiveness of these training programmes in terms of providing the kind of competence that municipal civil servants require in order to perform their functions effectively. The government is also considering organising distance learning to reach the many civil servants that need to be trained.

Remuneration of civil servants

Decree 14/2009 sets the recruitment and remuneration framework for civil servants in the 128 district administrations with the intention of setting up a unified staff

employment system under the management of the Ministry of Public Services. The basic salary is the same for all government employees with similar academic qualifications, but beginning in 2009 the government is providing a localised subsidy to employees who are transferred to remote districts. The monthly salary for new recruits with an elementary certificate is MT2,345 (US\$90.2) a basic certificate receives MT3,283 (US\$126.3), a medium general certificate MT3,752 (US\$144.3), a medium professional/technical certificate MT4,244 (US\$163.2); a bachelor's degree MT5,980 (US\$230) and a licenciatura⁴ MT7,715 (US\$296.7). The central government undertakes annual reviews of salaries in consultation with the Labour Consultative Council.

Promotion of civil servants

Every year, the government determines the number of employees who will be promoted and the budgetary implications. Until 2007, sector ministers undertook the promotion of civil servants. With the establishment of the Ministry of Public Service, the promotion of civil servants and their accountability has been transferred from the sectoral ministries to the Ministry of Public Service. The basic rule is that a civil servant is promoted every three years.

Dismissal of civil servants

No civil servant can be fired without permission from the administrative court, which has the power to establish or verify the reason for dismissal and rule whether it is justified and whether due process has been followed. The procedures for dismissing a civil servant involve formal accusation, a disciplinary committee hearing, and analysis of evidence. All these processes need to be completed within 15–20 days. The verification process makes it difficult to fire people. Given that there is a lot of work to be done to improve on the professionalism of the public service, this bureaucratic regulatory mechanism is needed to protect employees who can easily become victims. In 2009, the Ministry of Public Service passed a resolution (an administrative fiat) that permits the district administrator to hire and fire employees at the district level. Before the passage of that resolution provincial governors were responsible for hiring and firing civil servants. Given that this administrative fiat is not legally binding, DAs and PGs undertake dual hiring and firing at the sub-national level.

Planning, budgeting and financing of district administration

LOLE establishes the DA as the main territorial unit for the organisation and functioning of the local administration of the state and the basis for the economic, social and cultural development planning of the country. LOLE also establishes the district as a unified budgeting unit, with the district planning and budgeting process starting at the administrative post. In 2006, the central government initiated

a district-level development grant (or allocation) which provides financial resources to the districts to financing projects that are locally defined as priorities through the CC mechanism. In 2006 and 2007, each district was given MT7 million (approximately US\$300,000) for this purpose, while the amount was expected to increase slightly in 2008. There is no clear methodology for allocating these financial resources among districts, so each district roughly receives the same amount regardless of differences in size, population and needs. The districts are expected to use the funds to support income generation and job creation projects. Decisions on the use of the funds lies with the district's consultative councils. Other resources find their way indirectly to the districts from the central government budget through parallel ministerial mechanisms (which may or may not provide districts with some discretion over the use of these resources).

5.4.7 Central–sub-national fiscal relations

Vertical imbalance between state and LGs

The state administration (including the sub-national organs of the state) dominates expenditure in the public sector with 99 per cent of public expenditure taking place at this level. The recurrent budget is more decentralised than the capital budget, with almost 37 per cent of recurrent expenditure taking place sub-nationally, versus less than 13 per cent of capital expenditures (see Table 5.12).

Table 5.12. Degree of recurrent and capital expenditure decentralisation in Mozambique, 2007

MT '000	Recurrent spending	Capital spending	Total spending
Central government	23,710,682	29,151,274	52,861,957
Provinces	12,730,546	2,854,845	15,585,391
Districts	719,195	1,218,730	1,937,925
Municipalities	290,677	220,625	511,302
Total	37,451,100	33,445,474	70,896,574
<i>As % of total</i>			
Central government	63.31	87.16	74.56
Provinces	33.99	8.54	21.98
Districts	1.92	3.64	2.73
Municipalities	0.78	0.66	0.72
Total	100.00	100.00	100.00

Source: Boex et al., 2008, p.45

In most ways, these percentages compare reasonably to international standards, as shown in Table 5.13.

Table 5.13. Worldwide experience: expenditure and revenue decentralisation

	1980s			1990s				2000		
	Developing Countries	OECD Countries	SSA	Developing Countries	OECD Countries	Transition Countries	SSA	Developing Countries	OECD Countries	SSA
Share of Sub-national Government Tax to Total Government Tax	7.70	18.75	-	9.27	19.13	16.59	-	14.17	22.04	-
	(35)	(22)		(28)	(20)	(14)		(58)	(22)	
Share of Sub-national Government Expenditure to Total Government Expenditure	13.24	32.27	10.50	13.78	32.41	26.12	10.30	22.88	32.33	13.22
	(43)	(23)	(14)	(54)	(23)	(23)	(13)	(39)	(22)	(10)

Source: Bahl (2005); computations by authors in Boex et al., 2008: 26

For developed economies, on average, only 33 per cent of public expenditure is decentralised; for transition countries, it is 27 per cent, while for developing economies, the corresponding share is only 13.8 per cent. A substantial part of sub-national public spending in Mozambique takes place at the provincial level (rather than at the district or municipal level). The provincial level should be considered a jurisdiction that is 'too far away from the people' to be an effective decentralised unit for delivering public services. In addition, the provincial authorities have a high degree of budgetary autonomy over the districts in terms of planning and use of budgetary resources.

While LOLE declares districts to be the base of the delivery of public services and socio-economic planning in Mozambique, the degree of expenditure decentralisation to the districts is inconsistent with the expenditure assignment. About 36 per cent takes place at the provincial level, and only about 2 per cent at the district level (see Table 5.14).

Table 5.14. Degree of recurrent expenditure deconcentrated within the state administration in Mozambique, 2003–2007

MT '000	2003	2004	2005	2006	2007
Central	10,152,158	11,364,094	17,563,141	19,058,169	23,710,682
Provinces	6,146,341	7,588,133	9,457,040	11,070,366	12,730,546
Districts			540,511	677,058	719,195
Total	16,298,499	18,952,227	27,560,692	30,805,593	37,160,423
<i>As % of total</i>					
Central	62.29	59.96	63.73	61.87	63.81
Provinces	37.71	40.04	34.31	35.94	34.26
Districts	0.00	0.00	1.96	2.20	1.94
Total	100.00	100.00	100.00	100.00	100.00

Source: Boex et al., 2008, p.51

Horizontal inequality among provinces and districts

In comparing public expenditure at the sub-national level, it is always appropriate to consider expenditures per person rather than total public expenditure. The premise is that the individual (the citizen, taxpayer, voter and user of government services) is the ultimate recipient of government spending and government services so if the central government wishes to treat its citizens equally (or better still equitably) then public expenditure per person should be more or less equal. Of course, we do not expect public spending per person to be exactly equal across all sub-national jurisdictions for various reasons (for example, conditions are not equal in all jurisdictions and the fiscal policy intentions of governments may differ). The analysis shows significant variations in terms of expenditure per person across provincial and districts levels (see Table 5.15).

On average, a province spends MT700 (US\$22) per person on recurrent expenditure programmes, whereas districts spend about MT37 (US\$1.1) for recurrent purposes. Similarly, provincial capital spending averages MT154 (US\$4.9) per person compared to MT66 (US\$2) per person at the district level. Niassa Province has the highest per capita expenditure levels for both recurrent and capital spending

Table 5.15. Recurrent and capital expenditure by provinces and districts in 2007 (in MTn per person)

	<i>Recurrent spending</i>			<i>Capital spending</i>		
	<i>Province</i>	<i>District</i>	<i>Total</i>	<i>Province</i>	<i>District</i>	<i>Total</i>
Niassa	865.33	46.02	911.35	213.49	104.88	318.38
Cabo Delgado	794.70	50.12	844.82	197.98	72.21	270.19
Nampula	456.03	56.58	512.61	39.86	43.17	83.02
Zambézia	343.74	21.46	365.20	142.52	70.82	213.34
Tete	708.87	47.40	756.27	216.60	72.73	289.33
Manica	660.06	17.23	677.29	192.72	50.02	242.75
Sofala	859.58	37.89	897.47	167.52	73.63	241.15
Inhambane	596.58	24.83	621.41	227.42	64.74	292.17
Gaza	700.64	27.74	728.38	101.58	62.90	164.48
Maputo (Prov.)	850.23	42.03	892.26	147.84	48.74	196.58
Maputo (City)	869.62	0.00	869.62	45.28	0.00	45.28
Total	625.06	35.31	660.38	140.17	59.84	200.01
Average	700.49	37.13	734.24	153.89	66.38	214.24
Standard deviation	176.61	13.49	177.58	66.51	17.52	87.05
CV	0.25	0.36	0.24	2.31	3.79	2.46
Minimum	343.74	17.23	365.20	39.86	43.17	45.28
Maximum	869.62	56.58	911.35	227.42	104.88	318.38
Max/Min Ratio	2.53	3.28	2.50	5.71	2.43	7.03

Source: Boex et al., 2008: 55

categories (MT911 per person). Per capita provincial recurrent spending levels vary from a maximum of MT870 (in Maputo City) to a minimum of MT344 (in Zambézia), while capital spending per capita reached a maximum of MT227 (in Inhambane) and a minimum of MT39.86 (Nampula). These ranges reflect considerable horizontal fiscal disparities, since better off provinces have about three times more resources to spend in per capita terms than the worst-off (lowest spending) provinces spending. For instance, Sofala Province has the least poverty, about 45 per cent lower than Inhambane (81 per cent), yet Sofala receives more resources per resident to spend on development and recurrent costs than Inhambane. In contrast, anecdotal evidence suggests that these inter-provincial variations appear to have arisen over time as a result of historical inequities. These substantial variations in provincial resource allocation are not only a fiscal problem but also a problem as far as efforts to reduce poverty are concerned. Variations in resource allocations limit quality service delivery in the under-resourced areas.

Furthermore, while district-level spending is much smaller across the board than provincial spending, expenditure per capita also varies significantly across districts, ranging from MT57 (US\$1.8) in Nampula to MT17 (US\$0.53) in Manica for recurrent expenditure and MT105 (US\$3.3) in Niassa to MT43 (US\$1.35) in Nampula for capital expenditure. It seems that these variations are largely due to the application of the 'equal shares' principle in resource allocation, regardless of substantial differences in their population size. The horizontal fiscal imbalances are not limited to the provincial and district levels; municipal expenditure levels also vary significantly, both in nominal as well as per capita terms.

5.5 Decentralisation to Markets

Mozambique has not only decentralised state responsibilities to government institutions, but has also transferred some of the responsibilities to the market through privatisation and public-private partnerships.

5.5.1 Privatisation of state enterprises

The privatisation programme in Mozambique has been one of the largest (by number of transactions) in sub-Saharan Africa, and some claim it has been one of the most successful in Africa (Cramer, 2001). During the 1990s, all state farms (sugar plantations, cashew nut factories, cereal crop producers and forestry) were privatised while private individuals were encouraged to go into small-scale farming. There are currently about 3.5m small-scale farmers growing cotton or cashew nuts, and about 37,000 medium-scale farmers and 400 large-scale farmers. The sugar industry is dominated by private foreign capital. Privatisation was not limited to the production sector. It was also applied to banking. In the social services sector, private-sector participation has been poor. For instance, almost two decades after deregulating the health sector, private-

sector participation remains extremely low with only a few clinics in the cities. In Mozambique, public health care is 100 per cent free for both preventive, in-patient and out-patient treatment. There are no immediate plans (in terms of government policy) to reform health care financing. Nevertheless, privatisation mechanisms have been criticised by many commentators as having been hasty and careless. Critics argue that Mozambique failed to build an institutional regulatory framework for privatisation and market competition prior to the reforms, hence the process allowed elite capture. In the end, privatisation fuelled corruption and patrimonialism in Mozambique (see Cramer, 2001; Harrison, 1999; Pitcher, 1996). Donors are also accused of not really paying attention to increasing corruption in Mozambique in order not to endanger their image of Mozambique as a developmental model (Hanlon, 2004). Some authors even describe the political system that has emerged in Mozambique as ‘competitive clientelism’ (Macamo and Neubert, 2003) or ‘patrimonial–democratic’ (Braathen and Orre, 2001).

5.5.2 Public–private partnership in services delivery

The use of public–private partnerships in social-service delivery is not widespread in Mozambique. Only a few urban municipalities have attempted to contract out solid waste collection to private companies. For instance, since 2007 about 95 per cent of the municipal SWC in Maputo has been contracted out to private companies. The municipality keeps only a 5 per cent contingency capacity to deliver. The fee for SWC is added to households’ electricity bill. The management of municipal parks and gardens has also been given to private enterprises. In the provision of water, health, primary education and other basic infrastructure services, NGOs are prominent in rural areas, but they do not sign any partnership agreement with the DA that one can consider a legal partnership agreement. NGOs work at their own discretion as long as they satisfy the conditions of their donors and beneficiary communities.

5.6 Lessons Learned, Achievements, Challenges and Suggestions for Improvement

5.6.1 Lessons learned

Decentralisation design and its impacts

During the development of Mozambique’s decentralisation programme, the government could not spell out clearly the policy direction. As a result two parallel state–local reforms in the form of deconcentration and devolution evolved. While senior government politicians argue that the cautious approach to decentralisation was justified because of the technical constraints that the newly independent government faced, critics maintain that the choice of two parallel systems was purely political. Whichever way one looks at it, a number of lessons can be learned from the outcomes.

First, there has been a proliferation of decrees that are being added to and amended without one coherent and authoritative national policy on decentralisation. For instance, in terms of deconcentration there are documents and decrees that provide rules, discussions, and guidance on organisational structure, planning, and financing of provincial and district administrations. There is also political support for pushing resources down the state's administrative structure, but beyond that the government is not pursuing any clear, specific objectives with its decentralisation. Central government and parliament continue to 'make it up as they go along', while line ministries are developing their own decentralisation strategies.

Second, without a decentralisation policy framework, implementation has been left to individual ministries without there being any links between the broader decentralisation process and sectoral processes. For example, while the MPD (Ministry of Planning and Development) is establishing a decentralised planning and financing framework, the MAE (Ministry of State Administration) has re-structured the organisation of district administrations, and is preparing to do the same at the provincial level. Line ministries are developing decentralisation plans in their respective sectors. The MoF is preparing to roll out e-SISTAFE – an online electronic system that tracks expenditure at the district level – to the district level, hoping to shift sectoral resources embedded in provincial budgets into district-level budgets by 2009. These are all positive developments that support the decentralisation process, but they need to be properly co-ordinated by MAE, which is responsible for the overall decentralisation and implementation strategy in the country.

Third, there is no effective monitoring and evaluation of the decentralisation progress. Where does dual decentralisation go? Will deconcentration or local state administration and municipalisation integrate or converge in the future? With the arrival of the provincial assembly in 2009, what will be the relationship between the municipal assemblies and provincial assemblies? The government has established a task force to review the implementation of decentralisation policy and to advise the government on the way forward. Discussions with the lead consultant suggest that with time the two parallel decentralisation structures will converge not as a single LG system but as 'service-providing organisations'. What this means is unclear as discussions are still ongoing.

Fourth, while the central government may be commended for developing a legal framework for decentralisation, it has not been able to clearly explain its gradualist strategy of decentralisation to the people. There is a deep misunderstanding on the part of intellectuals, civil society, and the donor community about the government's gradualist approach. While critics thought the gradualist approach meant that DAs will grow, improve on their capacity, and finally become municipalities (or autonomous LG units), the central government understanding of gradualism or municipalisation simply means autonomous LGs for towns, so DAs will not necessarily grow to become municipalities. Municipalities and DAs will continue to

exist side by side. Again, the new decentralisation policy and strategy document that is being developed is expected to clarify the gradualist approach. The document is expected to be ready by June 2010.

Mozambique's decentralisation approach to services delivery

Water provision is one basic service for which Mozambique hopes it meet the MDGs. In the implementation of programmes and projects towards the provision of water, the government's strategy has gradually shifted to semi-autonomous state agencies Aqua de Mozambique (Mozambique Water Company) and the Mozambican government's Water Supply Investment and Assets Fund (FIPAG). Urban water delivery is delegated to Aqua de Mozambique while FIPAG finances rural and community water supply. For the provision of small water projects in the districts, provincial governments procure and manage contracts for the construction of wells and boreholes to take advantage of economies of scale, while district administrations have the responsibility for maintenance and rehabilitation. Water tariffs in urban areas are determined by CRAAL, a water regulation agency, while tariffs for small water management in the provinces, districts and villages are determined by the National Directorate of Water. This multiple institutional arrangement has ensured greater coverage.

The politics of decentralisation

In Mozambique, critics of the government argue that the design and choice of the dual decentralisation process has been shaped mainly by political consideration. They argue that until the peace agreement, RENAMO had substantial control of rural areas in Mozambique while FRELIMO was dominant in Maputo and a few urban areas. To prevent possible RENAMO control of LG structures in rural areas, the FRELIMO-dominated national legislative assembly revoked earlier laws that had permitted elected local councils in all parts of the country. The ruling FRELIMO party favours deconcentration rather than devolution because in the cities they already have absolute support so the party does not need to do much to retain their power base. Through deconcentration the party is able to use state apparatus to their advantage in the rural areas. If the government is able to transfer more resources to field administrators and fill all the structures with FRELIMO party members, then the support base of the opposition in the rural areas would be broken. The critics say that this explains both the demise of the opposition in recent municipal elections and also the massive transfers of money to DAs without proper monitoring of its use. Critics conclude that as far as decentralisation and state-local reform were concerned, the strategy of FRELIMO since independence and, in particular, after the civil war, has predominantly been shaped by strategic party power considerations. Decentralisation has been allowed where it does not hurt FRELIMO much (Roll, 2004: 52). The government disagrees with this assertion, saying that the explanation for opposition demise is poor leadership and lack of alternative ideas. The opposition

wants municipalisation only to accommodate their people, according to a leading FRELIMO party member (pers.comm.).

Clearly RENAMO also understands decentralisation as a chance to gradually challenge FRELIMO domination of national politics from outside the centre, but the party has been unsuccessful.

5.6.2 Achievements

Legal framework for decentralisation

After the national constitution, LG law is probably the most important law that deals with governance in any state, so it is worth spending time and resources to make it all-encompassing. Following the enactment of a constitutional amendment in 1996 (Law 9/96), legal frameworks for municipalities were established. They include the Municipal Government Act (Law 2/97), the Municipal Finance Act (Law 11/97), later replaced by Law 1/2008, and the Municipal Service Act (Law 33/2006). At deconcentrated government level, LOLE Law 8/2003 defines clearly the functions, jurisdictions and structure of state administration from provinces down to the localities while Decree 11/2005 further regulates them. Generally, the central government has provided an adequate legal framework for the operation and finance of municipalities and field administrators.

Reduction in administrative bureaucracy?

When asked about the major achievement of decentralisation policy in Mozambique, government officials at both the central and local levels were quick to say that it has reduced bureaucracy.

Before decentralisation all civil servants in the provinces and districts were appointed in Maputo and that took a long time before approval was given. Decentralisation of human resources to the provinces and districts has reduced the bureaucratic processes involved in recruiting people to fill administrative positions. 'You need not come to the ministry and ministers need not sign many letters.' (Director, Human Resource. Ministry of Public Service)

'We know the people; we are closer to them, able to identify their problems, and design solutions faster than the provincial and central governments. Decentralisation has improved monitoring of projects because councillors are around to check service delivery for their constituents.' (Mayor of Manica)

At the local level, it is easier to stimulate and monitor employees' performance.

The above quotations were repeated by most of the people the author interviewed.

Decentralised co-operation

Decentralisation has enabled municipalities to enter into direct solicitation for financial support/grants from donors without necessarily passing through the central government (as long as it is not a loan). For example, the municipality of Dondo in 2005 had a budget of about US\$680,000 out of which about 50 per cent came from donors in a form of 'hardware' support. Almost all capital expenditure in terms of infrastructure, such as the rehabilitation of roads, public sanitation, the water system, public electricity and administrative buildings of the municipal council are primarily donor funded (Nuvunga, 2007). In the city of Maputo, 52 per cent of the 2009 municipal budget was donor funded.

Promotion of citizen participation in local development

At the DA level, the government argues that people are more conscious about their local development because of the participatory process that the local consultative council offers. The consultative council, which is an apolitical body, offers opportunities and avenues for citizens to engage government field officers (DAs) in deliberations, planning, and the prioritisation of local development projects that are normally not found in deconcentration. Government officials argue that this apolitical mechanism has been more effective in encouraging community participation in local development than the democratic elections that municipalisation provides. In the latter system, citizens participate only once every five years through democratic elections and only hope that their councillors will represent their interests well in municipal council. In the CC system, ordinary citizens participate in community meetings that make decisions.

Gradual improvement in local democracy

While voter turnout in national elections is falling steeply (from 87 per cent in 1994 to 44 per cent in 2009), in local elections it is rising substantially (from 15 per cent in 1998 to 46 per cent in 2008). This means that people are beginning to see the relevance of local democracy. With a gradual increase in the number of municipalities, local democracy will improve further.

Improvement in provision of some basic services

One of the key objectives Mozambique sought to achieve using decentralisation is better service delivery. Although data is patchy, anecdotal evidence suggests that the provision of some basic services has improved in rural areas as a result of a massive injection of government funds to the DA. The proportion of the population with access to potable water has increased from 37.1 per cent (2001) to 48.5 per cent (2007). In terms of basic sanitation, in 2007 25,638 pit-hole latrines were built in rural areas all over the country, leading to 39 per cent coverage (GoM, 2008: 12). In urban areas

SWC has improved as has land-use planning in the municipalities. The coverage for urban water supply has also risen from 31.2 per cent in 2000 to 40 per cent in 2007. The government's official report on the assessment of the MDGs clearly points out that there is potential to halve the number of people without access to safe drinking water and sanitation. The primary school completion rate has significantly increased from 38.7 per cent in 2003 to 72.6 per cent in 2007. Construction of classrooms and recruitment of teachers were considered key issues for achieving this. These activities have been decentralised to the DAs and provincial governments, respectively.

5.6.3 Challenges and suggestions for improvement

Developing a comprehensive and strategic decentralisation policy framework

Mozambique has implemented the tenets of decentralisation for over a decade without a formal decentralisation policy framework to guide the direction of the process. In the context of state administration reforms, a decentralisation policy document would typically precede the passage of a decentralisation law. Unfortunately in Mozambique, while there are many documents (decrees, ministerial plan and programmes, national strategic plans, etc.) that address some of the fundamental issues in decentralisation, no formal policy statement on decentralisation has been adopted. As a result, there seems to be no specific overall reference document and designated institutional mechanism to push the process forward when it derails, or when important decentralisation issues fall between the cracks.

The government explanation for not having a written policy document is that it did not want to commit to any policy framework that would pin it down on an area that it was not sure about. As one senior FRELIMO party member indicated, 'The political will to implement decentralisation is there to a large extent but we do not want to be prescriptive. If you're not sure of what you're doing why should you be prescriptive? We wanted a gradual approach so we could learn lessons [as we go along].'

The criticism for not having any policy framework seems to have sunk deeply into the government. As a result, they have started two initiatives. First, the Ministry of State Administration has engaged two consultants to analyse decentralisation practices in the country with the aim of developing a National Decentralisation Strategic Document. Second, the National Directorate of Planning (DNP) at the Ministry of Planning and Development (MPD) is studying various policy options for decentralisation in addition to preparing a National Program for Decentralised Planning and Finance.

A comprehensive decentralisation policy document would provide guidance on the envisioned political, fiscal and administrative reforms between the centre and sub-national governments. It would also provide a series of programmes and timelines

for the implementation of reforms, along with major milestones and benchmarks to be met along the way, as well as identifying instruments to orchestrate progress. A proper policy document would set forth the government's vision on a variety of decentralisation issues. Such a policy needs cabinet approval to become authoritative against any narrow interest by any individual ministry. Following the design of a new decentralisation policy and strategic framework, there is a need for Mozambique to set-up an inter-ministerial committee to be chaired by a high-level person (perhaps the prime minister) or a senior minister with political clout to lead its implementation. Such a body can be located within the presidency so as to get political leverage over the ministries and also to take away the inter-ministerial conflict that is normally associated with decentralisation implementation.

Conditions/parameters for gradualism

While the policy principle of gradualism has been adopted, based on which devolution or 'municipalisation' would be extended gradually over the coming years, the central government has not set any framework to outline the conditions under which this would happen. As a result, the district administrative system continues to operate in a form of deconcentration without any future plan or programmes to provide them with some degree of autonomy. In 2008, ten villages formerly managed through the deconcentrated field administration system were promoted to municipalities. Without clear parameters for gradualism, critics argue that the government has been selective. There is, therefore, a need for the new decentralisation policy to clearly provide the parameters for gradualism.

Simultaneous implementation of decentralisation, capacity building and attitudinal change

While there is no apparent opposition to decentralisation in Mozambique, some central and provincial government bureaucrats who live in the cities believe that decentralisation cannot work in the rural areas. They have a mindset that decentralisation is not possible in places where people are not educated. They argue that decentralisation is happening too quickly while people have not been trained to function: 'Until young university graduates move to the districts the capacity there will remain low, so decentralising a lot of responsibilities and resources to them would not be the right approach to take', argues one senior central government bureaucrat.

There are also spots of resistance by central government line ministries to transfer duties and jurisdictions to DAs. For example, the state agency responsible for the distribution of road funds uses a bureaucratic approach to frustrate DAs. It subjects DAs to many unachievable preconditions before releasing funds. Another example is the disbursement of the water fund. A government report on the MDGs shows that of the total central government budget allocated to priority sectors (education,

health and infrastructure) to reduce poverty (the Action Plan for the Reduction of Absolute Poverty – PARPA), about 20–25 per cent is not used (GoM, 2008). Central and provincial governments still hold the funds and will not decentralise its use. Some provincial governors and ministers believe that since they are answerable to parliament in the performance of services, there is no justifiable reason to devolve powers to lower authorities. So while there is a need for the simultaneous implementation of decentralisation and capacity building at the lower levels, there is also a need for the central government to change the attitude and mindset of some central government bureaucrats who use the inadequate capacity of the DA to hold back efforts to decentralise to DAs. While the capacity of the district level to plan, budget and financially execute all the sectoral functions and activities that LOLE assigns to the DAs may not be there at present in many DAs, the burden is on the central government to build this capacity, but this capacity cannot be built without the government first building its own capacity to explain to the citizens and other stakeholders the policy choice of pursuing devolution side-by-side with deconcentration. Second, the government needs to change the attitude of its own sectoral employees in Maputo and the provincial capitals that work against decentralisation. They need to be made to understand that capacity development at the DA level will be achieved through learning by doing. While IFAPA training programmes aim to target the capacity of employees at municipal and local levels, the magnitude of the problem requires not only financial and institutional support, but also an attitudinal change in central government bureaucrats. Management is much better when actually practiced than when simply studied in the classroom.

Improving mechanisms for poverty reduction

Poverty levels have gone down slightly in Mozambique from 69 per cent in 1997 to 54 per cent in 2003. They are expected to drop further, to 45 per cent and 40 per cent in 2008 and 2015 respectively (GoM, 2008: 10). While this reduction may not be attributed totally to decentralisation (given the massive injection of foreign aid and big projects into the economy), it is also not a coincidence that over the same period the proportion of expenditure allocated to social services that have had positive effects on poverty reduction has been remarkable. Expenditure on education (20.8 per cent), health (13.5 per cent), and infrastructure (16.4 per cent) is 50.7 per cent overall, and far exceeds the target for the MDG and indicates the government's commitment to poverty reduction. The key challenge is for the government to ensure that funds earmarked for poverty reduction do not get stuck at the centre and line agencies, but go to the districts and are properly used and accounted for.

Furthermore, decentralisation reforms seem to have benefited the provincial governments more than the districts and municipalities, even though the latter are closer to the people. About 95 per cent of recurrent sub-national resources are anchored within the provincial budget. The provincial level is where decisions

are made and money is spent, particularly with respect to the key sectoral services (education, health, agriculture and public works and water).

Guarding against recentralisation and further weakening the autonomy of municipal governments

While like-minded donors are pushing for the further strengthening of the municipalisation system, central government has passed new laws that weaken instead of strengthen the autonomy of municipalities. This includes a new law to reduce central government transfer (CGT) to municipalities from 3 per cent to 1.5 per cent. In actual practice, CGT to municipalities is less than 1 per cent. The argument by the government for reducing CGT is that the municipalities have sufficient revenue sources that they do not tap. While this may be true for urban municipalities like Maputo, the rural ones may really suffer from this policy. In addition, Law 11/2005 empowers provincial governors and the Minister of State Administration to supervise the work of municipalities. In other words, municipalities have dual subordination to the Minister of State Administration and provincial governors, with the latter having the power to overrule municipalities. Although supervision of municipal governments by a higher level of government is needed for effective decentralisation, there is a need to guard against excessive controls by state bodies.

Moving away from disjointed sectoral planning to an integrated decentralised planning

The current institutional framework for guiding the decentralised planning process is weak on providing mechanisms for integrated planning. The MAE, though, has responsibility for co-ordinating the devolution of sectoral plans. It has not been able to discourage line ministries from formulating their deconcentration plans. Also, without clear targets on when sectoral deconcentration should end, the sector ministries have no plans to discontinue the practice. The decentralised planning and financial framework needs to eliminate the hierarchical review and revision of LG budgets. Under a proper district planning and budgeting process, districts are given firm budget ceilings at the beginning of the budget formulation cycle. As long as the district budget conforms to these ceilings and the associated (centrally issued) planning and budget guidelines, there should be no space for central officials to modify the district's budget and alter the district's priorities in a discretionary manner. Furthermore, currently some municipalities undertake participatory municipal planning and budgeting while others do not. There is a need for the government to undertake an assessment of the participatory planning and budgeting initiatives and, if found effective, make it a uniform framework for decentralised planning and finance.

Local resource mobilisation

Aid flows are decreasing in real terms and this tendency is expected to continue. In order to face up to this decline, a redoubling of efforts to increase the tax base is required in the coming years. While urban municipal governments have enormous potential for increasing internal revenue collection, they have not put in the necessary effort. For instance, Maputo municipality can generate huge revenues from parking but has failed to collect them. In Manica, the municipality does not collect property rates. There is a need to support urban municipalities to mobilise their potential revenue.

Local-level (sub-municipal) structures for effective citizen participation

Many district capitals have weak physical infrastructure. The situation is more pronounced at the level of administrative posts. In the case of the localities and villages, such infrastructure is virtually non-existent so there is no presence of state institutions there. In the urban municipalities, apart from voting once every five years, there are no institutionalised structures to encourage citizens' direct participation in municipal affairs. As one central government official puts it, 'Municipalisation only brought local elections, nothing else'. Municipal governments do not have sub-urban or lower level structures (ward, zonal, area council) that would enable citizens to interact with municipal apparatus. As a result, participatory budgeting that requires citizens' involvement is not widespread in the municipalities because there aren't structures to support its implementation. If decentralisation is to work better, then physical and institutional infrastructure for local-level structures should be improved.

Inequality between urban and rural areas

While there is data to show that basic services provision is improving in Mozambique, disaggregated figures between rural and urban communities still provide worrying challenges for the government's decentralised programmes. For instance, the newborn mortality rate has decreased from 59 deaths per 1,000 live births to 48 per 1,000. This reduction has been more significant in urban areas (55 in 1997 to 35/1,000 in 2003) than in rural areas (57 in 1997 to 53/1,000 in 2003), with the Nampula, Cabo Delgado and Niassa provinces showing the highest rates in the country. Also, the infant mortality rate (IMR) has diminished from 137 to 124 per 1,000 live births whereas the mortality rate for five-year-olds has decreased between 1997 and 2003, from 219 to 178 per 1,000 live births. Beyond these general statistics lie geographical differences. The government report on MDGs shows that a child in Cabo Delgado Province is three times more likely to die before the age of 5 than one born in Maputo City (GoM, 2008: 30). Furthermore, health information records at the MoH show a rising trend in pregnant women seeking institutional assistance in deliveries (from 44.2 per cent in 1997 to 47.7 per cent in 2003), but again the difference between urban and rural

areas is striking at 71.4 per cent and 28.6 per cent respectively. Some of these inequalities are inadvertently caused by poor analysis and application of the government's fiscal decentralisation programme. Government public expenditures per capita have not targeted this inequality but have actually exacerbated it. Horizontal inequality is not only prevalent in financial resources and public infrastructure provision, but also in political rights among citizens living in different localities. Since 1998, only 25 per cent of the national population (those living in urban municipalities) have been given the right to elect their leaders (mayors and councillors). Again rural citizens have been deprived of this privilege.

Accountability in the use of central government transfers

Law 2003 gives the DAs a lot of money to enable them to provide employment, local roads, water, etc. Since 2006, the central government has provided discretionary funds (US\$300,000 in 2007 and US\$450,000 in 2008); however, many stakeholders, including donors, think they have not been transparent and accountable in the use of these funds. Accountability in the use of the money is provided through e-SISTAFE, an online electronic system that tracks expenditure at the district level, but it is only available in 50 out of the 128 districts. The rolling out of e-SISTAFE to the rest of the districts is delayed because of the absence of electricity, telephones and banking services. Lack of opportunities for a proper accountability system necessitates corruption at the local level. The recent case where the Angoche District Administrator in Nampula Province established a construction company in the name of his son and awarded it state building contracts, including rehabilitation of Angoche district administration offices, at a ridiculous price, is a test case for accountability systems in Mozambique. The government is responding to such corrupt practices by bringing offenders before the courts. In 2009 alone, 463 corrupt cases were submitted to the Attorney General's Office for investigation and prosecution.

Quality of service delivery survey

There is a need for Mozambique to introduce an annual assessment of the quality of services that citizens receive from service providers. At the moment service providers, be they central, provincial or government, district administrations or the private sector, undertake assessment as and when they want without clear guidance. A report card system to assess the quality of services that citizens receive in solid waste collection, sanitation, urban transport, education, health, water, etc. would provide useful information not only for planning purposes but also to enable the government to assess how far it has been able to meet citizens' expectations. The decentralisation policy framework and strategy document should consider incorporating a quality assessment survey of local services provision. Also, the work currently being undertaken by the Ministry of Public Service to institutionalise performance management across the public services should take this into consideration.

Notes

1. Later on all the ten provincial capital cities, including Matola and districts centres, were transformed into executive councils.
2. The main argument was that the national constitution prescribes centralisation of the state so there cannot be autonomy of the LGs.
3. Elementary education consists of seven years of schooling; basic education, ten years; middle education, twelve years; and higher education twelve years or more.
4. The licenciatura is a four-year degree course (higher than BA degree but lower than MA).

6

Decentralisation in Tanzania

Summary

The purpose of this chapter is to examine the process of decentralisation by devolution in Tanzania. Research for this chapter was based on an analysis of three main types of data. The first data was obtained from the paper on 'Decentralisation by Devolution in Tanzania' submitted by the Tanzanian Prime Minister's Office-Regional Administration and Local Government (PMO-RALG) to the Commonwealth Secretariat for validation. The second was a two-week rapid field survey that was conducted in Tanzania in October 2009 where semi-structured interviews were used to obtain information from key respondents, including senior government officials in key sector ministries, central and local government politicians, and representatives of international development partners. During the field survey, officials of PMO-RALG and the President's Office-Public Service Management section (POPSM) provided local support. Third, in April 2010, the draft report was reviewed at a stakeholder workshop in Gaborone, Botswana at which government officials were present.

Therefore, this chapter expresses the views of a number of stakeholders who contributed to it and not necessarily those of the government. The chapter is divided into six sections. Section 1 provides a short introduction to Tanzania and a detailed explanation of the methodology adopted in writing the report, in addition to the socio-cultural, political, economic and historical context under which decentralisation should be understood in Tanzania. Section 2 discusses the structure of the Tanzanian government and the adoption of a Local Government Reform Programme in which the policy of decentralisation by devolution is embedded. Sections 3, 4 and 5 showcase the status of implementation, successes, and challenges, while a description of the second stage of the Local Government Reform Programme and conclusion end the chapter.

The general objective of the decentralisation by devolution or 'D-by-D' policy in Tanzania is to improve public service delivery under a Local Government Reform Programme (LGRP). The implementation strategy entails decentralising government functions, responsibilities and resources to local government authorities and strengthening the capacity of local authorities. This is important since local governments are factored into all the implementation plans and programmes of MKUKUTA - the National Strategy for Growth and Poverty Reduction.

LGRP developed in stages: the first stage was a 10-year period that lasted from 1999 to 2008; the second stage started in 2009 and will end in 2014. Major findings indicate that in the first stage, political decentralisation has entrenched a system of regular elections for ward councillors, village council, *mtaa* committees and *kitongoji* chairs every five years. One-third of local posts are set aside for women and other marginalised groups. Council meetings are now open to the public, resulting in improvements in agenda-setting and reporting of meetings. Councils' powers have expanded to include drafting byelaws covering areas such as community development, waste collection and sanitation, and local revenue generation. Rungwe District Council privatised the collection of market fees that increased revenues by 83 per cent per year.

In the area of financial decentralisation, Act No.6 of 1999 was promulgated to allow the provision of block grants. Additionally, a better intergovernmental transfer procedure was developed to provide a set of recurrent block grants for five priority sectors (primary education, local health services, agricultural extension and livestock, water supply, and local roads), a General Purpose Grant, a local government capital development grant system (for capital expenditures), and appropriate ministerial subventions for delegated functions. Government also devised simple, transparent formulas to make the allocated resources to LGs more predictable, and to enhance equity and fairness. In the space of three years, (from financial year 2004/05 to 2007/08) transfers from the centre rose from US\$352 million to US\$648 million, the latter representing nearly US\$9 per person. The principle of LGs earning the right to greater autonomy or additional development funds was a great incentive for LGs to improve their financial management capacity and performance. Resource-poor areas also received special transfers. In addition, a capital development grants system was used to provide discretionary grants, up to TSh260 billion shared on a formula basis, to LGs for construction of new schools and clinics, improvement of agriculture services and for capacity building. In 2004–2009 seven development partners provided 65 per cent of the funding, while the rest came as loans from the World Bank.

In the area of human resource decentralisation, over 60 per cent of government employees are now employed at the LG level. As part of the decentralisation process, staff transferred to the councils are being de-linked from their respective ministries. LGs now have autonomy over human resources, including for planning, recruiting, rewarding, promoting, disciplining, development and firing their personnel. However, the educational distribution of employees in the Tanzania Civil Service indicates that over 80 per cent possess secondary school education and below, indicating that there is scope to improve existing human capital.

In the various sectors, primary education has been devolved in principle; each ward now has at least a secondary school, which has led to higher enrolment figures. The objective of having one dispensary per ward is being attained nationwide as LGs have become responsible for primary health care. Private participation in health service

delivery is also on the rise with the involvement of faith-based organisations such as the Catholic and Lutheran Churches who run referral hospitals. In the agricultural sector, districts now formulate District Agriculture Development Plans (DADPS). LGs have also taken advantage of the permission to contract out refuse collection by engaging private companies for waste management. For example, the HANANASIF Group handles waste for Kinondoni Council in Dar es Salaam. In the area of privatisation, the Government of Tanzania has expanded the divestiture programme to all major utility and infrastructure public enterprises (water, telecommunications, ports, railways, electricity and so on).

Tanzania's association with development partners (DPs) is advanced. LGRP I was mostly financed from a basket fund contributed to by DPs such as Finland, Norway, the Netherlands, Denmark, Sweden, Ireland, Belgium, Germany, Canada, DFID (UK) and others. Britain's DFID has now changed its mode of assistance to General Budget Support.

Despite these achievements, LGs still experience financial shortfalls due to inadequate transfers from central government. Additionally, the quality of education is not commensurate with increasing enrolment rates and shortfalls in medical personnel prevent full functionality in many clinics. DPs have also observed systemic problems with human resources development. However, this did not hinder the Government of Tanzania from embarking on the second stage of the LGRP.

LGRP II is still in its early phase in terms of confronting those factors hindering human resources autonomy for LGs, giving more emphasis to accountability, conducting appraisals of decentralisation at the council level and ultimately building on the achievements of LGRP I. Seven DPs – Finland, Belgium, Germany, Ireland, Japan, the Netherlands, and Sweden – have offered more pooled funding in the form of a Local Government Development Grant for 2009–2013.

In the course of LGRP II, the importance of periodic reviews cannot be over-emphasised, bearing in mind how such exercises facilitated the implementation of LGRP I.

6.1 Introduction

In October 1998, Tanzania made changes to relevant local government (LG) laws in order to both implement local government reform (with a view to strengthening the local government system), and streamline sector reforms with civil service and local government reform (URT, 1998). Within the framework of a unitary state, the new local government system would be in the form of political devolution and decentralisation of functions and finances. More specifically, local governments would have:

'...the responsibility for social development and public service provision within their jurisdiction, facilitation of maintenance of law and order and issues of national importance such as education, health, water, roads and agriculture.' (URT, 1998)

Tanzania's local government system is currently made up of devolved statutory bodies – village council, township authority, district council, town council, municipal council and city council. At the grassroots are units called wards, *Mtaa* (urban neighbourhoods) and *kitongoji* (rural neighbourhoods). These local institutions feed into the decentralised system to bolster community participation in planning and managing service delivery. There is often a big difference between formal arrangements (laws, regulations, and policy) for decentralisation and what is actually practiced in a country. Thus we examine the extent to which decentralisation as stated in the statute books of Tanzania is actually practiced. More specifically, what are the consequences of Tanzania's decentralisation policy and programmes for equity, quality of local governance, and service delivery? Is the government serious about its declared intentions about decentralisation? What are the major responsibilities assigned to decentralised units? How has the government shared power and resources with LGs? To what extent have central bureaucrats and politicians perceived decentralisation not as a zero-sum game (in which they gain or lose) but a positive-sum game (or win-win) for central and local actors? Are the anticipated changes in local institutions, structures and resource flows taking place? Is there a clear rule for determining allocations to different local governments? Do LGAs have the power to tax and set fees? How successful are they in generating their own revenue? Has decentralisation resulted in increased community participation in planning and managing service delivery in selected sectors? What are the concrete achievements of decentralisation so far? How important are the private sector and international development agencies in the provision of public and quasi-public goods? This chapter addresses decentralisation in Tanzania in an attempt to answer these questions.

6.1.1 Sources of data and data-collection methods

The research collected data that illuminate the circumstances that led to the adoption of decentralisation by devolution in Tanzania; the achievements, constraints, and proposals for improvement. Three types of data-collection methods were adopted. The first set of data was obtained from the paper on 'Decentralisation by Devolution in Tanzania' submitted by Tanzania Prime Minister's Office-Regional Administration and Local Government (PMO-RALG) to the Commonwealth Secretariat for validation. The second was a two-week rapid field survey that was conducted in Tanzania with the support of PMO-RALG and the President's Office-Public Service Management (POPSM). During this field survey, semi-structured interviews were used to obtain information from key respondents, which included senior government officials in the ministries and local government (LG) politicians, personnel of international donor agencies, and academics (see Table 1.1 in chapter 1). The study also used other data-collection techniques such as focus group discussions, direct observation and document reviews.

The chapter is divided into six sections (including this introduction). Section 2 contains the physical, economic, political and historical frame of decentralisation policy in Tanzania. Section 3 examines the practice of decentralisation, focusing on the devolution of powers, personnel and finance as essential components of the first phase of the Local Government Reform Programme (LGRP) (referred to in this document as LGRP I). Section 4 provides an outlay as well as early assessment (after barely a year) of the second phase, LGRP II, which started in 2009. In section 5, the successes and challenges related to LGRP I and lessons learnt for LGRP II are highlighted, followed by conclusions arising from the observations.

6.2 Country Background

6.2.1 Physical features

The United Republic of Tanzania comprises mainland Tanzania and a number of offshore islands including Mafia, Pemba, and Zanzibar. This country of approximately 945,087km² is home to a wide variety of peoples and is Africa's twelfth-largest country. The UN estimates that Tanzania has nearly 41 million people (Population Reference Bureau, 2009). The country is also unique with respect to its landforms: Africa's highest point, Mount Kilimanjaro, rises to 5,892m above sea level, while Africa's lowest point is located on the floor bed of Lake Tanganyika, which is 358m below sea level. The main upland areas are the northern belt, while much of the country's interior is comprised of undulating plains. It is also traversed by rift valleys, home to Lakes Tanganyika, Victoria, Nyasa, and others. According to the 2008 population estimates population density on the Tanzanian mainland and island of Zanzibar was 44 and 486 people per square kilometre respectively.

6.2.2 Economy of Tanzania

Agriculture is the economic mainstay of the population. Nearly 80 per cent of the economically active population work in agriculture, and agricultural activities account for 25.7 per cent of GDP in 2008. About 10 per cent of the country's land area is cultivated, and subsistence farming accounts for 40 per cent of total agricultural output. The country is also known for cash crops such as coffee, cashew nuts, tobacco, coconuts and groundnuts. Cut flowers also emerged as an export crop in the 1990s. A variety of mineral resources are also exploited and exported including diamonds, gold, salt, limestone, and graphite, while reserves of nickel, uranium, tanzanite, and natural gas are known to exist.

6.2.3 Structure of Tanzanian government

The United Republic of Tanzania (URT) is a product of the union of two sovereign states, Tanganyika and Zanzibar. Tanganyika was the first to gain independence on

9 December 1961, and Zanzibar followed on 10 December 1963. The two sovereign republics formed the United Republic of Tanzania on 26 April 1964. The government has authority over all union matters in the United Republic, while all matters concerning the Revolutionary Government of Zanzibar (with the exception of union matters) rests with Zanzibar. Politically, the government is a unitary republic based on a multiparty parliamentary democracy that was reintroduced in 1992. Executive power is vested in the president, who is elected in a separate vote (see Annex 6.6).

The 2005 General Election produced 323 members of parliament (MPs), including 75 special seats for women, 5 elected by the Zanzibar House of Representatives, 10 appointed by the president, the attorney general, and the remaining 232 elected from constituencies.

Tanzania's legal system is largely based on English common law, and the judiciary consists of a five-level court system. At the apex is the chief justice, while the registrar of the court of appeal is the chief executive officer. Next comes the high court, which is divided into zones administered by judges-in-charge, assisted by district registrars. At the next lower level is the resident magistrates' court, then the district magistrates' court. District magistrates-in-charge also supervise the lower primary courts in their respective districts.

The executive branch is comprised of the president and subordinate organs and authorities set up by the president, who perform delegated functions and authorities assigned by the president. The subordinate organs include:

- the vice president (principal assistant to the president);
- the prime minister (leader of government business in the national assembly);
- the ministers, whose number and functions are determined at the discretion of the president- (current ministerial responsibilities were issued in February 2008 through Government Notice No.20);
- regional commissioners and district commissioners (also appointed by the president); and
- other statutory organs.

The second level of government administration is in the regions. Currently, there are 26 regions (21 in mainland Tanzania, 5 in Zanzibar). Each regional commissioner, with technical assistance from the regional administrative secretary, is responsible for the supervision of all functions and duties of the government in the region, as well as for supporting local government authorities in service delivery and socio-economic development.

At the third level of central government administration are the districts. District commissioners assist regional commissioners within the district, while the district administrative secretary is the head of district administration.

Another level down are the local government authorities (LGAs). There are 133 in total, classified into two major categories:

Urban councils – in charge of the administration and development of urban areas, ranging from townships to municipalities and cities. There are currently four city councils, Dar es Salaam, Mwanza, Mbeya and Tanga. City council directors are appointed by the president; municipal directors and district executive directors are appointed by the minister responsible for local government (currently the prime minister). City mayors, municipal mayors and council chairpersons and their deputies are elected from ward councillors, who are themselves elected by universal suffrage. Elections started in 1994 and take place every five years.

Rural councils – commonly known as district councils.

The local government system can be divided into the following hierarchical categories: councils (133, 22 of which are urban), wards (2,555), villages (over 10,700), mtaa (1,755), and kitongoji¹ (50,836) (Mmari, 2005). It is important to note at this stage that at each tier of government, there are functional elected and appointed administrators. The implication of this arrangement on decentralisation will be discussed in due course. The administrative and territorial organisation at each tier of government is presented in Annex 6.3. Irrespective of the area of jurisdiction, LGs are mandated to administer, maintain law and order, and engage in economic and development planning.

6.2.4 Evolution of the local government system in Tanzania

When Tanzania embarked on decentralisation in 1999/2000, it was not the first time. Prior to independence in 1961 a system of native authorities and chiefdoms was put in place for local governance. At independence, the Tanganyika Africa National Union (TANU) was the principal political party. Then President Nyerere headed a TANU-controlled parliament that held all but one seat, and he was able to establish a one-party state in 1965. The Tanzanian government continued with the practice of elected local government for about a decade, when the president deemed it unsatisfactory. In May 1972 the government embarked on a 'policy of decentralisation based on deconcentrated administrations at regional and district levels. On 30 June 1972, elected rural local governments were abolished, and exactly a year later urban councils were scrapped. But service delivery did not improve. Central bureaucracy stifled organisational performance and the decentralisation carried out at that time did not reflect local democratic principles.² In February 1977, TANU merged with the ruling party in Zanzibar, the Afro-Shirazi Party (ASP), to form Chama Cha Mapinduzi (CCM). The abolition of urban local authorities did not last long because the new structures could not deliver services effectively (Tidemand, 2005). By 1978, urban local authorities came on-stream again, but their local revenue-raising powers

were curtailed, as regions had substantial influence. However, by 1980 an Urban Development Policy was passed to strengthen urban local authorities.

In 1982 parliament passed new legislation to usher in a comprehensive system of local governments at district and village level in rural areas, and at municipal and city level in urban areas. Urban councils were headed by town council directors. Elected councillors were re-introduced and councils given powers to collect revenue, determine local budgets and plans, and enact byelaws. Councils were given direct responsibility to deliver services in areas such as primary education, primary health, local water supply, local roads, and agriculture extension. But regional administration remained strong and in control of most of the local funding, which made them undertake many development activities directly. In contrast, democratic local governments had no substantial resources to effectively deliver services they were mandated to deliver.

With the onset of multiparty democracy there was a move away from centrally planned and controlled one-party state, and since the late-1990s Tanzanian development strategies have emphasised institutional reform, good governance, decentralisation and community development as essential to poverty reduction (Mercer, 2003). A Local Government Reform Agenda was introduced in 1996 which spelled out the rationale behind the current decentralisation process. The Local Government Reform Programme was closely linked to the civil service reform programme (URT, PMO, CSRP, 1996: 1).

The Tanzanian reforms do not include Zanzibar, where LGAs play a rather marginal role and operate in parallel to strong regional and district administrations. Legislation governing local government in mainland Tanzania is as follows:

- 1982 Local Government Acts amended
- 1982 Local Government Finance Act
- 1983 Urban Authorities (rating) Act
- 1997 Regional Administration Act
- 1999 Local Government Laws (Miscellaneous) Act

The principal LG acts have been amended from 1999 as part of the LGRP.

6.2.5 Institutions providing technical support and monitoring to local government

The institutions in charge of technical support and monitoring of local authorities in Tanzania are the PMO-RALG and the Association of Local Authorities in Tanzania.

6.2.6 Decentralisation and civil service reform in Tanzania

A Civil Service Reform Programme (CSRP) was undertaken in Tanzania in the early 1990s, marking a definitive policy shift regarding the organisation and management of the public sector and the public service to improve accountability and efficiency. The CSRP consisted of six components, one of which was local government reform. The reform of the local government system has its background in a national conference that was held in 1996 called 'Towards a Shared Vision for Local Government in Tanzania'. This was formalised in the 1998 Policy Paper on Local Government Reform that spelled out a policy of decentralisation by devolution, famously referred to as 'D-by-D'.

The general objective of the policy is to improve public service delivery; the implementation strategy for doing so is decentralisation by devolution (D-by-D) which entails decentralising government functions, responsibilities and resources to LGAs and strengthening the capacity of local authorities. The government's expectation is to ultimately have a local government system in which local government authorities are:

- largely autonomous institutions, free to make policy and operational decisions consistent with the laws of the land and government policies;
- strong and effective institutions underpinned by possession of resources (both human and financial) and authority to perform their roles and functions;
- institutions with leaders who are elected in a fully democratic process; and
- institutions that will facilitate participation of the people in planning and executing their development plans and foster partnerships with civic groups.

The principle of subsidiarity was adopted such that 'public service responsibilities must be exercised by the lowest level of government unless a cogent and convincing case can be made for higher level assignment' (Mmari, 2005). The government took a holistic approach to decentralisation, covering political, administrative and fiscal aspects, as well as service delivery aspects. Its approach involves radical changes in central-local relations.

In 1999/2000, the responsibility for implementing D-by-D was vested in the PMO-RALG. However, devolution also had consequences for all ministries, departments and agencies (MDAs) of government, since it required changes in modes of operation of the central system. The need to mobilise for an LGRP arose due to reasons such as duplication in functions and responsibilities among different levels and institutions of government. More specifically, the conflicting and negative attributes of LGs at this time were typified by the experience in Shinyanga region in 1998/99, where the following problems came to light:

- Staff were accountable to more than one authority.
- Frequent transfers of staff negatively impacted on morale and motivation.

- Most government decisions did not reflect the priorities of the local people.
- Central government took too long forwarding funds to the districts.
- Local people were unclear about the roles and responsibilities of local government and its relation to central government.

LGs are expected to be free from central government control other than through the framework of national policies, laws, regulations and oversight. The LGRP involves five main areas:

Political decentralisation: This involves strengthening local democratic institutions, enhancing public participation, and bringing control over many important aspects of people's daily lives nearer to the people themselves.

Fiscal decentralisation: Introducing the equitable and transparent transfer of revenue and capital development grants from central government to local government authorities; and giving local government authorities financial powers and powers to raise appropriate local revenues.

Administrative decentralisation: Decentralising personnel, integrating them into LGA administration and away from ministry subordination, and restructuring of local government organisations.

Service function decentralisation: This entails decentralising public services to bring service management and the provision of services closer to the end user, and increasing the quality and quantity of these services.

Changed central–local relations: Central government is to have over-riding powers within the framework of the constitution and the legal framework, with the local government having devolved powers and responsibilities in law. Thus central and line ministries will change their roles and functions to become:

- policy-making bodies;
- supportive and capacity-building bodies;
- monitoring and quality assurance bodies; and
- control bodies (legal controls and audits).

The LGRP was structured with specific components looking at legal harmonisation, fiscal decentralisation, human resources and organisational development, structures and governance in local government and co-ordination, and building the capacity of PMO–RALG itself. Government also embarked on a Vision 2025 programme with the twin objectives of economic growth and poverty reduction. This programme, the National Strategy for Growth and Reduction of Poverty, is also called MKUKUTA. The role of local government is factored into all plans and programmes of implementation of MKUKUTA through building the autonomy and capacity of LGAs to fulfil

their new role in a decentralised system to provide better services, especially to the poor. PMO-RALG and LGAs are mentioned as important organs in about 80 per cent of the MKUKUTA cluster strategies (Mmari, 2005; PMO-RALG, 2008).

D-by-D: The implementation process

Countries differ dramatically in the degree and extent of decentralisation that is allowed and accommodated. Yet it has become the most favoured policy priority among policy-makers (Sharma, 2006). How decentralisation is measured depends partly on how it is defined. The Tanzanian decentralisation process is embedded in LGRP, the first phase of which lasted from 1998 to 2008 (referred to in this document as LGRP I). In 1998, Tanzania had a total of 102 local authorities. Within LGRP I, local government reform was designed to be carried out in three phases, with each one-year phase accommodating one-third of all councils starting January 1999 (URT, 1998).

The selection of councils for the first and second phases was to be 'on a voluntary and demand-driven basis, together with an assessment of financial and management capacity, that is, councils with the highest capacities. In reality, councils were randomly selected for the first batch' (pers.comm., PMO-RALG official, 2009). It was estimated that a total of US\$8.1 million was required for preparations and capacity building at central/regional level in phase one implementation. The first phase (Phase I) began in 1999 with 38³ districts and urban councils (randomly selected) that 'were given assistance to restructure themselves, improve their human resource management (HRM), build capacity in financial management, and embed principles of good governance' (pers.comm., PMO-RALG official, 2009). However, as a result of a joint review undertaken by government and development partners (DP) in 2001, a decision was made to abolish the phased approach and extend D-by-D to all LGAs. Thus from 2002, all LGAs were involved in D-by-D. Another joint review in 2004 exposed the need to give more impetus to reforms at central level to be in line with D-by-D. The decentralisation process also continues in the second stage of LGRP, LGRP II, which has medium-term objectives. LGRP II began in 2009 and it is to end in 2014. Section 6.3 provides a general overview and performance assessment of central and local government brought about by D-by-D under the two phases of LGRP. It examines the outcome of decentralisation policy in relation to the four main dimensions: political, administrative, functional, and fiscal decentralisation in phase 1 of LGRP.

6.3 D-by-D in LGRP I: Status of Implementation

6.3.1 Political decentralisation

Since the adoption of D-by-D, elections for ward councillors, village council, *mtaa* committee and *kitongoji* chair take place every five years. This is a vital aspect of

decentralisation policy in that local self-governance provides a platform for democratic accountability. In striving for equity and representativeness, special seats have been put in place for one-third of local posts to be for women or other marginalised groups. Political decentralisation has led to the empowerment of local councils to draft bylaws to cover areas such as community development, local revenue generation, waste collection and sanitation. Council meetings at the district, town, municipality, city, and village levels are now open to the public, resulting in improvements in agenda setting and the reporting of meetings. Decisions, plans and budgets are posted in public places and discussed in statutory meetings.

In the Tanzanian local government structure, the council directors and heads of departments have implemented decisions made in statutory meetings of the council, including implementation of projects. Elected councillors oversee project implementation in their wards. The approval of what type of project to implement is made by full council after following a bottom-up planning process approach. Execution of the projects is now the responsibility of not only council technocrats but all stakeholders, including councillors and the community at large. Councillors in their respective standing committees monitor the execution of the projects on a quarterly basis. Implementation status is thereafter submitted to the full council by the chairpersons of the standing committees. The full council meets on quarterly basis.

Voter turnout data is presented in Table 6.1 and shows a mixed picture of voter turnout.

Table 6.1. Voter turnout in Tanzania (1995–2005)

<i>Year</i>	<i>Population</i>	<i>Voting age population</i>	<i>Registration</i>	<i>Total vote</i>	<i>VAP* turnout (%)</i>	<i>Voter turnout (%)</i>
Parliamentary elections						
2005	36,766,356	17,459,595	15,705,223	11,389,530	65.2	72.5
2000	33,517,000	16,055,200	10,088,484	7,341,067	45.7	72.8
1995	29,700,000	14,256,000	8,928,816	6,831,578	47.9	76.5
Presidential elections						
2005	36,766,356	17,459,595	16,401,694	11,875,927	68.0	72.4
2000	33,517,000	16,055,200	10,088,484	8,517,648	53.1	84.4
1995	29,700,000	14,256,000	8,929,969	6,846,681	48.0	76.7

* Total vote as a proportion of VAP

Source: Adapted from International IDEA (Country View) and African Elections Database

The number of registered voters and proportion of voting age population has increased over time. Statistics from the African Elections Database show that in Tanzania, the voting age population (VAP) grew from 14 million in the 1995 elections to 17.5 million in the 2005 elections. In the same period, VAP turnout (total vote as a proportion of VAP) rose from 47.9 to 65.2 per cent. However, voter turnout declined from about 77

per cent to 72 per cent in the period 1995–2005, indicating decrease in local interest and participation in actual voting for the parliamentary and presidential elections.

During the grassroots elections held in late October 2009 (which precede national elections for president, parliament and ward positions), signs that voter apathy may occur at the grassroots elections were made by some officials of PO-RALG. While there was no hard data to substantiate this claim at that time, a REPOA publication pointed to a contradiction that more people are turning out for general elections, even though MPs have less contact with voters compared to the *kitongoji/mtaa* officials. The main challenge is how to encourage more of the population to participate in grassroots elections. Arising from this, it could be recommended that civic/grassroots elections should probably be held at the same time as general elections (or with ward council elections). This is important as the quality of political engagement affects the form and substance of outcomes of decentralisation at the local level. However, by the time general elections were held in 31 October 2010, despite substantial increase in number of registered voters to twenty million people, voter turnout stood at 42.8 per cent⁴, reaching new lower levels. Elections have provided opportunities for the populace to choose their representatives in a democratic manner. Trend data from Tanzania indicates voter interest may be waning.

However, as noted earlier, government-appointed municipal and district directors also work in the councils to supervise, but not control, elected officials (chairpersons and councillors). In addition to government appointees there are technical staff posted by central government from sector ministries to LGAs.

6.3.2 The politics

The adoption of a multi-party system in 1992 has not led to major changes in the Tanzanian political environment, in that the CCM party has remained in power throughout. A survey showed that Tanzanians have less contact with MPs because MPs spend a limited amount of time in their constituencies (75 per cent of respondents indicated that MPs visit only once a year or less). About 40 per cent identified voters as the group responsible for holding MPs accountable, while 41 per cent expressed little confidence in the usefulness of elections as a tool for holding parliamentarians accountable to voters (Chaligha, 2009).

Mayors/chairpersons are indirectly elected from within the ranks of the elected councillors of each of the authorities. The deputy mayor must come from a different urban authority than the mayor. The ruling CCM party has enjoyed majority votes at national and district levels. For example, the election results for 2005 for councils show that in Dar es Salaam's three municipal councils, CCM won all the available 73 seats, thus gaining full control of local parliament as shown in Table 6.2.

Table 6.2. Municipal elections, Dar es Salaam (2005)

<i>Dar es Salaam municipal councils</i>	<i>No. of seats won by CCM (all women and men)</i>	<i>No. of women</i>	<i>No. of seats won by other parties</i>
Ilala	22	4	CUF: 20, CHADEMA: 1, NCCR–Mageuzi: 1
Kinondoni (including Kawe constituency)	27	1	CUF: 17, CHADEMA: 9, TLP: 1
Temeke (including Kigamboni constituency)	24	7	CUF: 23, SAU: 1
Total	73	12	CUF: 60, CHADEMA: 10, NCCR–Mageuzi: 1, TLP: 1, SAU: 1

Source: National Electoral Commission of Tanzania

Female contestants had more success in Kigamboni (one-third of seats are reserved for women and other marginalised groups), and in most constituencies CCM won by more than 60–70 per cent of votes cast. The CCM thus has a stronghold on decision-making at council level, and given this result partisan politics at inter-party level is rare. Yet political pressure is considered a major impediment to revenue collection in some of the councils. Councillors who want to be re-elected disassociate themselves from increased taxation because taxes are generally disliked (Fjeldstad 2001: 9). In some instances, councillors vacillated on raising local taxes and charges because they are major local landowners or business people who wanted to minimise their personal tax burden.

6.3.3 Fiscal decentralisation

The reintroduction of local government in 1984 brought about the provision of grants to councils. Up to 80 per cent of council's recurrent expenditure was financed through grants and, more importantly, resources were inadequate and concentrated at the ministries prior to implementation of LGRP I. But the financial status of LGAs remained very poor: financial transfers from central government were unreliable, unrelated to budgets, and did not arrive in a timely manner. This was partly due to the cash budgeting system and the opaque system of resource allocation. Funds made available to LGAs barely covered salaries and running costs. As a result, LGAs had little or no opportunity to embark on meaningful initiatives to address local development. Also development partners (DPs) and NGOs played important roles in development funding through other parallel programmes on education and area-based programmes, which led to accountability problems.

A deliberate attempt was made to address the problems of underfunding of councils, enhance their financial resources and increase their efficient use of resources in D-by-D. Thus at the early stages of LGRP I, Act No.6 of 1999 was promulgated to

allow the provision of block grants, and a better intergovernmental transfer procedure was developed, comprised of:

- a set of recurrent sectoral block grants for priority sectors (primary education, local health services, agricultural extension and livestock, water supply, and local roads);
- a general purpose grant – a combination of administration grant and compensation grant – to cover administration costs;
- a local government capital development grant system (for capital development expenditures); and
- appropriate ministerial subventions for delegated functions.

In order to make allocations more predictable, and to enhance equity and fairness, a simple transparent formula was devised by government to allocate resources to LGAs. The formulae-based system takes into consideration factors such as population, number of school age children, infant mortality rate (IMR), poverty count, and distance from council headquarter based on a ‘sound principle of transfer design as laid out by the intergovernmental transfer study’ (Allers and Ishemoi, 2009). A sample of sectoral allocation formula for FY2004/05 is shown below in Table 6.3.

Table 6.3. The allocation formula

	<i>Grant</i>	<i>Allocation formula</i>	<i>Per cent</i>
Sector block grant	Primary education	Number of school-aged children	100
	Health	Population	70
		Number of poor residents	10
		District medical vehicle route	10
		Under-five mortality	10
	Agriculture	Number of villages	60
		Rural population	20
		Rainfall index	20
	Water	Equal shares	10
		Number of un-served rural residents	90
Local roads	Road network length	75	
	Land area capped	15	
	Number of poor residents	10	
General purpose grant	Fixed lump-sum	10	
	Total number of villages	10	
	Total population	50	
	Total number of rural residents	30	
Capital development grant	Total population	70	
	Number of poor residents	20	
	Land area (capped)	10	

Source: Adapted from URT (2006)

A major success factor has been the availability of resources through a ‘basket fund’ for D-by-D, particularly in LGRP I. The first basket fund of its type in Tanzania, it is the pooled funding of DPs and the government. DPs that provided financial support through this fund include the UK, Denmark, Ireland, the Netherlands, Norway, Finland, Sweden, UNCDF, the EU, World Bank, UNDP, Belgium, Germany and Canada. The DPs also gave technical support for D-by-D. Thus, since D-by-D started, resources have been following the transfer of functions.

Intergovernmental transfers

With decentralisation, major responsibilities have been devolved to councils, and LGAs are financed basically through grants and allocations from central government. The introduction of formula-based grant allocation was completed in 2006 and it has been fundamental to the success of decentralisation. Grants from central government constitute nearly 90 per cent of LG budgets. Over the years there has been an increase in financial resources transferred to LGAs. In the space of three years, that is 2004/05 to 2007/08, transfers from the centre rose from US\$352 million to US\$648 million, representing an increase of US\$8.80 per capita (2002 National Census, in URT, 2008). Deviations from the formula-based allocations have surfaced in the past when it was discovered that line ministries posted more staff to local governments than could be accommodated in the budget plan (Boex, 2004). How this is being corrected is discussed in ‘Special transfers’ sub-section of this chapter.

Conditional allocations

Conditional allocations are also given under LGRP I to benefit pro-poor sectors (education, health, water, roads, and agricultural sectors). The eligibility criteria for conditional allocations in LGRP I were laid down to identify those LGAs with adequate capacity, which in turn justified their being given greater autonomy over the use of grant resources. In order to help more LGAs to begin to meet the criteria and other performance measures, capacity-building grants are provided to assist LGAs as many lacked financial management capacity (URT, 2008).

A system of ‘bottom up’ planning and budgeting part of the MKUKUTA⁵, known as ‘Opportunities and Obstacles to Development’ (O&OD) has also been put in place. Ideally, in D-by-D local plans and budgets should be formulated from grassroots to council level; these are then amalgamated and forwarded to PMO-RALG and the Ministry of Finance and Economic Affairs. The principle of LGAs earning the right to greater autonomy and additional development funds was a great incentive to LGAs to improve their financial management capacity and performance. LGAs were mandated to prepare three-year rolling medium-term expenditure frameworks (MTEFs). The Ministry of Finance and Economic Affairs also introduced an integrated financial management system. This resulted in improvements in the financial management

performance of LGAs. For example, in 2004/05 only 3 per cent received adverse reports and the percentage of clean reports increased from 14 per cent in 2003 to 53 per cent. In the 2007/08 financial year there were no adverse audit reports among the 124 LGAs reported on.

Capital development grants

Most councils depend on intergovernmental transfers to fund their activities, but only 22 per cent of the funds needed for effective and efficient service delivery actually reach LGAs. LGAs could earn the right to greater autonomy and development grants through the Local Government Development Grant (LGDG) system. This system provides discretionary capital development grants to LGAs on a formula basis, but only where they have met minimum performance criteria (including financial management) and some governance-related minimum conditions. The development and financing of the system was supported by the World Bank's Local Government Support Programme and a consortium of development partners.

In the period 2004–09 the LGDG system provided non-earmarked funding of over TSh260 billion to local development. Seven development partners provided 65 per cent of this amount as grants, while the rest came as loans from the World Bank. The funding has helped LGAs to construct new schools and clinics, improve agricultural services (Finland's main interest has been in forestry, agriculture and bio-energy), as well as build capacity (training civil servants and local leaders). Now, all development funding to LGs will pass through this system.

Special transfers

Allocations to LGs are different because of criteria such as population size, nature of service intervention, and remoteness of location. Resource-poor areas therefore benefit from 'shock absorbing' mechanisms made available during planning sessions. Remote islands are given boats; generators are provided in areas not covered by the national grid; and staff housing catered for in districts/localities where it is deficient. All these are to motivate staff transferred to such areas, and are not usually covered in the regular budget. For instance, Makete in Iringa region is a hilly region with rough roads and the population has a higher incidence of HIV than other areas; so an extra-budgetary compensation is made for local governance in that area. Also in the delta areas of Rufiji River, boats are supplied to transport medicine to health facilities. The success of the system has been influenced by central government who mandates LGAs to use those grants for other projects. Councils sometimes express dissatisfaction with transfers from central government: that is, transfers are often delayed and in some cases councils receive a relatively small proportion of what they were promised, or of what they need to deliver the service. The flip side is that officials in the ministry of finance also feel that there are instances where councils get 'double' transfers; for

example they feel that the development grants and sector grants that LGAs receive amount to double benefits. In reality, part of the block grant is still allocated through ministerial subvention rather than through the formulas (URT, 2008).

Locally generated revenues

Local governments' own revenues represent less than 6 per cent of total national tax revenues in Tanzania. In the early stages, it was doubtful that the administration in many local authorities in Tanzania had adequate capacity and the required integrity to manage increased fiscal autonomy. Moreover, without substantial restructuring of the current tax system, capacity building and improved integrity, increased autonomy would increase levels of mismanagement and corruption (Fjeldstad, 2001). Local authorities have the power to levy a limited number of taxes, fees and charges. Councils are only supposed to charge in areas where they provide services. The government has abolished 'nuisance' taxes such as on-the-spot or roadside tax collection targeted at members of the public which are of little benefit and which create collection problems. Taxes that accrue to LGAs include property tax and crop tax, but the LGAs feel they are being short-changed because they are prevented from collecting 'good' taxes such as income tax.

LGAs do now have more discretion to 'outsource' revenue collection. For example, Rungwe District Council has privatised the collection of market fees, and as a result revenue increased by 83 per cent (or US\$19,600 per year). Iringa Municipal Council privatised all revenue collection and increased revenue by 173 per cent (or US\$40,700) in one year (URT, 2008). This has generated a reverse in the direction of accountability; earlier there had been a strong tendency to account upwards because of dependence on allocations from the centre. Now councils realise the need for downward accountability of local and central resources to sustain the flow of internally generated revenue.

The incidence of corruption used to be high, but as reform was implemented mechanisms such as codes of conduct for councillors and codes of ethics for local government staff were put in place, and financial management has improved dramatically with placement of internal benchmarks. Kinondoni Municipal Council (a council in Dar es Salaam) was the worst LGA in terms of financial management, but it has since improved its poor rating. There is an annual audit of LG finance, first by an auditor based at the district council, who forwards the audit report to the council director for response to any queries raised, and then submits it to the finance committee and the full council. External auditors are stationed at regional level and they are answerable to the National Audit Office. The auditing system has been effective due to the verification system put in place to rate the financial management of LGAs, shame poor-performing LGAs, and tie further transfers to benchmarks in the audit system.

6.3.4 Human resources/administrative decentralisation

Over 60 per cent of government employees are employed at the LG level (URT, 2005). As part of the D-by-D process, council staff are to be de-linked from their 'home' ministries. For example, prior to D-by-D, there were more staff in the Ministry of Agriculture and Food Security than the entire staff at LG level. So most staff were transferred to LG level as soon as D-by-D started. Some staff at the ministry headquarters initially resisted transfer, so they were then given option to quit.

LGAs are to have autonomy over human resources, that is LGs 'will be fully responsible for planning, recruiting, rewarding, promoting, disciplining, development and firing of their personnel. The councils will be the appointing authorities and employers for all local government personnel (including teachers, health staff, agricultural staff etc.)' (GoT, 1998). LGs will 'employ the Council Director, the department heads and will adopt staffing plans and budgets' (ibid.) This is also contained in the Local Government Service Regulations (2000). At the early stages of LGRP I, some regulations were passed by government to reverse some parts of the regulations of 2000. These include Public Service Act No.8 of 2002 and the Public Service Regulations of 2003. These two regulations impinged on the LG's ability to use their discretion on staff management. The Public Service Act was then amended in 2004 to give LG a mandate to employ and hire their own staff.

LGRP capacity building has been in training activities that cover both staff and elected officials. Tailor-made training programmes were developed and conducted nationwide in the following areas: internal systems, skills and knowledge development, staff incentives and deployment, leadership and equipping, and re-tooling (PMO-RALG, 2008).

Training has been provided for:

- 72,000 elected grassroots leaders;
- 2,537 ward executive officers;
- 10,045 village/*mitaa* executive officers;
- 3,447 councillors;
- 106 council directors;
- 104 district commissioners; and
- 116 human resources officers.

The human resource target of the first phase was not fully met (URT, 2008). Some of the councils are short of staff requirements despite a transfer of staff from sector ministries. For example, Mbinga has 34 wards with more than 100 villages but has only one engineer. It is not easy for one engineer to supervise construction of 40 dispensary units; even if the dispensary units only needed rehabilitation, the end result would not be of the quality desired. Reasonable autonomy was given to councils to hire and fire staff; however some staff are still appointed at the level of sector

ministries based on the perception that some councils lack the capacity to recruit or attract skilled or professional staff. While some staff are transferred to councils, the financial means of keeping them at the local level did not follow. At Kibaha District Council, allowances meant to facilitate the transfer of staff are withheld by some of ministries, and some staff transferred to Kibaha have not yet received their transfer allowance, which is affecting staff morale and effectiveness. Unfortunately, funds available at local level are not enough to compensate affected staff. The Kibaha District Council economist observed that:

‘there is a flow of financial resources from the centre; but money transferred does not match the flow of responsibilities. In other instances, money has been given but councils lack capacity to utilise it well due to lack of professional personnel such as accountants, doctors, engineers etc. The main challenge is our overdependence on transfers from central government, which the central government is in turn using as a leverage to interfere in council activities. Our priorities are manipulated by central government because we depend on them financially by up to 90 per cent. D-by-D is more theoretical than practical; even practitioners have not yet internalised it. Decentralisation is well-known terminology at the national level, but not at the districts level’ (in-depth interview conducted at Kibaha District Council, November 2009)

6.3.5 Public service

The public service employment and management policy was launched in 1999, and effectively took off in 2000. National co-ordination of the public service is done at the President’s Office–Public Service Management section (PO–PSM). The PO–PSM sets and gives approval for staff levels and employment into ministries, departments and agencies (MDA), regional secretariat and LGAs. As of October 2009, Tanzania’s public service was 249,289 strong (60 per cent employed at local level) and about 80 per cent of its workforce possesses less than secondary school education (see Table 6.4 below, and Annex 6.4 for executive agencies).

Table 6.4. Educational attainment of employees in Tanzania’s civil service (central and local), October 2009

<i>Educational level</i>	<i>Number of employees</i>	<i>%</i>
Unknown	146	0.06
Up to standard 4	2,189	0.88
Standard 5–8	92,395	37.06
Form 1–4	116,167	46.60
Form 5–6	6,853	2.75
Ordinary diploma	20,387	8.18
Advanced diploma	3,914	1.57
Bachelors degree	4,113	1.65
Postgraduate diploma	915	0.37
Masters degree	2,056	0.82
Doctorate	151	0.06
Total	249,286	

Source: PO–PSM office, Dar es Salaam, October 2009

PO-PSM is responsible for developing schemes of service and conducting quality checks of all schemes for MDAs. The LGAs were also empowered by the Public Service Act 2002 to independently employ personnel. This Act was reviewed in 2007. As far as public service and servants are concerned, the ministry responsible for public service monitors and sets standards. Each ministry does standard policy setting for its sector, which still needs to be in concordance with civil service regulations.

Training

PO-PSM make training policy for MDAs. Employers are required to carry out training programmes and requests from MDAs can be made to the public service (PO-PSM) based on their training needs assessment. Some opportunities for international training are given by partners; in instances where training opportunities do not meet the needs of PO-PSM personnel at the central level, they are passed on to the relevant ministries and agencies to take advantage of. There is an Open Performance Review and Appraisal System which has a built-in mechanism to identify gaps in the knowledge and skills of personnel. The system informs training requirements and it is designed for the individual assessment of workers. At individual meetings with supervisors, areas where personnel lack skills/knowledge are identified. Between 2006 and September 2009, records from the PO-PSM's office show that 1,034 public servants benefited from long and short training programmes through the PO-PSM.

In relation to decentralisation, PO-PSM is responsible for the restructuring of the public service, organisational set-up of MDAs, and how MDAs comply with D-by-D. In PO-PSM action plan, functions of MDAs are examined regularly to ensure that nothing operational remains at MDAs national offices. MDAs that still retain local activities at the centre are mandated to devolve them to councils as agreed. A large number of staff has been transferred from sector ministries to relevant departments in LGAs to beef up functioning capacity, and transfers have resulted in increased skills and human resources at the district level. Ministries are expected to submit themselves to a review of operational structures, and it is PO-PSM responsibility to see if they are complying with D-by-D. PMO-RALG carried out a compliance exercise in 2007 to check how ministries had conducted the transfer of staff to sub-national units, to see if staff, equipment, and money are following devolved responsibilities. In the second phase of reforms, nine ministries are to be checked for compliance. Some ministries find it hard to devolve activities that have revenue-generating functions and operations that attract money from central government. There are instances where ministries release responsibility to councils but do not release the resources needed for councils to perform the functions. In budget guidelines, D-by-D activities need to be taken out of MDAs (for example, training allowances for council staff). This is an important condition to be adhered to by Ministries. Thus the compliance exercise focuses on budgets of Ministries.

6.3.6 National framework and commitment

Changes in central–local relations

The first actual redistribution of functions and resources took place in 1999. Improvements observed in fiscal transfers owe much to the process of targeted information and education, and negotiation on fiscal decentralisation, especially among sectoral ministries. The joint Government–Donor Task Force on Fiscal Decentralisation set up in 2002 was influential in this regard. Under D-by-D, most municipalities have the necessary administrative, financial and political powers. Major functions of municipalities include the:

- assessment and collection of municipal revenues;
- preparation and implementation of development plans;
- provision of internal roads and bridges, markets, slaughter houses, terminals, public gardens, recreational areas, and other public facilities;
- regulation of cleanliness and provision of solid waste, water, sewerage, and drainage services; and
- delivery of miscellaneous services, including fire protection, libraries, public toilets, street lighting and ambulance services.

But the performance of municipalities has been poor in terms of service delivery. One of the major reasons for the poor performance of municipalities in service provision is that while most municipalities have the power to decide on their priorities, the bulk of local finance derives from central government transfers. This dependency compromises the autonomy of LGAs to deliver services. In some other instances, most decisions are made by higher central authorities as a result of the considerable level of control it exercises over the revenues, human resources and financial matters of the local authorities.

Millennium Development Goals (MDGs)

Vision 2025 and MKUKUTA underline the importance of D-by-D to achieving the Millennium Development Goals (MDGs). There are clear conceptual linkages between MKUKUTA and the LGRP. The local government reforms are basically forming the foundation for the implementation of MKUKUTA. PMO–RALG and LGAs are mentioned in implementation in around 80 per cent of the cluster strategies.

6.3.7 Sectoral decentralisation

In Tanzania, local government is primarily responsible for the service delivery of basic education, (primary) health care and agriculture. In these sectors there are various forms of direct decentralisation to user groups – school management committees, health user-management committees, and farmers groups (Tidemand, 2009).

Education

The election manifesto of the ruling party says that by 2010 each ward must have a secondary school. This manifesto was linked to the achievement of the MDGs. The pressure was such that any child that passed the primary-school leaving examination had to be given the chance to go to secondary school. A large proportion of the capital development grant of 2007/08 went to the education sector (although five major sectors were to share the available funds equally). Most of the projects were launched in the education sector. Kongwa District Council, for example, had only three secondary schools until 2006; this rose to 21 in 2008. In Kongwa, it became a must that every able-bodied adult contribute TSh5,000 and labour to this effort, in addition to contributions from civil society organisations (CSOs) and non-governmental organisations (NGOs) (pers.comm., former director of Kongwa District Council).

Primary and secondary education has also been devolved. In the education sector school management committees now manage a substantial part of the budget. Only the education sector has registered major service delivery achievements so far. These achievements have been mostly quantitative (increased enrolment). However, the improvement in the education sector can also be related to the larger chunk of allocation accorded to the sector. In the breakdown of conditional allocation for local government administration: education accounts for some 70 per cent of allocations, health 18 per cent, administration 6 per cent, and water, roads and agriculture together receive 6 per cent.

'In Kibaha District the impact of decentralisation is being felt more in the delivery of secondary education services. Staff have been transferred and requests for payment to facilitate the transfers are being handled at the district level. The council has been effective in conducting the local transfer of teachers; we pay their subsistence allowance. Also, placement and transfers of students, which used to be done at the centre in Dar es Salaam, is being handled now at the regional/district level. There is a deficit of personnel at the managerial level. At present, there is no budget to facilitate the transfer of teachers when they are posted to managerial level. This has to be fine-tuned between the council and the ministry. We also discovered that at the ministry money has been allocated to facilitate transfers of teachers but that this money has not been forwarded to districts.' (Kibaha District Education Officer)

Health sector

The Ministry of Health introduced reforms as part of their strategy to devolve the administration and management of health services to local authorities by introducing Council Health Services Boards and various Health Facility Committees that work under the local governments. The aim is to increase community participation in the planning and management of the health boards and committees and have a mixed representation from government, voluntary agencies, private for-profit health providers, and communities. Through these structures the genuine transfer of power

and authority to the communities is expected to take place. Because selection into local management structure is not democratic, representatives see themselves as primarily accountable to government and not to their communities (Boon, 2007). Similar situations have been reported in Zambia (Blas and Limbambala, 2001) and Uganda (Hutchinson, 1999).

In the Tanzanian health sector LGAs are responsible for primary health care and hospitals are managed by government-appointed health boards but capacity constraints have limited the effectiveness of many decentralisation efforts. These deficiencies have included limitations both in absolute staffing numbers and in their level of training and preparedness for their new functions. Similar findings have been observed in a survey of district directors of health services in Uganda (Hutchinson, 1999); and Kenya (Oyayo and Rifkin (2003) in Hutchinson and LaFond, 2004).

The involvement of user groups is especially found in small health units and this is slowly gaining prominence. These user groups and the decentralisation of sector responsibilities and funding to them have enhanced direct community participation in service delivery. In the education sector there is some evidence that this improves effectiveness, although the effectiveness of participation seems to decline when user fees are abolished, which in turn leads to inefficiencies. Without well-functioning systems for representation and accountability, decentralisation can lead to an increase in resource leakages – funds, drugs and supplies – from the health sector. If local governments have weak administrative or technical capacity, overall efficiency or resource use may decrease (Brinkerhoff and Leighton, 2002).

The strategy was to have a dispensary in each village and a health centre in each ward by 2008. Improvements in service delivery may not be as fast or visible as in the education sector because while it was easy to find teachers to fill the gaps, it takes at least four years to train nurses (at least five years for doctors), so it took a bit longer to start providing health care services. In effect, immediate gains may not be seen in the devolution of powers and functions in the health sector. However in terms of facilities, the Tanzania Social Action Fund (TASAF) is being used to construct dispensaries in preparation for health workers who are currently in training.

Tanzania faces an uphill struggle regarding additional training for health workers. While health-service delivery is increasingly becoming locally determined, opportunities for the overseas training of medical officers is still centralised and scholarships only benefit those at the ministry, not those in direct line of service delivery. With effect from 1999, secondary schools management has also been transferred to LGAs.

Agriculture

Kibaha District Council (KDC) is comfortable with the quality of their staff at present; their main challenge is the technical links with the ministry. For example,

there is only one adviser on livestock in the entire region, which is not enough. He is the same person that attends to issues of marketing and conflict resolution between farmers and livestock keepers. The regional livestock department needs to be beefed up. Irrigation engineers are located at zonal offices, which are even further removed from the district headquarters. The hidden challenge is that central government does not articulate the financial needs of the departments. In agriculture, projects are interconnected, but compensatory effects are not noted. For instance, an abattoir needs a constant water supply. There is a need for more consultative meetings between ministry and sub-national sector units. This will help in deepening local ownership of the development process, apart from the usual 20 per cent contribution from locals in order for them to feel like part-owners and players.

Districts also formulate district agricultural development plans (DADP). This sector's plan is to facilitate research and analyse opportunities for viable agriculture-related projects, in that order. The district council encouraged the formation of farmer's groups for project implementation.

'Locals are able to prioritise their problems. DADPs give room for participation by all groups. In two years, we have seen an increase in production of crops and livestock. Food security is the target of the project and this is being achieved. There are improvements in both the quantity and quality of crops; surplus production resulted from good crop husbandry, and there are extension officers at the ward level. The challenge with DADP is the different priorities for various groups.' (Agricultural officer, Kibaha Town Council)

Tanzania Social Action Fund (TASAF)

Another important source of funding for locally conceived projects is the Tanzania Social Action Fund (TASAF). Between 1999 and 2005, TASAF operated in 40 LGs in mainland Tanzania, where it has been a source of direct funding for community development initiatives and subprojects (Tidemand, 2005). While communities are responsible for procurement and project management, technical support is given by district teams. TASAF has largely benefited the education sector where local school committees have received funding for classroom construction under the Primary Education Development Programme (PEDP). The main concern is with grassroots participation in formulating and implementing development projects. There is a standing agreement that locals have to contribute 20 per cent of project costs. This 20 per cent can be in the form of cash, labour or water supply.

Some local initiatives fail due to delays in or a lack of contributions. Communities already contribute to virtually all the projects (health, education, etc.) and may not be able to afford more. According to both the political leader and economist of Kibaha Town Council, 'the cost-sharing scheme is taking its toll on citizens, especially among the unemployed or underemployed. The case is worst among those living in coastal areas that are generally not economically active and contributions from them are

poor.’ Community contributions are low in towns compared to rural areas. Byelaws that make contributions mandatory are not being enforced. One way to avoid contribution fatigue is to charge all levies (licences, project contributions) as one tax. The Dar es Salaam City Council has successfully implemented this, although there are complaints in some quarters that the decision was not democratic. Contributions could also be tagged to applications for various licences. The problem with this approach is that contributions differ per sector and are set in contracts. For example, in agriculture a 20 per cent contribution is standard. Guidelines for different projects need to be amalgamated by setting a cross-cutting 10 per cent threshold. Right now, 90 per cent of functions have been decentralised from central government but less than 50 per cent of the resources necessary to implement the work has followed.

Water

Water management committees are village-based (eight members, half men half women). They are trained in how to sell water and use the proceeds to maintain boreholes. Urban water authorities are autonomous and their board comprises LG officials and stakeholders.

Electricity

The government holds a monopoly on electricity generation, supply and distribution through the Ministry of Energy and Mineral Resources. There is a general notion that emergencies such as drought make it imperative not to leave provision of electricity supply in the hands of private providers. ‘Commercial companies have no social obligation to supply electricity at subsidised or affordable rates to the populace; they will always charge commercial rates for electricity supply’ (PMO-RALG official, Dar es Salaam). Decentralised organs do not have a role in power generation and supply; this is handled by the Tanzania Electricity Supply Company (TANESCO).

Waste management

LGAs are allowed to contract out revenue and refuse collection, and have done so. For example, a company called HANANASIF GROUP has been engaged to carry out waste management at Kinondoni Municipal Council in the Dar es Salaam region.

Civic awareness

The O&OD process and the LGDG have also contributed to increasing public awareness about rights and responsibilities and local development. However, the participation of civil society in the affairs of local authorities is has observer status. Civil society organisations are neither member of the council nor of the statutory committees of a local authority.

Privatisation of state enterprises in Tanzania

Tanzania has also transferred some of its responsibilities to the market through privatisation. In February 1967 numerous parastatal enterprises were established as the strategic commercial activities of the economy were put under state control. Within two decades, managerial and financial difficulties were faced by the government in the process of running its parastatals, which underscored the need for a change of policy. Thus in early 1992 the government announced a national policy to privatise utility and infrastructure services as part of a parastatal sector reform policy. A Presidential Parastatal Sector Reform Commission (PSRC) was established under the Public Corporations Act of 1992 (amended in 1993 and 1999). The body was formed to co-ordinate the implementation of government's privatisation efforts as part of its economic reform. Much of the initial impetus for privatisation in Tanzania came from international financial institutions – the IMF and WB, as part of their push for structural adjustment (AFRODAD, 2007).

The privatisation of large utilities is a complex process, requiring full audits, legislative changes and the preparation of regulatory frameworks (AFRODAD, 2007). Since the inception of the privatisation programme in May 1993, a total of 811 divestiture transactions had been completed, including the divestiture of 312 state corporations and the disposal of 499 non-core assets. For example, in the banking sector the sales agreement for the National Bank of Commerce was signed in March 2000. Over time, new guidelines have been introduced for the preparation and execution of public enterprise (PE) divestiture transactions. Bidders are now to undergo careful pre-qualification and due diligence process; bids are now better judged on well-defined criteria such as price, precluding the need for extensive negotiations with the winning bidder, which used to happen in the past. As a result, one of the large parastatal monopolies, the container terminal of the Tanzania Harbour Authority, was removed from government management through a ten-year lease agreement signed in May 2000.

In late 1996 the Government of Tanzania (GoT) decided to expand the privatisation programme to divest all major utility and infrastructure PEs (water, telecommunications, ports, railways, electricity) along with banking, agriculture and mining PEs. For example, Dar es Salaam Water and Sewerage Authority (DAWASA), wholly owned by the government, is responsible for the provision of water supply and sewerage services in the Greater Dar es Salaam area (that is, Dar es Salaam and part of the coastal region). Protesters claim these international takeovers are excluding the poor from an affordable clean water supply, due to the concentration on cost recovery.

The government also embarked on implementing extensive restructuring and privatisation of the electricity sub-sector in order to attract investment and increase efficiency. In the new electricity industry structure, TANESCO's monopolistic nature was curbed when independent power producers (IPPs) were allowed to contribute to power generation. Power generated by IPPs is sold to TANESCO. Some IPPs and their

corresponding generation capacity include: Kiwira Coal Mine (6MW), TANWAT (2.5MW) and Independent Power Tanzania Limited – IPTL (100MW). Similar to the water supply situation, TANESCO has been criticised for the high level of its tariffs in comparison with those in other countries in the Southern African Development Community (SADC). The privatisation of state-owned companies has attracted a number of international players including South African Breweries (Tanzania Breweries), the Japanese Tobacco Company (Tanzania Cigarette Company), Lafarge, Holderback Scancem in cement production, and Illovo Sugar/EDF Man (Kilombero Sugar Company), and a consortium of Detecom (Germany) and MSI (Netherlands) (Tanzania Telecommunications Corporation Ltd – TTCL) (AFRODAD, 2007).

6.3.8 Development partners and PMO–RALG

Tanzania’s association with development partners (DP) is advanced. This occurred as a result of the political will and ability that GoT has demonstrated in its attempt to reduce poverty and decentralise governance. With decentralisation, DPs pledged more support when the government launched a Local Government Reform Programme in 1998, and in 1999 established a basket fund for the LGRP, the first in the country. LGRP I was mostly financed from a basket fund created by DPs and GoT. The activities supported were in capacity building, including international exchange of elected leaders and functionaries on study visits, and the training of heads of departments, council directors and other officials. Some lead donors offered assistance in sectoral training.

‘Based on Finland’s government assessment and long-standing interests in engagement with Tanzania, 38 per cent of Finnish support goes to general budget support, 35 per cent into the basket fund and the rest to projects and civil society support. In general, support given by all countries is done in consultation with the government to avoid ‘overlaps and over-subscription’ to some projects and councils, or prevent the occurrence of ‘aid orphans’ in other areas. The Finnish government has supported other countries in their decentralisation drive, including Angola, Namibia, and Mozambique. The experience in Tanzania is unique because of the existence of the LGDG, which is seen as an advanced grant system, a model that is now being studied by the governments of Ghana and Namibia.’ (Ms Soiri, Finnish Embassy, Dar es Salaam, October 2009).

What further spurred DPs to be more involved in Tanzania’s decentralisation process was the government’s commitment to establish and contribute to the Local Government Development Grant (LGDG). The money pooled in the LGDG can be accessed by councils based on agreed criteria, including performance rating in annual assessment. After scaling such hurdles, councils have used funds to build schools, dispensaries, health centres, roads, etc. Within a short time, DPs moved from supporting area programmes to supporting the basket fund, and their overall interest in local development is demonstrated by their general budget support (GBS). (GoT’s preferred mode of support is through GBS.)

Britain's DFID later opted out of the basket fund because it prefers giving more assistance through GBS, to 'assist national priorities' (pers.comm., PMO-RALG official). While the Commissioner for Budget also prefers the GBS option, PMO-RALG official thinks that LGRP has a better chance of success in terms of sectoral development with the basket fund. 'Under GBS, the government disburses money according to its priorities and to the advantage of security agencies (the armed forces, prisons service, and immigration) but with the basket fund, sectors do not have to compete for funds with security agencies who clearly cannot meet service delivery benchmarks set by donors' (pers.comm., PMO-RALG official).

The terms of reference for DP members are clearly spelled out, and NGOs, for example, are not allowed to be members of this group. The DPs meet monthly, and their group is headed by two chairpersons elected annually on an alternating basis. One current co-chair is from Finland and has been in post for nearly three years. Consensus is the key word for decision-making within the group. In 2008, the GBS was found to be unsatisfactory but the group recommended ways of moving forward in its support procedures. Little friction occurs among DPs involved with Tanzania D-by-D. Most members are LG/governance specialists and this makes collaboration easier within the group. However the disadvantage of this homogeneity is that members can get too involved or acting as 'know-it-all', which does not help in letting the government take the leadership role. DP members need to ensure that they follow the legal requirements and reporting procedures of their home countries, to ensure accountability to their governments who allocate part of their taxpayers' money to fund development projects in other countries.

6.3.9 Challenges faced by PMO-RALG

PMO-RALG is regarded as the champion of the decentralisation policy, and has been charged with its implementation. While PMO-RALG desires to fulfil its mandate, the unit also faces certain limitations. PMO-RALG has put in place an LG inspection unit which is more or less an auditing unit charged with conducting routine inspections on the administrative and financial performance of councils and advising council officials how to run their offices more effectively. This has not been successful so far. 'The unit has not been able to conduct impromptu on-the-spot assessments, but has [instead] been using a 'fire brigade' approach, responding to complaints from councils. Lack of human resources has hampered the spontaneity function of the inspection unit.' (PMO-RALG officials, Dar es Salaam, 2009).

6.4 D-by-D: Successes and Challenges

6.4.1 Successes of D-by-D

The general public has an increased level of awareness of governance procedures, and grassroots participation has been solidified by the establishment of the *kitongoji* and

mtaa for local project formulation, design, implementation, and monitoring. This has particularly improved accountability. The government also put in place MKUKUTA to align the Vision 2025 programme with the MDGs. The LGDG system has had a positive impact on D-by-D. The PMO–RALG office is satisfied with donor involvement in D-by-D so far, but there is a realisation that there are many sector needs too, and there is a wish for more support from international donors.

Service delivery

Service provision has improved in the education sector. The objective is for each ward to have one secondary school; some wards now have more than one. There is a more than 75 per cent enrolment rate for primary schoolchildren, and more than 50 per cent of them go on to secondary school (a ward is about five villages; each village has approximately 250 households, so a ward has about 1500 people). In the health sector, service provision has been decentralised to district level. Each ward now has health centre; there are dispensaries in nearly every village but their impact on improvements in major health indicators is not easy to assess. Each district also has allocated space to establish hospitals. Private participation in health service delivery is on the rise, especially from faith-based organisations such as the Catholic and Lutheran churches (these Christian institutions run Bugando referral hospital in Mwanza and Kilimanjaro Christian Medical Centre in Kilimanjaro region). LGAs have also improved in terms of organisational structure, construction of markets, and garbage collection – in collaboration with the private sector (pers.comm., Secretary General ALAT, 2009).

Finance

Central allocations (from the government's own resources and the donor basket funding), where conditional or not, are the most significant sources of revenue for LGAs. Financial management of councils has also improved. The barometer for this is the Controller Auditor General's Report showing a significant decrease in the number of councils getting negative financial management ratings, so more qualify for and have access to other types of conditional grants. In Tanzania, the development partners have provided support for broader governance issues such as cross-sectoral planning, broad-based citizen participation and general local accountability. Since members of the public are allowed to participate in full council meetings as observers, transparency can be said to exist on the issues discussed in council and committee meetings, although this matter is discussed further in the next section.

Transparency and accountability system of local management

PMO–RALG supervise the activities of LGAs. In cases of non-performance or poor performance the minister responsible for local government has powers to abolish the

council and appoint a commission. He can also transfer the chief officers and bring in new ones. However, a system of downward accountability for the elected officials to account for their performance to those who elected them is woefully lacking; political officeholders can only be voted out of office between elections if charged with wrongdoings.

Harmonisation of legislation

In general, while some regulations were passed to support the reforms, not all relevant legislation was harmonised with the decentralisation policy. Donors such as GTZ have supported efforts to harmonise central and sector legislation with government policy on decentralisation. The Tanzanian government has also taken conscious steps to enhance harmonisation by setting up the Legal Harmonisation Task Force. Efforts to harmonise central and sector legislation with government policy on decentralisation have been ongoing since 1999, but little progress was at first recorded. Under LGRP, harmonisation reports on the six pro-poor sectors have been written. Draft bills have been prepared for the education and health sectors and submitted to government for approval. The slow rate of progress is attributed to the large scale and complexity of the harmonisation of central and sector legislation with government policy.

6.4.2 Major challenges to D-by-D

Achievements have not been good enough due to inadequate resources and the gap between how much money councils request in order to fulfil their mandate and the amount allocated by the central government (which falls far short of LG requests), with a further decrease in what is finally released to LGAs. The experience of financial shortfalls at the council level has raised questions locally about the sincerity of the government to pursue D-by-D. Specific challenges are highlighted in the sections that follow.

Service delivery

While there has been an increase in the enrolment levels of eligible children in primary and secondary schools, the quality of service delivered is still low. This is due to an apparent lack of teachers, desks and textbooks for students, which is reflected in the relatively poor quality of pupils graduating from primary and secondary schools (pers. comm., Secretary General, ALAT). In Kibaha Town Council, the construction of schools has stalled due to lack of funds. In the health sector, though, there are more dispensaries established at the local level, but it is too early to make a link between health infrastructure and improvements (or otherwise) in health indicators. However, secondary data obtained from REPOA suggests that while citizens' satisfaction with local government service delivery in basic health has improved, infant mortality and maternal mortality rates (IMR and MMR) are still high, and malaria remains the

number one deadly disease (Research and Analysis Working Group, 2007). Also, water supply service is still deficient; this is compounded by frequent drought in some years.

Finance

It is conceded that under D-by-D, if LGAs continue to have limited revenue-generating capacity, they are more likely to remain reliant on transfers from central government, which still fall short of the council's financial requirements. In addition, decentralisation generally involves a diminished central government role in service delivery; however certain functions (e.g., setting standards, transferring resources) are likely to be most efficiently undertaken at the central level. However, decentralisation still requires a strong central capacity for monitoring and enforcing regulations and standards.

'The central government should see LGs as partners and agents of development. The central government should not see the money it transfers as charity but obligatory.'
(Council official, Kinondoni)

The impact of the grant system on local revenue generation is discussed in the following sections in relation to how start-up councils benefited in the early years of LGRP I.

The start-up councils

The 38 councils chosen randomly from rural and urban areas formed the core of start-up councils at the beginning of LGRP I had help with finance and development based on administrative support and logistics because they received a the US\$130,000 start-up grant per council (excluding retrenchment and other costs) training in the EPICOR accounting system, etc. When the remaining councils joined the reform process, they learned that they would receive similar logistics and financial support. As a result many councils did not try very hard to generate internal revenue. What these councils have now are the development grants allocated through a formula. Respondents also allege disparities in allocation. For example, Dar es Salaam City Council still gets a larger share of transfers than others despite the fact that it has better capacity and opportunities to generate internal revenue compared to other councils. Also, central government abolished nuisance taxes, which used to be a source of council revenue. So the wait-and-see attitude among councils is understandable.

Autonomy

Local government autonomy and the involvement of citizens in decision-making and supervision is clear at the grassroots level where communities are involved in processes of both planning and implementation. The resources set aside for the

health, education and agriculture sectors have to be used to implement projects in those sectors.

Dissatisfaction of DPs

The co-chair of the DP group observed that some systemic problems recur and that there is little or no advancement in human resources development. Government has curbed the councils' power to hire and fire; and council staff salaries and allowances are still handled centrally. Other problems are in the areas of legal harmonisation of council laws with national laws; overlaps and contradictions between the LG framework and public service regulations and sector laws (which need to be harmonised); and financial transfers from the centre. Councils' capacity to generate internal revenue is low, while the scattered/sparse population of the country's interior compounds the situation. There is a high dependency on allocations from the centre, and little interest in raising revenue from communities. A comparison was made to Angola, where post-war communities have shown more dynamism in their revenue-raising for local development. Local ownership of development practices should not focus on decision-making alone, but also on communities' exhibited desire to generate their own revenue. Tanzania has a good planning system, but this has not yet translated into development.

Accountability

For much of the three decades after independence, Tanzania was governed as a one-party state. With the introduction of a multiparty system in the early 1990s, elections at the grassroots level are not heavily contested compared to elections for MPs. These contests are not major events, partly because the earlier one-party structure has ingrained a culture of non-challenge and engendered harmonious relationships within and between contesting parties. However, holding non-performing elected officials to account between elections is, for now, restricted to the officials' party. There is no other mechanism for recalling non-performing officials, and they can go on to enjoy their term of office to the full. Erring officials are subjected to disciplinary action within the party, for example, fellow councillors can vote out mayors before their term of office expires, but the impeached mayor can then revert to his/her original role as a councillor. It is only at the village level where members of village committees have been removed and not reinstated in other capacities. An offending official can also be disqualified from participating in future electoral contests or taking up appointments.

Corruption

Pockets of corruption are increasing. Grassroots leaders and committee members are not paid, unlike village or ward executive officers (who are government representatives).

The excuse for non-payment of salaries to committee members at the grassroots level is that these are political posts. Grassroots leaders are often relatively poor, yet they are expected to spend their time on development planning and implementation in their respective villages. Sometimes they collude with experts and other paid officials to 'build classrooms with substandard materials and pocket the remaining funds'⁶. In addition, those who vie for elected positions are increasingly using personal finance for their campaigns. Due to internal competition for positions within the ruling party, this phenomenon runs rampant in the drive to gain influence. In the end, election winners enter into unscrupulous deals in order to recoup money invested in pre-election campaigns.

6.4.3 Conclusion LGRP I

Field research shows that the security services (police, army and immigration) have not been decentralised. The judiciary is also centralised, with the exception of ward tribunals, which give a sense of decentralised judicial services. Opposition parties have not offered alternative ideas regarding the way decentralisation is being operationalised in Tanzania. The main departure is from CHADEMA, who think that given the country's size, a loose federal system of governance should be adopted. Thus there have not been substantive dissensions to embarking on the second phase of the reform programme.

6.5 Local Government Reform Programme Phase II (2009–2014)

6.5.1 The Local Government Reform Programme

The Tanzanian government promotes and drives the decentralisation process through the LGRP, whose aim is to contribute to the reduction of the proportion of Tanzanians living in poverty. Some major early achievements were recorded in the start-up phase of LGRP I, including:

- a clear policy statement on reform, supported by the highest levels of government;
- legislation to enable the reforms;
- regulations to support the reforms;
- information on the reforms; and
- regional administration was restructured in line with its new role.

However, early implementation of the reforms was hindered by:

- resistance to change at central and local government levels;

- an insufficient emphasis on publicising the reforms at all levels; and
- the persistence of financial mismanagement at LGA level.

Also, in the first phase of devolution the GoT put more emphasis on transferring responsibilities and functions to the district level, while in the new phase, transfer of responsibilities would go lower to the *kitongoji* and *mtaa* grassroots level. The financial implication of this is that 50 per cent of financial transfers will go directly to the grassroots, which is a major departure from usual practice, which was through district councils. The focus on districts in the first phase was intentional and the LGDG system implemented in 2004 did not have any provision for transfers to village governments. The aim at that time was to build capacity in the districts in the hope that they would in turn contribute to building capacity at lower tiers (pers.comm., Permanent Secretary, PMO-RALG, September 2009).

Thus PMO-RALG, in conjunction with the development partners, prepared and formulated LGRP II to continue implementing D-by-D. LGRP in Tanzania is now in this second phase, and will:

- build on the achievements of LGRP I;
- confront important bottlenecks such as human resources autonomy for LGAs;
- make the D-by-D effort a government-wide undertaking in a way that LGRP was not set up to be;
- give more emphasis on demand and accountability, and working with civil society;
- increase information education and communication (IEC) efforts to citizens and ministries departments and agencies;
- strengthen lower governance units and appraise further D-by-D from council level; and
- implement LGRP II by government officials and structures (regional secretariats⁷), whereas LGRP I was delegated to a separate team.

It is in this second phase of LG reform that ALAT intends to play a frontline role in representing the interest of LGs (pers.comm., Secretary General ALAT, September 2009). In LGRP II, problematic and systemic legal, human resources and fiscal issues are being addressed (pers.comm., Ms Soiri, co-chair DP group, October 2009). As a sign of the success of the LGDG system, seven DPs – Finland, Belgium, Germany, Ireland, Japan, the Netherlands, and Sweden – have offered more pooled funding to Tanzania in the form of LGDG for the period 2009–2013 through a new Local Government Development Grant (LGDG) (press release, Embassy of Finland, September 2009). The LGDG is ‘an intergovernmental transfer system that provides transparent, discretionary and formula-based development funding to LGAs for their own development

efforts'. In FY 2009/10 98 per cent of all LGAs passed assessment measures (solid evidence of bottom-up participation of local residents in all development planning, and orderly conduct of financial management) and are in line to receive funding based on performance, size of territory and population, and poverty rate. The amount of funds to be shared through the LGDG is nearly TSh120 billion (comprising TSh43.11 billion from government funding, TSh42.82 billion from DPs, and TSh32.4 billion from the World Bank). For instance, the Government of Finland⁸ is to contribute approximately TSh8.5 billion (€4.5 million) in FY 2009/2010 as part of the pot expected from DPs.

There is a suggestion to have two separate auditing comptrollers – one for LGs and a national auditor for MDAs. Although the legal procedure for this has begun, its realisation may take a while since it requires constitutional change.

6.6 Conclusion

The Mombasa Declaration (2004), signed by Burundi, Kenya, Rwanda, Seychelles, Tanzania and Uganda, commits signatory countries to 'promote and support decentralisation in order to improve the quality of life in our respective countries'.

The government of Tanzania recognises that decentralisation by devolution is a process, and that there is 'no right way or single model to achieve decentralisation and the benefits it is expected to bring'. So far, assessment of the phases of the decentralisation implementation process indicates sustained commitment of the central government to see to the success of various decentralisation programmes.

LGAs have been made more autonomous through LGRP. But simply granting to LGAs autonomy over their own personnel will not in itself result in the effective decentralisation of human resource management. Sector ministries must remain committed to the transfer of functions even if it causes a reduction in their own annual financial grants at the national level. Otherwise, staff transferred to local governments may be under-used due to lack of means to undertake projects at the local level. This would ultimately impact negatively on service delivery. The PMO–RALG monitoring unit needs to be more proactive in discovering and responding to such lapses.

The fiscal transfer system has been crucial in financing LGAs in Tanzania. Based on the formula system, the country is on the right track to fiscal decentralisation. Local government revenue sources have been expanded under the LGRP based on support received from many bilateral donors through basket funding. Since the introduction of the formula system, grant allocation has become more transparent and equitable to rectify a long-standing imbalance in the allocation of resources between LGAs. Local governments in Tanzania currently manage approximately 22 per cent of public expenditure; for more effective service delivery at the local level, this proportion needs to be higher. Also, measures need to be taken to improve the

financial independence of LGAs and substantially reduce the reliance of LGAs on transfers from central government.

LGRP I has been instrumental in assigning functions and responsibilities to local levels of governance (local authorities). What has not been achieved in Tanzania in the implementation policy is the real devolution of powers and functions to local authorities. Additionally, the financial autonomy of LGAs has not expanded. While adequate mechanisms are in place for budget execution and the fiscal reporting and responsiveness of local government authorities has improved, their impact on improvements in the delivery of services is mixed. In general, despite insufficient funds and inadequate transfers, councils have been able to justify their legitimacy by improving service delivery in the health and education sectors. Where services have been contracted out (for example in waste management), qualitative anecdotal information shows that general street cleanliness has improved over the years. The low educational attainment of council employees reveals the urgent need for continuous training. Improvements in health indicators may take a long time to become visible; thus administrators must not be discouraged and logistical support for dispensaries must not waver.

Three substantive reviews were conducted by the government and DPs jointly and individually during the operational life of LGRP I. These reviews, in 2001, 2004 and 2007, resulted in important adjustments in priorities and strategies in the implementation of D-by-D. The review team fully endorsed the policies and strategies of the programme, and recognised and complimented the progress. Now that LGRP II has commenced, the importance of periodic reviews cannot be over-emphasised if we bear in mind how such exercises helped during LGRP.

Annex 6.1. Background characteristics of mainland Tanzania

Human development	HDI	0.407	
	Total GDP (US\$ million)	24,700	
	GNI/per capita (US\$ units)	1,230	
	Annual growth	6.3	
	Life expectancy	54.0	
	Literacy (%)	Men	85.2
	Women	69.2	
Decentralisation	Urban population	25%	
	Number and tiers of local governments (councils)	Region	22
		Local government	10,181
Distribution of the communes by population strata	< 20,000	10,075	
	20,000 to 49,999	95	
	50,000 to 99,999	11	
	100,000+	11	
	Capital	1	

Source: Population Reference Bureau, 2009

Annex 6.2. Administrative and territorial organisation of mainland Tanzania

Territorial division		Local government	Constituency	Deliberating body	Executive body	Decentralisation body/supervision
Name	Number					
Regions	21	No	Yes			
Administrative districts	133	No	Yes			
Urban authorities	22	Yes	No	Urban council	City director	
Rural authorities	99	Yes	No	District council		PMO-RALG
Towns		Yes	Urban	Municipal council	Municipal director	PMO-RALG
Town councils	12	Yes	Urban	Town council	Town director	PMO-RALG
Township authorities		Yes	Rural	District council	Township executive officer	District council
Rural councils	99	Yes	Rural	District council	District executive director	District council
Wards	2,555	Yes	Rural/urban	Ward development committees	Ward executive officer	
Registered villages	10,075	Yes	Rural	Village development committees	Village executive officer	District council

Annex 6.3. Local authorities provisions in the Tanzanian Constitution

The Constitution: The Tanzanian Constitution stipulates that local government authorities shall be established in each region, district, urban area and village of the United Republic, which shall be of the type and designation, prescribed by law to be enacted by Parliament or the House of Representatives. In Article 146(1) of the constitution, the purpose of having local government authorities is ‘to transfer authority to the people’. The Tanzanian local governments system is based on political devolution and decentralisation of functions and finances, situated within a unitary state. At present there are 22 urban councils (i.e., 2 city councils, 12 municipal councils and 8 town councils), 92 rural district councils and over 10,000 village councils.

The Ward: The minister responsible for local government has been mandated to subdivide the area of every district, town, municipality or city council into wards. The ward is an administrative area for supervising the implementation of council development programmes and service delivery, and for co-ordinating the activities of villages and neighbourhoods within the ward. Each ward has a ward development committee, comprised of the following:

- a councillor representing the ward in the district or urban council who is the chairperson of the committee;
- chairpersons of all villages within the ward;

- chairpersons of *mitaa* in the case of urban wards;
- women councillors who occupy special seats reserved for women in the relevant district or urban authority resident in the ward; and
- invited members who must include persons from non-government organisations and other civic groups involved in the promotion and development of the ward (but without voting rights).

The village: An area may be registered as a village where the registrar of villages in the ministry responsible for local government feels the following criteria have been met: (1) not less than 250 households (*kaya*) have settled and made their homes within any area of mainland Tanzania; and (2) the boundaries of that area can be particularly defined. A total of 10,639 villages have been registered in mainland Tanzania (Mmari, 2005). Each village has a village council comprising 15–25 members elected every five years by the village assembly (all adult persons resident in the village).

The *kitongoji*: This is the lowest local government organ in rural and peri-urban areas, and it forms part of a registered village. By law, a village may be divided into not more than five *kitongoji*, the size of which is determined by the village council and approved by the district council. Each *kitongoji* is headed by a chairperson, elected by the electoral college consisting of all the adult members of the *kitongoji*.

The *mtaa*: This is the lowest unit of government in urban areas. It can also be referred to as neighbourhood. In Section 14(3) of the Local Government (Urban Authorities) Act No. 8 of 1982, the area of an urban ward shall be divided into *mitaa* consisting of a number of households, which the urban authority may determine. Every *mtaa* has a chairperson who is elected by a *mtaa* electoral meeting.

Annex 6.4. Educational distribution of employees in the Tanzanian civil service (executive agencies, October 2009)

<i>Educational level</i>	<i>Number of employees</i>	<i>%</i>
Unknown	1	0.12
Up to Standard 4	7	0.87
Standard 5–8	444	55.29
Form 1–4	154	19.18
Form 5–6	69	8.59
Ordinary diploma	77	9.59
Advanced diploma	14	1.74
Bachelors degree	14	1.74
Postgraduate diploma	4	0.50
Masters degree	19	2.37
Total	803	

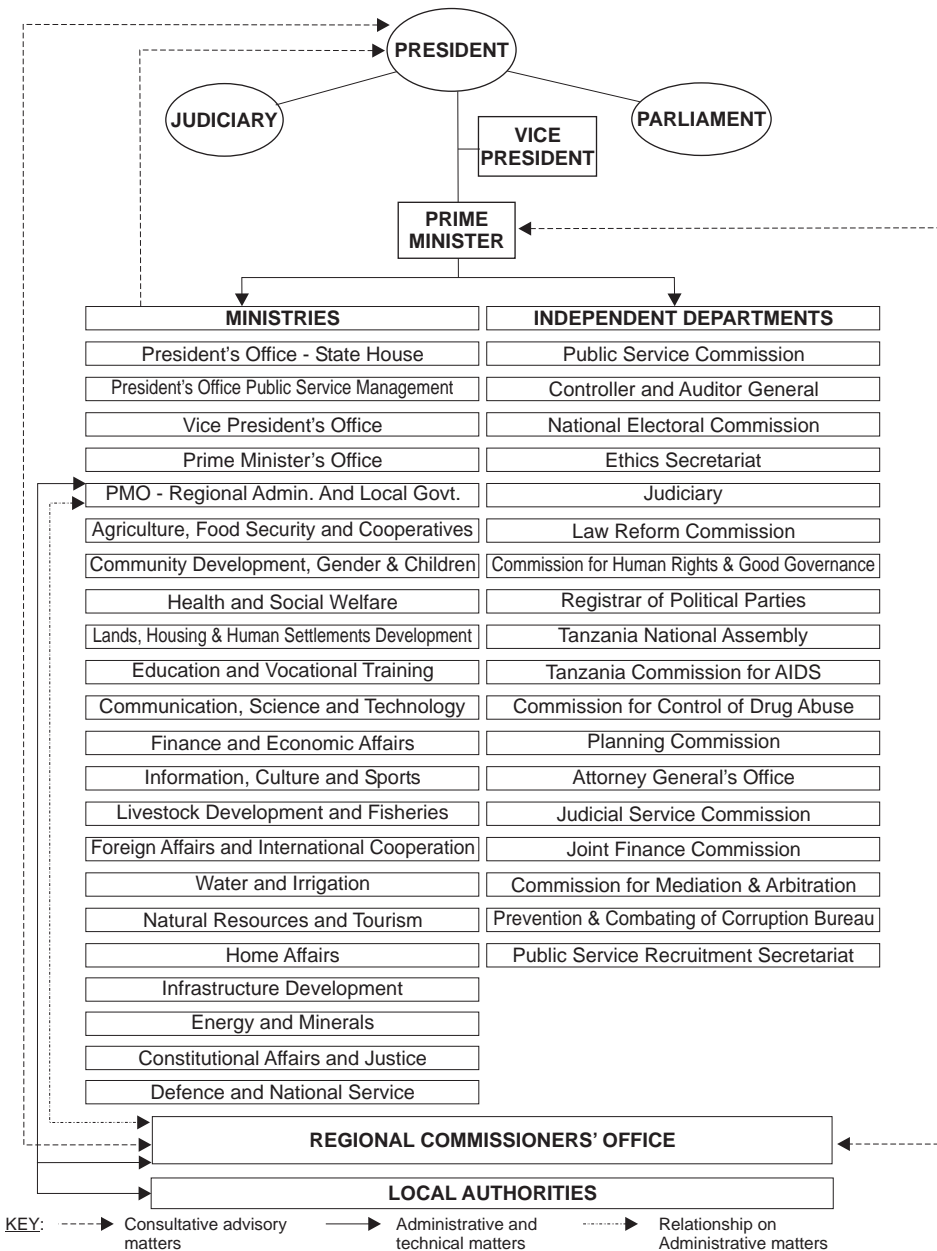
Source: PO–PSM, Dar es Salaam

Annex 6.5. Sectoral allocation formula FY 2004/05

<i>Sectoral grant</i>	<i>Grant pool FY 2004/05</i>	<i>Allocation formula</i>
Primary education	TSh245.9 billion	Number of school-aged children: 100% (plus earmarked amount for special schools)
Health	TSh63.6 billion	Population: 70% Number of poor residents: 10% District medical vehicle route: 10% Under-five mortality: 10%
Agriculture	TSh13.9 billion	Number of villages: 60% Rural population: 20% Rainfall index: 20%
Water	TSh11.2 billion	Equal shares: 10% Number of un-served rural residents: 90%
Local roads	TSh5.0 billion	Road network length: 75% Land area capped: 15% Number of poor residents: 10%

Source: URT, 2006

Annex 6.6 The organisation of the Government of the United Republic of Tanzania – 2nd cabinet of 4th phase government



Source: Government notice No. 20, published on 13 February 2008

Notes

1. The kitongoji chairman is often seen as a replacement of the CCM ten-cell leader system (Shivji and Peter, 2003).
2. Central government's attempt at decentralisation was not new. District and urban councils were abolished in 1972 and 1973 respectively because the government was dissatisfied with the poor development attainments of local government authorities. There was a new resolve at that time by the Tanganyika African National Union (TANU) to transform society according to the socialist orientation of the Arusha Declaration and the policy of *Ujamaa*. A policy of decentralisation (in fact deconcentration) was thus introduced. But, the Tanzania decentralisation of the mid-1970s was in effect a centralisation (Mamdani, 1996: 177). This was operational for more than a decade, and after the election of President Hassan Mwinyi in 1985, Tanzania abandoned *Ujamaa*. The leadership of the ruling party, the *Chama cha Mapinduzi* (CCM), observed the failure of this top-down 'revolutionary' strategy of state-building. It became imperative that the local political space be opened – albeit partially. By 1992, the one-party state model was also abandoned and multiparty politics was introduced. Thereafter the government re-established elected councils in urban and rural areas, due partly to the economic crisis of the late 1970s and the inefficiency and gross corruption of DDCs. In the 1990s the civil service programme was launched as part of a wider governance reform that included the introduction of the multiparty politics. Embedded in the CSRPs was decentralisation by devolution.
3. In the design, Phase I was to comprise 35 councils; three other councils were added, making 38 in total.
4. Africa Elections Database. Elections in Tanzania. <http://africanelections.tripod.com/tz.html> [Accessed 16 March 2011].
5. Related with MKUKUTA Cluster 3 strategy of deepening public involvement in preparing and monitoring budgets (Research and Analysis Working Group, 2007).
6. Anecdotal evidence; personal communication with PMO-RALG official, Dar es Salaam, 2009.
7. Regional secretariats were restructured (downsized) in 1997 to make way for devolved LGAs and were not involved in direct implementation of D by D until recently.
8. Press Release, Embassy of Finland, Dar es Salaam, 4 September 2009, 'Finland supports Local Government Development Grant System', <http://www.finland.or.tz/public/default.aspx?contentid=170459&contentlan=2&culture=en-US>

7

Cross-Cutting Issues, Challenges, Good Practices and Possible Intervention Opportunities

7.1 Introduction and Overview

The objective of this final chapter is to summarise the main findings from this research and highlight the most important lessons in the analysis of decentralisation policy in these five countries. We start with a presentation of the profile of the five countries. We then proceed to analyse the current decentralisation policies and practices in terms of performance, policy and institutional choices, and finally highlight the lessons and challenges and identify possible good practice and intervention points by national governments and other interested stakeholders.

7.1.1 Profile of the case study countries

Table 7.1 shows that of the five countries, Tanzania is the most highly and densely populated, followed by Ghana and Mozambique in terms of total population, but in terms of density Ghana has by far the highest density. Botswana is the smallest and the least populated but also the most economically prosperous, having a GDP of US\$13,100 and international poverty level of only 35 per cent. This contrasts with Tanzania, which has the highest poverty level (97 per cent) and Mozambique and Tanzania with the lowest per capita incomes. Perhaps the most important indicator in Table 7.1 is the infant mortality rate (IMR). This is the one indicator that local administrations and local governments can influence. They are charged with responsibility for basic health in most countries of the world (Shah, 2006). Of the five countries, Mozambique has the highest IMR followed by Cameroon and Tanzania. Botswana, followed by Ghana, have the lowest IMRs. Whether this is the outcome of effective national or local institutional action is explained in this final chapter.

It is instructive to note that all five countries, despite their varying geographic and demographic sizes, have adopted unitary and multiparty democracy as their systems of governance. It is equally noteworthy that both Cameroon and Tanzania had reverted to unitary systems of government by the time of this research, though they had adopted federal systems earlier on.

Table 7.1. Summary of country profiles showing similarities and differences

<i>Country profile</i>	<i>Botswana</i>	<i>Cameroon</i>	<i>Mozambique</i>	<i>Tanzania</i>	<i>Ghana</i>
Population (2009 estimate)	1.9m	18.9m	21.7m	43.7m	23.8m
Population density (per km ²)	3	40	26.8	46	100
Type of state	Unitary	Unitary	Unitary	Unitary	Unitary
Tiers of government	2	3	3	3	3
Number of central government ministries	15	33	24	23	23
Multi-party democracy	Yes	Yes	Yes	Yes	Yes
GDP – per capita (PPP, US\$ in 2008)	13,100	2,180	770	1,230	1,430
National poverty level	30% (2003)	22.1% (2001)	51.5%	29.5% (2003)	28.5% (2006)
% population below international poverty line (US\$2) (2008)	35%	58%	90%	97%	54%
Infant mortality rate/1,000	48	74	97	69	50
Life expectancy	49	52	43	54	59

Various sources, including <http://data.un.org/CountryProfile> and Population Reference Bureau, 2009.

We will now proceed to analyse in summary form the current state of decentralisation in these five countries.

7.2 Analyses of Current Decentralisation Policies and Practices

Decentralisation policies have received renewed impetus in all five countries. Several factors explain this renewed interest. When most of the countries approached independence in the 1960s, state/nation building was the primary consideration and the clear preference of most countries in the region was for a stronger system of local government or devolution to match their preference for popular democracy at the national level. After about a decade, most of the countries in the region shelved their democratic pretences at the national level and adopted more autocratic models of governance. Inevitably, stronger systems of field administration or deconcentration became the prevailing policy preference.¹ In the 1980s and 1990s economic and political reforms as well as the forces of globalisation that encouraged the free movement of capital and labour from the industrial countries of the west to the developing and transitional countries led the drive for a different kind of decentralisation: devolution. At the turn of the century, nations of the world refocused their energies on the MDGs and drastically reducing global poverty (by one half by 2015). In this context, nations began to review their decentralisation policy choice. While some became convinced that these forces pointed to the need to enhance systems of devolution, others were convinced that conflicts, corruption, co-ordination, costs

and capacity issues could complicate efforts at implementing devolutionary decentralisation. This is the context in which the present evaluation was conducted by the Commonwealth Secretariat in collaboration with the five pre-selected countries. In this final chapter, we review the main findings, discuss their implications, and highlight some important lessons. We start with the choices made in respect of key service sectors – basic health, education, health, water and sanitation.

7.2.1 Sectoral decentralisation: institutional and policy choices

In the five countries attempts have been made to decongest line ministries such as education, health, water and sanitation, land, agriculture, etc. The question is what has happened to the services that are regarded in each country's policies as 'local' and which are universally delivered by local authorities, namely basic education, basic health, sanitation, etc. within the context of national deconcentration? In other words, what kinds of field administration arrangements are being used in each country and what is the balance between deconcentration and devolution in the delivery of these services? Table 7.2 summarises our findings.

In Botswana, all line ministries have established deconcentrated district offices to implement projects directly at the community level. The activities of sectoral field officers are co-ordinated by the district commissioner who is appointed by the president, but given that this 'sub-prefect' has little administrative power over sectoral field officers, most of the employees report directly to their parent ministries in Gaborone and have minimal allegiance to the district administration. In education, district councils provide primary school infrastructure and maintenance while the Ministry of Education provides teaching, curricula, supervision and management. In health services, all of the 525 PHCs have been devolved to local councils whereby the councils build the infrastructure, employ the staff and manage health care services. The MoH is responsible for hospitals and health centres. Water provision is shared between three institutions. Rural water is the responsibility of district councils; urban water is the responsibility of the Water Utility Corporation (a parastatal), while major villages' water supply is the responsibility of the Department of Water Affairs at the Ministry of Minerals, Energy and Water Resources (MMEWR). In terms of solid waste collection most of the urban councils and a few rural ones have combined two modalities for their delivery: contracting out to private enterprises and direct delivery using the council's own employees and equipment. However, the Department of Water Affairs of the MMEWR delivers capital sanitation systems for urban areas.

In Cameroon, public service delivery is handled by sector ministries. A proposed new framework for service delivery under the decentralisation programme decreed that the delivery of social services be transferred gradually from sector ministries to local councils over a five-year period spanning 2010–2014. This law promises to transfer competencies in the areas of agriculture and rural development, public transport, education, energy and water, and health.

In Ghana, basic education and health are delivered by specialised agencies. (Parastatal organisations and local authorities are only tangentially involved, even though the law assigns these responsibilities to them.) Water and sanitation, on the other hand, has been privatised and either central or local governments have contracted private organisations as a part of government policy.

In Mozambique sectoral deconcentration as part of the broader public sector reforms that started in 1998 resulted in ministries allowing the provincial governments to undertake planning, budgeting, implementation and management. For instance in the education sector policies, strategic plans, curriculum development and teacher training remained with the MoE while infrastructure development, hiring teachers, paying salaries, etc. is the responsibility of provincial government. Although primary health care and education are supposed to be devolved to municipal government, in Mozambique they are still being managed by the sectoral government ministries. The MoH is one line ministry that resists deconcentration. The MoH has totally replicated its organisational structure at the provincial level and instituted strict control over the provincial health directorate. The outcome of sectoral deconcentration in Mozambique is that much of the recurrent budget is spent at the provincial government level. For instance, in the education sector, about 80 per cent of recurrent expenditures are at the provincial level, making education the most deconcentrated sector. On the other hand, the degree of deconcentration of recurrent expenditures is much lower in the other 'deconcentrated sectors' such as agriculture, public works and health. In each of these sectors, only 40–50 per cent of expenditure is deconcentrated. More than 80 per cent of all capital expenditure in all sectors takes place at the ministry level.

In Tanzania, primary education delivery is devolved in principle, however the Teaching Service Commission, a central government parastatal, recruits teachers. School management committees now manage a substantial part of the budget and it is significant that only the education sector has registered major service delivery achievements to date. These achievements have been mostly quantitative (increased enrolment, etc.) and are primarily explained by the sector's strong policy focus (universal primary education) and increased public budgets. In the breakdown of conditional allocation for LG administration, education accounts for some 70 per cent of allocations, health 18 per cent, administration 6 per cent and water, roads and agriculture together 6 per cent. The MoH introduced reforms with a strategy to devolve administration and management of health services to local authorities by introducing Council Health Services Boards and various Health Facility Committees that work under the LGs. The aim is to increase community participation in the planning and management of the health sector. In implementation, boards and committees have a mixed membership with government, voluntary agencies, private for-profit health providers and community representation.

Table 7.2. Sectoral decentralisation practices

	<i>Basic education</i>	<i>Basic health</i>	<i>Water and sanitation</i>
Botswana	Deconcentration	Devolved but moving in direction of deconcentration or agency	Deconcentration/ agency
Cameroon	Deconcentration	Deconcentration	Deconcentration
Ghana	Deconcentration	Deconcentration	Agencification/ privatisation
Mozambique	Deconcentration	Deconcentration/centralisation	Deconcentration
Tanzania	Devolved-except teachers	Devolved	Devolved

Source: Qualitative analysis of Country Reports submitted to Commonwealth Secretariat, 2009

Table 7.2 summarises the sectoral decentralisation practices for each country in three service areas. It shows that across the five countries by late 2009 (when field studies were conducted in these countries), the degree of variation in sectoral decentralisation practices range from almost near full devolution in Tanzania, to a mix of devolution and deconcentration in Botswana and Mozambique, to deconcentration in Ghana (with a few cases of agencification) and Cameroon. Both Mozambique and Botswana are moving away from devolution towards deconcentration and in the direction of deconcentration/agencification and centralisation with respect to health care management.

The above institutional choices have had varying impact on the performance of each of the services mentioned in the five countries.

7.2.2 Political decentralisation

In this section, we examine local democratic institutions in the five countries by highlighting the conditions under which local leaders and councillors are appointed, patterns of electoral competition, voter turnout, autonomy of local leaders to make decisions and laws, etc. The objective of these institutional devices or mechanisms is to improve the quality of accountable management through local-level institutions. This section therefore focuses on indicators of political leadership recruitment and citizen participation as judged by local elections.

Political leadership: Every political system must have a system of leadership recruitment. Devolution offers a system for recruiting political leaders and training both leaders as well as citizens in the local political arena, in preparation for the national level.

There are four main methods of leadership selection in local governments generally. These are the weak and strong mayor systems, the council/city manager, or the commission plan. Each of these has its strengths and weaknesses. In the five countries, the weak mayor system is dominant. Here, elected local councillors

elect the chairperson and can remove him/her by a vote of no confidence. Each department of the council is run by a committee of the whole council. This system was inherited by most former British colonies, and even though the system has been radically transformed in the UK towards an executive model, most English-speaking former colonies still use the weak mayor system. The strength of the system is that it involves all councillors in the management of the council. On the other hand, co-ordination is also weak as there is really no focal point for local governance. In Africa, an additional challenge is the fact that national partisan politics dominates local council administration. Moreover, the system makes it easy for councillors to put pressure on the (weak) mayor to meet personal and at times corrupt demands by the councillors or their constituents (Olowu, 2005).

For these reasons, the research shows that most countries are interested in experimenting with the 'strong mayor' system. Only Mozambique uses this model among the five case study countries. Ghana uses a combination of the weak mayor model and a modified (colonial) district executive officer model. The main modification is that there are two main leaders at the district level – the elected mayor who is effectively a weak mayor, complimented by a chief executive officer who is a presidential appointee. Each person proposed must be approved by the council leadership and he/she can be replaced or removed based on an appeal from the councillors to the president.

Local elections: All countries hold local elections to determine local political leaders. Botswana has devolved politics to the local level and people have the right to elect their councillors every five years. Local elections are held at the same time as national parliamentary elections but information on local-level election turnout was not available. Officials assured the research team that there was no significant difference between voter turnout in local and national elections, although there was no way to independently verify this. For national elections average voter turnout has not gone below 75 per cent of registered voters since 1989 (76.6 per cent in 1994; 77.1 per cent in 1999; 76.2 per cent in 2004; and 75.2 per cent in 2009). In addition, the central government appoints a few councillors to the local councils. Although the ruling BDP enjoys massive support across the country, it had been losing seats to the opposition in many urban and town councils until 2009. Gaborone City Council, for example, was held by the opposition for 22 years until the ruling BDP took control in 2009. The ruling party has become more dominant in national and local elections, although voter turnout² for national elections has been falling, whereas it has been rising for local elections since 1994.

LG Act 40:01 (section 33) gives district councils the authority to make byelaws in respect of all matters as they consider necessary for the maintenance of the health, safety and well-being of the inhabitants of their area. Councillors receive monthly salaries for the services they render and a seating allowance anytime they meet to deliberate and take decisions on LG issues.

In Mozambique only municipal residents (about one-third of the population) have the right to elect their local councillors and mayors. Since 1998 (when the first municipal government election took place) there have been two additional elections for five-year mandates. However, both national and municipal elections are dominated by the ruling FRELIMO party. Government officials attribute low turnout in municipal elections to people's disinterest in local politics. Another reason given by those outside government is that people think their vote would not change anything since there is no credible opposition party to compete with FRELIMO. But it is important to note that – as in Botswana – while voter turnout is increasing at municipal elections (from 15 per cent in 1998 to 46 per cent in 2008) the opposite is taking place at national elections. Voter turnout at national elections has declined from 87 per cent in 1994 to 44 per cent in 2009. It is significant to note that the Mozambican (strong) mayor has the power to employ, pay and fire other administrative staff in the municipality management structure. The municipal assembly, which is the local legislature, approves the municipal plan and budget and authorises the expenditure of the executive. Since 2008 councillors have received monthly salaries instead of seating allowances. The LG finance law requires municipalities to use 40 per cent of their internally generated revenue to pay local politicians (councillors and mayors).

In Cameroon elections to local councillor positions are held at five-year intervals, and councillors appoint from within their ranks mayors who will head the respective local jurisdictions (weak mayor system). However, these mayors have to work with government appointees who serve as secretary-generals in the councils. Although the latter's role is supposed to be advisory, information obtained during interviews shows that it is common for secretary-generals to assume control of council operations – much closer to the Ghanaian model. Moreover, these officials actually control the councils in respect of programmes and public services delivered. As in Botswana, we were not able to obtain voter turnout rates for local or municipal elections exclusively, but we understand that voter turnout at national elections increased from 60.6 per cent in 1992 to 75.6 per cent in 1997, and 82.2 per cent in 2004 (Kuenzi and Lambright, 2007; Touo, 2009). This is different from all the other countries in our sample, where participation in national elections has declined from 70.1 to 56 per cent between 1999 and 2003 in Botswana, 88 to 68 per cent between 1994 and 1999 in Mozambique, and from 76.5 per cent in 1995 to 72.5 per cent between 1995 and 2005 in Tanzania (Kuenzi and Lambright, 2007).

In Ghana, the district assembly (DA) is the highest legislative and decision-making body at the local level, and consists of a district chief executive (DCE) (who is appointed to represent central government in the district), members directly elected by universal adult suffrage (two-thirds of the DA), the member(s) of parliament (MP) within the district, and members appointed by the president in consultation with chiefs and interest groups in the district (one-third of members). The heads of decentralised

departments take part in the assembly deliberations to provide technical or expert advice but do not vote.

The day-to-day management of the DAs and implementation of assembly resolutions is the responsibility of the executive committee. Voter interest in DA elections has waned over the years. While the first DA elections produced 59 per cent turnout, subsequent elections have not moved beyond 45 per cent (29.3 per cent in 1994, 41.6 per cent in 1998, 32.8 per cent in 2002 and 44 per cent in 2006).

In Tanzania, the number of registered voters and number of votes cast indicates increased local interest and participation. In the period 1995–2005 voter turnout rose from 47.9 per cent to 65.2 per cent even though political power remained centralised in the ruling CCM party. In early 2000, there were 17 fully registered political parties but the CCM dominated parliamentary and local elections. In the 2005 presidential and parliamentary elections the CCM won 206 out of 232 contested seats, 93 per cent of 2,519 wards in the LG elections, and in the 2004 village council elections the CCM won 97 per cent of all votes, up from 95 per cent in the 1999 elections (Tidemand and Msani, 2008; African Elections Database, no date). In the Tanzanian LG structure, government-appointed municipal and district directors and elected politicians share power, although this may vary depending on the activity.

Most of the countries studied have also created opportunities for marginalised groups to get involved in LGs. Tanzania has a quota for women, which has been effective in bringing quality into the local government system. Similar quotas in Ghana and Mozambique have not worked as well, but Ghana has mechanisms for co-opting professionals, traditional chiefs and national-level politicians onto district assemblies.

Table 7.3. Degree of political decentralisation

<i>Political decentralisation</i>	<i>Botswana</i>	<i>Cameroon</i>	<i>Mozambique</i>	<i>Ghana</i>	<i>Tanzania</i>
Mayor system	Weak	Weak	Strong	Bureaucratic leadership	Weak
LG voter turnout	Above 75%*	n.a	46%	44%	65%*
Competitiveness of local elections	High	Moderate	Low	Low	High
Autonomy of LG leadership	Low	Low	High	Low	Low
Degree of popular participation in local council elections?	High but declining	Moderate	Low but increasing	Low declining from about 60%	Moderate
Power to make byelaws without much interference from central government	Moderate	Moderate	Moderate	Moderate	Moderate

* National election figures. Local election figures were not available.

7.2.3 Central–local fiscal relationship

LGs in both developed and developing countries generally depend on central government to finance their expenditure needs, but poor local revenue generation is typical of many African countries. This review of central–local fiscal relationship is based on eight broad indicators: size of central–local government transfers (and whether transfers are automatic, transparent, reliable or not); existence or not of transparent grant-sharing formulas; existence or not of an independent body on IG transfers; ability of LGs to fix their own revenue rates; and proportion of LG internally generated revenue to the budget. The other indices included: size of local government expenditure compared to state/national expenditure, clarity in expenditure assignment between central government and LGs and between different types of local organisations; and authority of LGs to borrow from the private sector.

In Botswana, urban councils depend on central government for about 80 per cent of their recurrent budget, while rural district councils are even more dependent (97 per cent). The internally generated revenue (IGR) sources for local councils are property rates, interest on deposits and rate arrears, rents on council properties, levies on services delivery, etc. Councils have lost traditional sources of income such as land rent to the Land Boards. Urban councils have the potential to generate more from their revenue sources but they are not able because they do not have the authority to set economic rates for most of the services they render to households. For instance, property tax, which is the main source of revenue for urban councils, is fixed by the MoLG in Gaborone, as is the rent that occupants of council houses pay.

Local councils do not make much effort to collect the fees and levies that they have set because they could happily rely on their central government grant instead. In terms of development budget (water, schools, clinics, health posts, roads), all LGs receive a 100 per cent grant from the central government. However, there is neither a law that requires the central government to transfer a specific amount or percentage of the national revenue to LGs nor is there a formula to allocate the grants to districts. In the absence of any formula or criteria, grants for recurrent and development budgets are distributed to councils based on the budget estimates that each council submits and the discretion exercised by the ministries of LG and finance. This creates horizontal inequality between the councils in the distribution of grants. For example, per capita recurrent grants for the six urban councils show a lot of disparity, from as low as P1,231 (US\$180) in Gaborone to P13,315 (US\$1,944) per person in Sowa Township – which many would justify because Gaborone has greater opportunities to mobilise resources within its jurisdiction.

All recurrent and development budgets that the central government transfers to LGs are embedded in the general budget of the MoLG, who also disburses the grants – and therefore the ministry uses that conduit to influence very much how the grants are used. Even where projects have been approved, every subsequent release of funds for

payments requires permission and approval by the Ministries of both LG and Finance. The LG Act gives local councils in Botswana the power to raise loans of any amount as long as the LG minister is acting in accordance with the advice of the Ministry of Finance and Development Planning. The loans are secured on the revenue and assets of the council. However, borrowing is not common among the councils because the LGs are not short of money. In fact, councils have bank deposits on which they earn substantial interest, making it the second largest source of internally generated revenue (IGR) for urban councils. Monthly and quarterly reports from the councils form the basis of LG accountability to central government on the use of grants. While councils have their own internal auditors, the central government's auditor general also reviews the accounts of district councils yearly (although there is a backlog of at least two years). Although the calibre of council treasurers has improved, it is still a major source of worry to the MoLG and the main reason they give for not transferring all the grants due councils.

In Mozambique, LG laws give powers to municipalities to generate local revenue in order to finance the expenditure and investments responsibilities that have been decentralised to them. The municipalities are given the authority to collect property tax, poll tax, and revenue from markets and advertisements (billboards). With the exception of Maputo, the municipalities' internally generated revenue is about 7–15 per cent of their total revenue budget. Mozambican cities pay little attention to local revenue mobilisation. IGR comes from market fees and small business taxes. Many municipalities do not collect taxes on properties such as land and houses because they do not have the capacity to do so nor do they have data on the value or size of private properties. Therefore, central government fiscal transfers constitute the most crucial part of municipal revenue. The 1997 financial law 11/97 decrees that 3 per cent of the national budget is to be transferred to municipalities. But this financial law was amended in 2008 (Law 1/2008) to reduce the transfer to 1.5 per cent of the national budget. In reality only 1 per cent or less is transferred. Municipal spending as a percentage of total public-sector spending actually shows a slight decrease from 1.03 per cent in 2003 to 0.78 per cent in 2007.

The fiscal transfers are disbursed in two forms: the Municipal Compensation Fund (FCA) and the Investment Fund for Municipal Initiatives (FIIA). The FCA is a non-earmarked grant that municipalities can use to finance recurrent expenditure. The FIIA is for financing capital expenditure and municipalities have full discretion to identify the initiatives to be funded with these resources. In 2008, a formula to distribute central government transfers to municipalities was introduced that takes into consideration population and physical size of the area, but no independent body exists to determine how the grant is distributed. How these are factored into the calculation is also unclear, not only to the municipalities but also to senior civil servants in the ministries of state administration. Only the MoF is responsible for this calculation. The Municipal Finance Law also allows municipalities to borrow

money from commercial banks within the country, but they would require MoF permission to source commercial funds from outside Mozambique. Apart from government grants, municipalities in Mozambique receive substantial foreign aid. For instance, the total budget of Maputo Municipality in 2009 was about US\$50 million, of which about 52 per cent comes from foreign aid. At deconcentrated levels, the central government allocates funds to the district administration to support income-generation and job-creation projects. In 2006 and 2007, each district administration was given MTn7 million (approximately US\$300,000) by central government. There is no clear methodology for allocating these financial resources among districts. Each district receives roughly the same amount regardless of differences in the size of their population and cost of living. Decisions on the use of the funds rests with the districts' consultative councils. Other resources find their way indirectly to the district councils from the central government budget through parallel ministerial mechanisms (which may or may not provide districts and municipalities with some discretion over use of these resources).

In Cameroon, up until 2009 funds available to councils included general allocation, frontier, and natural disaster allowances (approximately €300,000 a year per affected council), and forest royalties accruing to timber-producing councils (with the state receiving 50 per cent, timber councils 40 per cent, and timber communities 10 per cent). In the deconcentrated arrangement, councils receive funds based on individual budget requirements. Regarding the general allocation, there is no clear-cut rule as to the proportion of money transferred to sub-national tiers of government from general allocation. The funds that councils receive depend on the budget requests that they each present annually. However with fiscal decentralisation slated to take off in January 2010, a number of laws were put in place in 2009 to facilitate transparent and predictable transfers when the laws come into force. In general, the upper benchmark for Council taxation is CFAfr100,000; any activity or business that generates more than CFAfr100,000 (US\$155) is taxed by central government. The relatively non-transparent nature of how intergovernmental grants are allocated and transferred does not make it easy to have a national overview of contributions of transfers, internally generated revenues and loans to the national economy.

In Ghana, as the revenue assignments have not been commensurate with the expenditure assignments, the National Constitution (section 252(1)) of 1989 mandated that the national parliament make provision for the allocation of not less than 5 per cent of total national revenues to the DAs for development. In 1993 the District Assemblies' Common Fund (DACF) (Act 455) was enacted and an independent body was established to administer the fund among the 110 districts. In 2008 the NPP government increased the fund from 5 per cent to 7.5 per cent. DACF is distributed among all the LGs on the basis of a five-factor formula approved by parliament in 1994: equality (based on population per district); needs (based on accessibility to health, education, water, and tarred road services); responsiveness (based

on a district's effort to generate its internal revenue); service pressure (population density); and reserve. The weights accorded each indicator have varied, with the aim of improving equity. For example in 2008, 'equality' was weighted 50 per cent, 'needs' 40 per cent, 'responsiveness' 5 per cent, and 'service pressure' 5 per cent. Fifteen per cent of the fund was reserved by the common fund administrator to be shared among members of parliament (6 per cent), regional co-ordinating councils (1.5 per cent), Ministry of LG-authorized projects (2 per cent), Administration of Common Fund (0.5 per cent) and the Government of Ghana's contribution to the District Development Facility (5 per cent).³ LGs have no discretion in the use of the fund, but the Common Fund continues to be the most important source of money to finance LG activities in Ghana. It accounts for about 60–75 per cent of metropolitan government revenue, about 70–80 per cent of municipal revenue, and 85–95 per cent of district government revenue. In the poorer three Northern regions of Ghana, the Common Fund accounts for about 90–96 per cent of LG revenue (with the exception of Tamale Metropolitan Assembly).

In mainland Tanzania, LG authorities are responsible for delivering three types of public services: concurrent functions (in five grant-supported sectors – primary education, local health services, agriculture extension, water supply and road maintenance); exclusive local functions (refuse collection); and delegated functions. Approximately two-thirds of local spending is for recurrent purposes, of which about two-thirds is spent on personal emoluments. Intergovernmental transfers fund about 90 per cent of all LG spending, own source revenues account for nearly 10 per cent, while local borrowing is negligible at 0.1 per cent (PMO–RALG, 2008). In 2001/2002 the aggregate revenue for LG was TSh251.8 billion (US\$282 million); this has risen to US\$648 million in 2007/08. Most of the councils depend on intergovernmental transfers to fund their activities, yet only 22 per cent of funds needed for effective and efficient service delivery actually get to LGs. LGAs could earn the right to greater autonomy for development grants, through the LG Capital Development Grant (LGCDG) system. This system provides discretionary capital development grants to LGAs on a formula basis, but only where they have met minimum performance criteria (including financial management) and some governance-related minimum conditions. Development and financing of the system was supported by the World Bank's LG Support Programme and a consortium of development partners. Local authorities can also raise revenue locally through fees charged for taxi registration, bus stands, forestry products, valuation, scaffolding, inoculation and ambulances, licences (road and liquor), property taxes and rents, charges for refuse collection, hire of vehicles, and markets, fines, sales of assets and the recovery of public funds. But generally speaking, the revenue base of local authorities is weak. Councils are supposed to charge only in areas where they provide services. Councils do engage the services of internal auditors, but external auditors are also stationed at regional levels and answer to the national office.

In sum, with the exception of one country (Cameroon), it can be stated categorically that the range and size of local government expenditure assignments have been well clarified and have increased over time. Most of the countries are also heavily dependent on transfers from central governments to LGs. Of the five countries studied, Ghana has the most clearly institutionalised structures for facilitating such transfers – its constitution sets aside a proportion of the nation’s revenues for district assemblies and this amount has increased from only 5 per cent to 7.5 per cent of the country’s total income stream. There is also a clearly articulated formula for sharing among districts. Other countries have arrangements to provide recurrent and capital expenditures to LGs but this is not always transparent or predictable. In one case (Mozambique), the proportion of transfers has fallen from 3 per cent to 1 per cent. Internally generated revenue is consistently low in all countries. Few local governments have access to private borrowing among our five countries. It is particularly striking that data on local government finance remains scarce and unreliable across all five countries, as is evident from Table 7.4 and the other tables in this chapter.

Table 7.4. Degree of fiscal decentralisation

<i>Fiscal decentralisation</i>	<i>Botswana</i>	<i>Cameroon</i>	<i>Mozambique</i>	<i>Ghana</i>	<i>Tanzania</i>
% of national revenue transferred to LG	Unknown	Not available	1%	7.5%	27%
LG expenditure/state government expenditure	Unknown	Unknown	1	Unknown	22%
Formula-based sharing of LG grants to LG	No	No	Yes	Yes	Yes
Presence of an independent body that determines and shares LG grants	No	No	No	Yes	No
Local tax base	Low	Low	Low	Low	Low
Ability of LG to fix their own revenue rate	Low	Low	Moderate	High	Moderate
LG internally generated revenue relative to LG budget	Less than 20% urban councils 3% rural councils	Low	7-15%	5-40%	10%
Clarity in expenditure assignment	High	Low	Low	Moderate	High
Autonomy for procurement	Low	Low	Moderate	Low	Low
Power to borrow from the private sector	Yes with conditions	None	Yes with condition	Yes with	Not clear condition

7.2.4 Human resource management at local level

Normally, access to financial resources should boost the capacity of local level bodies to attract and retain high-quality local officials. In this report we assessed the human resource management capacity of local governance bodies using the following criteria: local institutional and staff capacity, and overall competence.

Local administrations and local governments in these five countries have substantial numbers of staff. Local governments in Botswana, for instance, have about 27,000 personnel representing 27 per cent of total government employment. Ghana's districts have 25 per cent of total government employees, while the figure rises to over 60 per cent of nearly 250,000 government personnel in Tanzania. Cameroon and Mozambique do not have a definitive figure but 85 per cent of all 172,000 Mozambican civil servants work at provincial and district levels as a part of the field administration. As is evident below, large numbers do not always mean that LG have officials with high-quality skills, but based on the available data LG capacity seems to have improved generally in most of the countries.

At independence district councils in Botswana had more responsibilities for human resource management. They were responsible for hiring schoolteachers, community development workers, sanitation officers and for basic management of their staff through an LG unified service (an arrangement that is half-way between human resources services that are 'centralised' in the national government and 'separated' for each local authority). However, the creation of the Department of LG Service Management (DLGSM) in central government took away the responsibility for human resource management (recruitment, transfer, training, and dismissal) from the district councils to ensure greater uniformity in conditions of employment across the country. Between 1991 and 2009, the number of people employed to work at the local level under local authorities has risen from 13,000 (representing 20 per cent of total government employment) to about 27,000 (27 per cent). The MoLG recruits all senior employees at the local level while the district councils were given the authority to recruit and manage all lower levels (mostly industrial workers and lower grade staff). On the whole human resource management procedures for local government staff have been centralised, even though LGs still play an important role in these processes as well.

It is noteworthy that the competence of employees at district councils has improved over the years. Many heads of departments in councils have university degrees while a few have postgraduate (masters) degrees. There have been both short- and long-term training programmes for local authorities, which have substantially improved their ability to provide the public services for which they are responsible. Although the centralised career structure for LGs is supposed to respond to the staff needs of remote districts through transfer and other personnel policies as well as create a basis for co-ordinated training and staff development programmes, its implementation

raises some problems. LG's control of their employees is circumscribed and LG officials have an almost exclusive loyalty and accountability to the central government that employs them instead of the locally elected body. In addition, the centralised staff system delays decision-making regarding recruitment, dismissal, and disciplinary action at the local level.

In Mozambique Law 5/2006 was passed to decentralise 'human resource management' to provincial and district administration. Two sub-national organisations were given the authority to recruit, develop, promote, and dismiss their own employees. In 2007 the Ministry of Public Service was created with the mandate of ensuring that the public service was adequately resourced with human capacity and that civil servants who work in the various levels of state administration (central government, PG, DA and administrative posts) are properly regulated and managed (recruited, contracted, trained, promoted, dismissed, etc.). Law 5/2006, which regulates the recruitment and retirement of civil servants, was subsequently repealed by Law 14/2009. The capacity of the Mozambican civil service has improved over time but still remains low. However, those operating at the sub-provincial levels have extremely low levels of professional or academic qualifications. While in the mid-1990s, less than 2 per cent of the civil servants had a university degree (and most of whom were concentrated in the capital), data from the Ministry of State Administration shows that only 0.1 per cent of staff at the provincial level had a university degree, while 37 per cent had no formal education at all (UNCDF/UNDP, 1998). Although by 2008 there had been some improvements, generally human resource capacity at sub-national level has remained very low. The system of training in public administration (SIFAP) provides two types of professional training programme to remedy this shortfall. The first is the Higher Institute of Public Administration (ISAP) training programmes that are offered to central government employees, along with short courses for central, provincial and district administration staff. Pay levels generally tend to reflect the level of training. The monthly salary for new recruits with an elementary certificate is MT2,345 (US\$90.20); basic certificate MT3,283 (US\$126.30); medium general certificate, MT3,752 (US\$144.30), medium professional/technical certificate MT4,244 (US\$163.20), bachelor's degree MT5,980 (US\$230), and licenciatura (a four-year degree) MT7,715 (US\$296.70). It is noteworthy that the municipalities fix their own salaries, which need not be the same as the general civil service salary. For instance Maputo municipality pays competitive salaries that are higher than those paid by central government. A graduate with a licenciatura gets about US\$800 in Maputo while the central government only pays about US\$300. In Cameroon the Ministry of Public Service employs all civil servants except personnel of the army, police, judiciary, and prison administration. The size of the civil service is estimated at 160,000 workers. The exact number is not readily available because since 2007 the government embarked on a massive recruitment drive in the aftermath of a freeze in employment into the public service as a result of an economic crisis suffered two decades ago. Estimates of the total workforce at council level will not be available until early 2010. There has been no deliberate attempt to collate (or

disseminate publicly) the national figure for local council staff. At an individual level, it is recognised that rich and poor councils have different abilities to engage and pay staff at local level. Recently, the minister in charge of public service ordered the setting up of a harmonised service structure for council employees – that is they will have a common staff organisation as well as a recommended minimum number of staff for each department under an LG. Ultimately this is to help set up a structure to learn staff numbers and get regular updates on staff variations and trends across all councils.

LGs in Ghana do not have their own employees. Almost all the technical staff or bureaucrats working in DAs are deconcentrated central government employees from sectoral ministries, agencies and departments. If there is one area in which implementation of Ghana's decentralisation has not worked, then it is the organisation and management of human resources. To deliver their responsibilities LG Act 462(38) requires LGs to establish departments (16 for a metropolitan assembly, 13 for a municipal assembly, and 11 for a district assembly) to deliver services to citizens. Financial support was not given to the DAs to hire personnel to fill these departments. The law therefore made provision for all 22 departments⁴ that were hitherto operating in LG jurisdictions as deconcentrated agencies of the central government to integrate their structures (staff, salary, function, budget, planning, etc.) into the DAs and become departments. But this did not happen as their parent sectoral ministries resisted this transfer, apparently because it would have taken away some of their powers, resources and influence. There were also legal issues to be rectified as some of the departments (for instance education and health services) were established by acts of parliament and needed similar legislative provisions to transfer them. LG Service Act 656 was enacted after 10 years thanks to donor pressure in December 2003, ostensibly to secure effective implementation of this integration. When the Act was finally passed in 2003 it only succeeded in transferring to LGs departments that were established through administrative procedures and not acts of parliament, so excluding local service departments like education and health, forestry, fire, and game and wildlife for which separate agencies had been created by central government. Employees of these departments constitute about 80 per cent of people working at the districts as deconcentrated sectoral staff. Even now, six years after the LG service law was passed, the transfer of about 33,000 out of 43,000 civil servants from the Office of the Head of Civil Service to LGs has not taken place because of legal contradictions. A legislative instrument to start the process has just been passed by parliament.

In essence, LGs in Ghana do not have functional or service delivery departments of their own, but work through deconcentrated central government departments and agencies and also through private-sector enterprises in the form of unstructured public-private partnerships. Deconcentrated government employees that work in collaboration with LGs to deliver services are appointed, posted, transferred,

promoted, and disciplined by central government bureaucrats in Accra, who have little or no information about their work performance at the local level. Civil servants at the LG level have no allegiance to the DA in whose jurisdiction they work and they frequently ignore LG policies and priorities and generally maintain allegiance to the central government. Locally elected councillors face severe frustrations in the very LGs that they are supposed to control.

In Tanzania, LGs have appreciable levels of autonomy in human resources: that is, LGAs are expected to ‘be fully responsible for planning, recruiting, rewarding, promoting, disciplining, developing and firing their personnel. The councils are the appointing authorities and employers for all LG personnel (including teachers, health staff, agricultural staff, etc.)’ (GoT, 1998). LGAs ‘employs the council director, the department heads, and will adopt staffing plans and budgets’ (ibid.). Over 60 per cent of the 249,286 government employees are employed at the LGA level (URT, 2005). About 80 per cent of the workforce possesses at most a secondary education. As part of the D-by-D process, council staff are gradually being de-linked from their respective ministries. The head of the LG service is the district executive director in the district authorities and the town/municipal/city director in the urban authorities. Below the director are heads of department responsible for personnel and administration; planning and finance; engineering or works; education and culture; trade and economic affairs; urban planning; health and social welfare; co-operative, agriculture and livestock development; and community development. Table 7.5 summarises the state of HRM decentralisation in the five countries.

Table 7.5. Degree of human resources decentralisation

<i>Administrative decentralisation</i>	<i>Botswana</i>	<i>Cameroon</i>	<i>Mozambique</i>	<i>Ghana</i>	<i>Tanzania</i>
Ratio of LG staff to total government employees	27%	Unknown	Unknown		
85% of central government in field administration	25%	> 60%			
LG freedom to hire, improve, motivate, train and fire LG staff?	Very limited	Low	Yes	Not yet	
Freedom to contract out own responsibilities	Yes	Unknown	Yes	Yes	Yes
Capacity/competence of LG staff	Moderate	Low	Low	Low	Moderate

7.2.5 Overall outputs: participation and service delivery

As stated in chapter 1, the objectives of decentralisation are ‘broader citizen involvement, empowerment and participation’ and ‘better service delivery’. In this section we review the available evidence from the five countries.

Overall it would seem that all of the countries have actually committed to a decentralisation policy with two main forms – deconcentration or field administration and

devolution or local governments. In Botswana the long-term goals are highlighted in Vision 2016. At the district level, plans are prepared within the framework of the Vision 2016 and the National Development Plan (NDP). The planning process starts with the consultation process between the District Development Committee (DDC) and the Village Development Committee (VDC). The DDC, which is made up of deconcentrated sectoral officers at the district level, tells the community about government policies, programmes and priorities, while the VDC gives the DDC their shopping list of projects and priorities. All VDC projects are put together by the DDC under the co-ordinating leadership of the district commissioner and submitted to the district council for further prioritisation and decision-making. The key strength of the planning process is that it enables communities to 'dream' and 'think big'. However, in practice the planning process and subsequent budgeting have a number of weaknesses. While the planning process is complex and seeks to involve all stakeholders by using a bottom-up approach, the Ministry of Finance and Development Planning has the final say and normally resets priorities for districts without telling them why. Development planning in Botswana, despite the declared objective of 'bottom-up planning', continues to be top-down. Policies as well as the allocation of resources are determined at the central government level (Sharma, 2004). Local institutions criticise the planning process for not been participatory enough.

On the other hand, in terms of service delivery, Botswana's decentralisation has made a lot of progress. Botswana enjoy a very high standard of service provision in education, health, water and sanitation – more than most citizens in other African countries. The local councils have managed to effectively deliver basic services. The presence of deconcentrated sectoral agencies and departments, each with its own budget and employees, and the occasional direct implementation of projects at the local level by sectoral ministries, ensures that if one or more local institutions failed to function the other would somehow deliver, thereby ensuring not only expansion of services provision but also continuous delivery. Nevertheless the costs of providing services need to be analysed carefully in Botswana because the system appears to be too expensive to be adopted by any country that faces serious financial constraints

In 1998 Mozambique embarked on the decentralisation of state administration using two parallel processes: devolution of some central government functions, authority and finances to 43 municipal governments (mainly in urban areas), and administrative deconcentration by transferring specific duties and jurisdictions of the central government to 128 rural districts (called local bodies of the state) and providing them with the legitimacy and instruments to execute their tasks. The importance of decentralisation to Mozambique is further emphasised in the state's strategic vision 'Agenda 2025' and the government's ten-year Global Strategy for Public Sector Reform (2001–2011). These documents consider decentralisation as the most important pillar for modernisation of the state.

Decentralisation is evident in the political, fiscal, administrative and accountability reforms that have taken place in the country in terms of the relationships between the centre, provinces, districts and municipalities. The development that has taken place since 1998 constitutes significant progress in Mozambique, given the country's historical, economic, socio-cultural, political, and institutional background.

An important achievement of decentralisation in Mozambique is the expansion of services delivery, although systematic data is patchy. Anecdotal evidence suggests that the provision of basic services has improved in rural areas as a result of a massive injection of government funds to district administrations (DAs). The proportion of the population with access to potable water has increased from 37.1 per cent (2001) to 48.5 per cent (2007). In terms of basic sanitation, in 2007 25,638 pit latrines were built in rural areas all over the country, which represents 39 per cent coverage (GoM, 2008: 12). In the urban areas there has been an improvement in solid waste collection and land-use planning. The coverage for urban water supply has also risen, from 31.2 per cent in 2000 to 40 per cent in 2007. The government official report on the assessment of the Millennium Development Goals (MDGs) clearly points out that there is potential to halve the number of people without access to safe drinking water and sanitation. Primary school completion rate has significantly increased from 38.7 per cent in 2003 to 72.6 per cent in 2007. The construction of classrooms and recruitment of teachers were considered key issues for achieving this. There has been progress in these services partly because they have been decentralised to district administrations and provincial governments instead of being provided by the central government as in the past.

Another achievement of decentralisation in Mozambique is the gradual improvement of voter turnout at municipal elections. While voter turnout in national elections is falling steeply (from 87 per cent in 1994 to 44 per cent in 2009), in local elections it is rising substantially (from 15 per cent in 1998 to 46 per cent in 2008). This suggests that people are beginning to see the relevance of local democracy while they feel indifferent to the national level. With a gradual increase in the number of municipalities, local democracy will improve further to cover wider Mozambican society and not only the few urban areas. In addition Mozambique is among the few countries in Africa where mayors and councillors are directly elected by the people through universal adult suffrage. Mozambican municipal administration has a clear separation of powers between the local legislative assembly and the executives.

For Cameroon, for most of her history and until recently ministries have been the key service deliverers. Every ministry uses a hierarchy of field offices to deliver services in sub-national units. Thus, representatives of sector ministries based in the councils handle most aspects of service provision. From 2010, council mayors have been charged with additional responsibilities for service delivery based on a phased transfer of jurisdictions from sector ministries.

Information obtained from sampled councils show a remarkable increase in funds accruing to them. In some councils, like Limbe City Council, revenue to the city council's coffers saw an almost ten-fold increase in the five-year period from 2004 to 2008. Revenue available to councils in the form of taxation is governed by Law 2002/003. Councils are permitted to collect tax from local businesses that do not generate more than CFAfr100,000; businesses that generate more than this amount are taxed under the jurisdiction of the central government.

The real challenge is that it has taken 14 years since the initial constitutional declaration of decentralisation for the first real transfer of responsibilities and resources to councils to take place. This unusually long period has created negative signals that there is some reluctance on the part of central governments to strengthen LGs. The legal instrument itself is not sufficient to effectively accelerate the pace of the decentralisation process. But Cameroon's unique dichotomous colonial identity, which has influenced the structure of the post-colonial state, as well as the complex heterogeneous ethnic structure, deserves sensitive management.

Ghana's decentralisation policy has ensured that more people now have access to LG administration, thereby shrinking the distance between the citizens and their government. The mandatory transfer of not less than 7.5 per cent of the central government revenue to LGs has helped not only to improve the financial state of LGs (without which many would have collapsed) but also ensured that district capitals became new growth poles that helped spread development across the length and breadth of the country. The District Assemblies Common Fund (DAFC) has helped to improve infrastructure in rural areas more than any local development intervention ever implemented in the country. Nevertheless Ghana's decentralisation also faces a lot of implementation challenges. Arguably the most challenging issue is how to bridge the gap between the constitutional and policy intentions of decentralisation and the actual practices.

Tanzania introduced a decentralisation policy as a reaction to earlier programmes of deconcentration. Its Local Government Reform Programme (LGRP) was introduced in stages: the first stage was a 10-year period that lasted from 1999 to 2008; the second stage started in 2009 and will end in 2014. The country made its policy preference for devolutionary decentralisation clear, hence the concept of decentralisation by devolution. Major findings indicate that in the first stage political decentralisation has entrenched a system of regular elections for ward councillors, village councils, *mtaa* committees and *kitongoji* chairs every five years. In addition one-third of local posts are set aside specially for women and other marginalised groups; council meetings are now open to the public, resulting in improvements in agenda-setting and reporting of meetings; and council's powers have expanded to include drafting byelaws covering areas such as community development, waste collection and sanitation, and local revenue generation. When Rungwe District Council privatised the collection of market fees it increased revenues by 83 per cent per annum.

One-third of all positions in local government councils are reserved for women. This is regarded as a positive development for several reasons. First, it boosts the participation of a group that is usually marginalised. Second, it also ensures that the group with the greatest interest in local matters – basic health (especially maternal and child health), basic education, water and sanitation, youths and sports, etc., has the greatest say in these matters. It is thus not surprising that service provision has improved in the Tanzanian education sector. Each ward is now supposed to have one secondary school, but some wards now have more than one. More than 75 per cent of children are in primary school, and more than 50 per cent of them go on to secondary school (a ward is about five villages; each village has approximately 250 households, constituting 1,500 people). In the health sector, service provision has been decentralised to district level. Each ward now has health centres and there are dispensaries in nearly every village, but their impact on improvements in major health indicators is not easy to assess. Also in each district, there is space set aside to build hospitals. Private participation in health service delivery is on the rise, especially from faith-based organisations such as the Catholic and Lutheran Church (these Christian institutions run referral hospitals in Mwanza and Kilimanjaro regions). LGAs have also improved in terms of organisational structure, construction of markets, and garbage collection – in collaboration with the private sector (pers.comm., Secretary General, ALAT).

7.3 Lessons and Challenges

This last section draws together the different strands of facts and findings on these five country cases. We shall focus on the main lessons, challenges and possible intervention points.

7.3.1 The lessons and challenges

The research started with a number of specific propositions. In the review contained in the earlier parts of this chapter, we have attempted to revisit these propositions in the light of our findings. The propositions led us to draw a map, as it were, of the progress of decentralisation as well as the challenges confronting decentralisation in Africa. There was also an attempt to understand the differences between the formal policy and actual practice of decentralisation in each country, and especially the role of state and non-state actors in this process. Two important key actors that were singled out for special consideration were government actors and donors who have been critical in setting the agenda on decentralisation in many African countries.

We now proceed to focus on some recurring themes across all five countries and provide an insight into the dynamics of initiating and sustaining decentralisation in the African context.

Eight major recurring themes emanate from the analysis of these case studies on African decentralisation experiences. These are summarised below:

- (a) Importance of context – geographic, political, economic and historic
- (b) Close links between democratisation and decentralisation
- (c) Conceptual and policy ambivalence and confusion in respect of decentralisation
- (d) Governance of cities and rural communities
- (e) Primacy of politics in the analysis of the sustenance of decentralisation reforms
- (f) Role of donors vis-à-vis other national actors
- (g) Inadequate emphasis on the human and financial resources options
- (h) Weak links to new institutional actors involved in local governance

(a) Importance of context – geographic, historic, political and economic: Context plays an important role in terms of the type, quality, approach and progress of decentralisation. This helps to explain the diverse approaches to decentralisation in all of these countries. For instance, the slow progress of decentralisation in Cameroon may be attributable to several reasons but one unmistakable issue is the difficult co-existence of two traditions of decentralisation within the same political system in a country that is now unitary though it was once federal. Tanzania, another country that was once federal, has now switched to a unitary system of government even though the system of (local) governance differs between the mainland and the island of Zanzibar. Physical and demographic size is also an issue. For large territories such as Tanzania and Mozambique, decentralisation is essential for the realisation of state policies and programmes. However, even for a relatively small country like Botswana, decentralisation has been a key part of the state's strategy to realise that country's development plans and especially Vision 2016. It is significant that all five countries have a history in which decentralisation has been regarded as an important principle of governance and political independence since colonial times, despite the diverse rhetoric on approaches to development (whether state-directed as in Tanzania and Mozambique or market-directed as in Cameroon, Ghana and Botswana).

The differences arise from different historical trajectories such as war, as in Mozambique, long adherence to strong socialist principles, as in Tanzania, or the legacy of long years of military rule, as in Ghana. These experiences complicated the emergence and continue to hamper the progress of decentralisation in different ways in these countries. A pattern that is found in all five countries is the tendency for the development strategy implementation to neglect rural communities. Decentralisation is thus seen as a state strategy to tilt the balance in favour of rural communities,

but as the examples of Mozambique and Botswana show, economic success does not always translate into progress for rural communities. For instance, in Mozambique consistent high economic growth rates over a decade have not had a positive impact on the rural areas; this is because the major investments have concentrated on mega projects financed by direct foreign investment in minerals (e.g. the MOZAL aluminium project or the SASOL gas pipeline to South Africa) while the agricultural sector, which offers economic opportunities and employment for 80.5 per cent of the population, received only 3.3 per cent of public investment. Similarly, Botswana's impressive economic performance still leaves large numbers behind in the rural communities. Effective decentralisation strategies that recognise local communities as economic entities (devolution) are required to correct these imbalances between the rural and urban economies within the same country. There are also wide differences in experiences and the implementation of decentralisation in mainland Tanzania in contrast to Zanzibar or the English-speaking and French-speaking parts of Cameroon. Economic prosperity may seem to make it easier for the state to embark on ambitious decentralisation programmes successfully (Botswana) while poverty remains a continuing challenge for the others.

In summary, war, natural disasters, historical affinities, urban and rural divides as well as economic strategies have implications for decentralisation – indeed it may form the rationale for policy choice with significant policy impacts as well.

(b) Close links between democratisation and decentralisation: Another recurring theme is that whereas all the countries had some experience of decentralisation before the era of democracy, the preferred policy choice in the years before democratisation was deconcentration. With the emergence of what has been referred to as the global democratic third wave (Huntington, 1993) associated with the fall of the Berlin wall in 1989, decentralisation programmes took on a completely new character, different from preceding types. This movement was propelled in Africa by domestic as well as external forces as is evident from the five countries reviewed in this study (Hyden et al., 2000). The Tanzanian leadership, for instance, actually abolished local governments on 30 June 1972 in favour of the socialist field administration agencies flowing from the party's philosophy of socialist centralisation (democratic centralism) or *ujamaa*. This 'decentralisation reform', meant grouping villages together and administering them as a part of one central state using the government's appointed consultative forums in the districts and villages – hence the reference to villagisation. One important lesson from this experience was that service delivery did not improve; if anything, it degenerated. Ten years later, in 1982, this ban on local government was lifted, first in the urban areas and then in the rest of the country.

Subsequent activities in that country have sought to enhance the democratic character of decentralisation with varying levels of success. A similar, almost dramatic story was captured in the chapter on Cameroon: the opposition had sent a formal request to the United Nations for independence for Southern (English-speaking) Cameroon from

the rest of the nation before the government passed decentralisation legislation that promised local autonomy and devolution. In the same vein, the Mozambican war was one that expressed itself in terms of control by the main parties – the ruling FRELIMO and the opposition RENAMO, each of whom had power in a different part of the country, the ruling party in the cities and the opposition in the countryside. Some observers felt that it is therefore not surprising that until now devolution had been having a hard time in Cameroon generally and in the other two countries (Botswana and Mozambique) outside the cities (see below). It is clearly impossible to dissociate the ongoing efforts to engage decentralisation from the prevailing democratisation agenda in each of the five countries. Indeed, in some of the countries, notably in Cameroon, Ghana and Mozambique, decentralisation was a concession granted to appease a growing and restive opposition to unitary, one-party rule that dominated the political and policy space from independence to the 1990s.

(c) Conceptual and policy ambivalence and confusion in respect of decentralisation: The first two points also provide an explanation for the policy and deliberate ambivalence of many countries in respect of devolution and deconcentration. With the exception of Tanzania, there seems to be a consistent preference to implement deconcentration, even though the formal policies are in favour of devolution. This ambivalence is unfortunate. First, it does not allow the countries to come up with a robust policy for effective field administration as distinct from local governments. Both are needed, and indeed if effectively done one could strengthen the other. Second, some of the countries that have attempted to make a policy distinction between deconcentration (in the rural areas) and devolution (in the cities) such as Mozambique – and lately Cameroon – have not provided a clear sense of how their respective countries would transit from one type of decentralisation to another over time. Clearly, there is a need to articulate within these countries' decentralisation policies a time-based plan on when and how to transit from one form of decentralisation (deconcentration) to another (devolution) or indeed whether there would not be a need for such transformation at all.

Another important recurring theme is the tendency for the countries not to follow through on their policy commitments in respect of decentralisation. Whereas in December 1995 the Cameroon National Assembly approved a new constitution that legalised political parties, adopted multiparty democracy and 'declared Cameroon decentralised and heralded steps for actualising decentralisation', and President Biya signed this into law in January 1996, not much happened until 2004. Even now, real actions to promote devolution are to be put in place only from 2010. This means that it has taken *eight years* to implement the deconcentration aspects of the reform and another *six years* (assuming it happens) to implement devolution. Even the Tanzanian case provides a curious approach to decentralised (devolutionary) governance in that the country started in 1999 as a part of the country's democratisation and economic liberalisation programme. This programme is significant in

that it was supported by a number of donor agencies. Initially, some 38 councils were selected randomly from among urban and rural areas that would form the start-up councils. The idea was that other councils would join them on a progressive basis, as in neighbouring Uganda. In 2004, however, all the councils joined this local government development programme. In addition, the programme was now to go beyond districts to the village councils as well. Such discontinuities might indeed be necessitated by new facts, but the lack of a systematic pursuit of policy objectives also has high costs, as was highlighted in the report.

The Ghana case further illustrates this challenge in a graphic way. Regional ministers exercise a great influence on the policy and processes of the district assemblies that are supposed to be semi-autonomous in their operation. Indeed, the district chief executives serve as the leader or mayors of their district assemblies while elected officials serve as presidents, and as we saw these district assemblies do not manage their own staff. In all the countries, the instruments for promoting devolution – e.g. the revenue transfers, human resources support and indeed the audit processes and systems – have become veritable instruments for ensuring a deconcentrated decentralised system even when this is contrary to policy pronouncements on the subject.

In sum, at the heart of the dilemma confronting many countries in Africa is the need to clarify what kind of decentralisation they are interested in pursuing. The history of decentralisation in the continent shows that most central government actors would like to enhance the capacity of their respective field administrations. However, the citizens and donor agencies push for devolution. Could it be that central government actors want what guarantees a hold on power whereas citizens and donors would like those who wield power to tap the immense local or domestic human, financial and knowledge resources resident in communities? Both power and resources are essential for the effective and efficient functioning of the state. In this circumstance and encouraged by donor agencies, some central governments pursue a policy of decentralisation when in fact their preference is fundamentally for deconcentration, not devolution. The result is a mixture of different forms of devolution and deconcentration that is at times reflected in policy implementation inconsistencies.

(d) Governance of cities and rural communities: Despite their possible reservations, decentralisation has a strong appeal to policy-makers in that it provides them with a tool or an approach that can help to harmonise the differences between the various groups that comprise a society. It can help ensure some form of horizontal integration across communities that comprise a nation. Moreover, it can also bring about vertical integration between national and local governments. In addition, as earlier highlighted, decentralisation is a tool for promoting the political objectives of democratisation but it is also a tool for achieving the economic liberalisation objectives of longer term development planning. Some countries, like Botswana and Mozambique, have resolved this problem by adopting an official policy that promotes devolution in the cities while continuing with deconcentration in the rural areas since

these areas are not regarded as sufficiently ripe for devolution. The two countries that have not fully articulated this kind of policy in our sample countries are Tanzania and Ghana, although both might have actually pursued it while implementing their decentralisation policies. Based on the available evidence, Ghanaian cities have been able to mobilise far more financial resources than their rural counterparts. Internally generated revenue accounts for 11 per cent in Tamale, 32 per cent in Kumasi and 44 per cent in Accra. This compares with the average of 5 per cent for the rural districts in the Upper Eastern, Upper Western and Northern Regions of that country.

The logic of urban devolution and rural deconcentration is an attractive one. It responds to the following realities:

- Urban communities are able to raise the finances for providing and supporting services in a way that many rural communities cannot.
- Urban inhabitants are more demanding of their political leaders and more participative than rural inhabitants in the governance of their communities.
- Urban communities have become increasingly important in the era of globalisation, as many multinational companies have relocated away from their headquarters in the search for more markets and cheaper production costs.

The problem is that the countries in our sample have not carried this policy logic to its conclusion. They have tended to spend most of their transfers on the cities (with or without formal financial transfer formulas) and not on the rural communities that need grant transfers most. In addition, they have not encouraged these cities – some of them are quite big and have considerable economic and financial clout – to mobilise much higher internally generated resources, especially taxes and fees on movable (like vehicles) and immovable properties (real estate). The reason these cities cannot do this includes the lack of legal empowerment by the national government to enable them to determine their own tax rates or even their local budget. This is inconsistent with the principles of devolution. It is even more important to do this because African cities in the past were actually able not only to mobilise resources but also run services, including ports and city transportation, and some of them were even active in international stock exchanges across the world (Olowu, 2004). Several municipal governments in the Commonwealth are still able to do this in part because of their robust internally generated revenues regime, including some in Africa such as Mauritius and the Republic of South Africa (Commonwealth Local Government Forum, 2006).

(e) Primacy of politics in the analysis of the sustenance of decentralisation reforms:

Most analysis of decentralisation takes a partial rather than a comprehensive view. For instance, some focus only on how to initiate decentralisation reforms and not on how to sustain them. Some others discuss the importance of technical capacity at the level of local governments but not at the national government level. Even more

importantly, some analysts focus on political aspects of decentralisation because they tend to be neglected by most analysts. In this book we have adopted a holistic focus. That approach led us to significant insights on the dynamics of sustaining decentralisation once it has been introduced.

The analysis shows that the capacity for *initiating* decentralisation is just as important as the capacity for *sustaining* it. Whereas most analysts and political commentators focus on the lack of technical capacity at the local level to sustain devolution, what emerges from our analysis is that both technical *and* political capacities are required, and these are needed at both national and local levels. Indeed, the need for technical and political capacity is more crucial at national or central government level than at the local level for the following reasons:

- Until a national government appreciates that decentralisation can help it to achieve a positive-sum (win-win) game, it will continue to perceive it as a zero-sum game in which local actors gain what it loses. They thus try to avoid or impede it despite of national policy commitments.
- Decentralisation is a complex process and requires both political sophistication and administrative dexterity at the national and local levels. There is often considerable opposition to decentralisation within national governments, especially because there are different kinds of actors and interests.
- Donors are showing a growing interest in decentralisation for a variety of reasons. They bring resources, experience and expertise to this field. However, central governments are needed to mediate the relationships between local communities and external actors in all countries.
- Only when a national government is genuinely interested in devolving authority, responsibility and resources will there be a need to improve local government capacity.
- Improving local government capacity is a long, tedious and often frustrating experience that requires time, patience, understanding and a willingness to allow some initial failures as part of any learning process.

For all of these to happen, political capacity or willingness is actually more important than technical capacity because where there is political capacity, technical capacity will follow. It is therefore important to focus on the dynamics of political capacity for initiating and sustaining decentralisation generally but especially devolutionary decentralisation.

Three types of stakeholders are particularly crucial in introducing and sustaining decentralisation. These are national state political actors, senior administrative or management officials of the state, and local community actors (see Table 7.6).

Table 7.6. Analytical framework for sustaining decentralisation (model)

	<i>National political elites</i>	<i>National administrative elites</i>	<i>Local political elites</i>
Initiating	High		
Implementing		High	
Sustaining			High
Botswana			
Initiating	High		
Implementing		Moderate	
Sustaining			Low
Cameroon			
Initiating	Low		
Implementing		Low	
Sustaining			Moderate
Ghana			
Initiating	Low		
Implementing		Moderate	
Sustaining			Moderate
Mozambique			
Initiating	Moderate		
Implementing		Low	
Sustaining			Low
Tanzania			
Initiating	Moderate		
Implementing		Moderate	
Sustaining			Low

Introducing devolution is primarily a political function but so is its sustenance. If the forces that helped to introduce it do not continue to support it or are no longer in a place to influence policy, devolution suffers reversals, leading to what is referred to as recentralisation. This phenomenon has been encountered in some of our five countries. Table 7.6 summarises some of the major observed trends.

In Botswana, the forces that brought about a review of devolution legislation were formidable, as they included the country's president. Devolution was connected to three key national programmes: development planning, a principle that Botswana has pursued with vigour over the years when many countries jettisoned theirs (now upgraded to National Vision 2016), rural development, and the reform of the public sector. The administrators have not always been so enthusiastic about devolution and have therefore continued to use the argument that local government capacity is weak as a basis for recentralising functions when in fact the capacity of local government in this country has improved and the quality of performance of local governments

has not been observably worse than national government. This was also because the country uses standards of performance measurement.

The problem in Botswana, of course, is that the local political elite forces have weakened over time, a fact responsible for the sudden loss of major cities by the opposition to the national ruling party in elections.

The pattern in other countries is predictable. National forces in favour of devolution are weak in Cameroon but moderate (especially significant has been the role of development partners) in the other two countries, Mozambique and Tanzania. Local political elites are also weak in both countries, but the administrative elite in Tanzania is stronger in terms of its commitment to devolution than those in Mozambique, given the lessons they learnt in the 1970s when local councils were abolished. In Mozambique the most important point is that the administrative elite in the cities, especially in Maputo, are well-motivated and better paid than national government workers. Ghana illustrates how the role of external donors can force the hand of the national government in promoting devolutionary decentralisation as they made the enactment of the local government service act a condition for continuing donor support.

In sum, once the political capacity for sustaining decentralisation in a country is high, it will be reflected in the systematic development of technical capacity at national and local levels. Hence, the prevailing refrain that is often heard about capacity deficiency in decentralised agencies is actually a reflection of the lack of political will in support of decentralisation nationally and in particular at the national level. Where sufficient political will exists, technical capacity deficiencies can be remedied over time using a combination of policies and strategies to attract and retain quality staff members into decentralised agencies. This has been found to work in all countries. It is, therefore, not surprising that even in countries where there has been tremendous improvement in the quality of local government staff, such as in Botswana and Tanzania, national reports still show that their central governments use the weak capacity in local governments as the rationale for transferring responsibilities and financial resources to other institutional actors controlled directly by the national government. This happens despite the fact that these local councils have done well in terms of delivering services and mobilising ever greater numbers of people to vote even as citizens' participation in national elections decline.

(f) Role of donors vis-à-vis other national actors: For a variety of reasons, donors are interested in supporting decentralisation reforms. First, as we saw in the opening chapter, they believe that progress in decentralisation would have a favourable impact on the attainment of the MDGs. Second, they also see decentralisation reform as an important aspect of good governance reforms that cover both political and economic liberalisation. Finally, decentralisation is good politics for these donors both from the viewpoint of macro-national politics and international influence but also for

micro-political reasons not unconnected with the fact that some of their multinational companies are active in specific communities in these countries, e.g. in mineral or agricultural extraction. In a sense, there is evidence coming from these reports that progress in devolutionary decentralisation has led to marked and remarkable improvements in basic services – in basic health and education in Botswana, health in Mozambique and in basic education in Tanzania. Clearly, decentralisation and especially devolution reforms that bring greater autonomy in the operations of national and local governments result in higher standards of services delivery and this is not lost on these donors who would like to have something positive to show to their own domestic taxpayers.⁵

The country cases, especially Tanzania, Ghana and Mozambique, underscore other important contributions that external actors (donors) bring to the progress of devolution. They bring political clout and huge resources that promote decentralisation. These resources are mostly financial but not exclusively so. They bring to bear their expertise, other international knowledge and experience, and they also support capacity building even at district and village levels, as we saw in Tanzania. On the downside, it is the case that even when these resources have not been used to actually promote devolution by the national governments, they cannot openly challenge the government. In Cameroon, the government was able to turn away from the German donor GTZ that was pushing for devolution and do business with the French co-operation agency that seemed to be less insistent on imminent progress. Even in Tanzania, the report shows that the co-chair of the development partners group was dissatisfied that little or no advance had been made in respect of human resource development. Indeed, the government seems to have pulled the local governments back – they curbed their power ‘to hire and fire’ and emoluments of council staff were still being handled centrally after almost 12 years of devolution.

This is not to underestimate the great progress that decentralisation has made in Tanzania. It is significant that these development partners have pushed the idea of budget support and that it has been applied almost exclusively to national governments and also to local governments. All the development partners supporting decentralisation in Tanzania, for instance, place their funds in a basket fund, which explains the great progress made by that country as the country report showed. On the whole, it is fair to say that donors can only exert substantial muscle where they harmonise their support to the country and where such support is substantial, as the Ghana case shows.

A meeting of experts at the European Commission (EC) in October 2009 underscored the point that support for devolutionary decentralisation might become the most important single element for improving domestic accountability in recipient countries, as the EC has been placing more development resources in this area. In other words, donors may be hoping that they can help boost development performance and

especially domestic accountability in recipient countries by taking the following key measures related to fiscal decentralisation reforms. These are:

- promote local and national government's own-resource mobilisation and promote discretionary funds to local governments within EC response strategies and policy dialogue;
- develop performance-based funding to establish effective incentives and competition for de-concentrated and decentralised levels to improve performance in terms of equity and transparency; and
- consider larger public administration reforms in tandem with policy dialogue on decentralisation. (European Union, 2009).

An important development arising from donor involvement has also been the effective engagement of non-government actors, such as faith-based organisations, philanthropic institutions and community-based groups, and especially the national local government associations in the dialogue on governance and accountability improvement. This has impacted positively on the quantity and quality of services delivered in virtually all five countries.

(g) Inadequate emphasis on the human and financial resources options: The five countries studied have not given sufficient attention to human and financial resources options. Taking finance first, two of the countries (Tanzania and Ghana) have clearly articulated transfer and grant systems that show the factors taken into consideration in calculating central government transfers to local governments. But even here, the country reports note that financial transfers from the centre are still problematic; all local governments continue to depend on the national government and LG discretionary authority hardly exists in either of the two countries.

But the experience is still far better than for the other three countries where there is no transparent formula for sharing that is known to all the parties – central government, local government and non-governmental actors at the community level. The Tanzania report also notes that even Angola, a country that has just emerged from war and which began its decentralisation programme quite recently, has made more effective use of the financial transfers formula to stimulate greater dynamism for local development in their revenue drive. It is also instructive that the Ghanaian government has increased the level of central government transfers from 5 per cent to 7.5 per cent, whereas in Mozambique the proportion has been reduced by half – from 3 per cent to 1.5 per cent. In Cameroon, local entities collect monies and send them to the capital, and from there the amounts sent to councils are sent at the national government's discretion, with no council knowing exactly how much it might receive!

There is much less discussion of and achievement in mobilising human resources. One of the best cases of the lot, Botswana has actually moved away from a model that is

more favourable to local autonomy (the local government service commission) that is independent of both the central and local governments. The same goes for Cameroon and Ghana. The two countries that have non-centralised options are Tanzania and Mozambique, the latter only in respect of her municipalities. They set and manage their own staff conditions. It is significant that, for instance, the Municipality of Maputo actually has more attractive service conditions than the central government and its field administration units in the provinces and districts. Even within field administration systems (deconcentration), these five governments are yet to come up with conditions of service that provides special incentives that respond to the problems of working in rural communities where there are no basic services. In the absence of any such incentives it is the norm to see high absenteeism, poor service provision by such personnel and, in extreme cases, departure and flight to other organisations or even other countries (Clemmens, 2007).

The facts show that the human resource capacity of local governments have actually improved over time and this shows in their increasing ability to successfully deliver services either alone (as in Botswana and Tanzania), in collaboration with national government field agencies (as in Mozambique and Cameroon) or with private agencies (as in Ghana). Yet, national governments are reluctant to recognise this maturing on the part of local governments in their countries or even accord them greater discretionary authority in managing local government human resources.

(h) Weak links to new institutional actors involved in local governance: One of the most important positive developments of decentralisation reforms in all five countries is that it has brought new actors into local-level development. For instance, three of the countries have provided greater opportunities for women's involvement in local politics and development; three countries have a quota for women (Ghana, Mozambique and Tanzania) and in one of these (Tanzania) women outperformed men in local elections. In Tanzania, one study showed that the local electorate trusted their religious leaders and institutions more than their members of parliament (Tidemand and Msani, 2008). A variety of institutions are now involved in local governance: local for-profit and non-profit organisations, local government associations and other civic and community-based organisations, including faith-based organisations. Unfortunately, these organisations are still left out of the policy discourse on decentralised governance even though they have demonstrated an extra ordinary capacity to network, partner and co-produce with decentralised agencies of government.

For any organisation to be effective in attracting human co-operation, it must provide essential institutional incentives that tackle issues of collective action, collective decision-making, principal agent and constitutional choice challenges (Ostrom, 1996, Wunsch, 2009). *Collective action* problems arise when an organisation has too limited an authority to tackle real issues and there is a lack of homogeneity among the actors. *Collective decision-making* challenges happen when organisations are too weak to make decisions on areas of their competence, and so let others make decisions. *Principal*

agent problems happen when the electorate cannot effectively hold the leaders of decentralised bodies/authorities responsible for their actions or inactions. The *constitutional choice* challenges relate to the inability of these local organisations to design or redesign themselves in light of their experiences.

Neglect or inadequate attention to the above issues may actually define what is often referred to as the weak capacity of decentralised bodies. The challenge might be that there are no effective policy interventions (policies and strategies) from the central government that respond to the problems. This is the focus of Section 7.4.2. However, before going into this we highlight some significant good practices across all five countries that other nations might want to consider for further study and adoption.

7.4 Good Practices and Potential Interventions

7.4.1 Highlights of good practices

In this section, we highlight practices that are considered good and worthy of further study and possible emulation by other countries in the region. These include:

Clear articulation of policy choice: A number of countries have had decentralisation programmes that formed the basis for a number of government actions but no decentralisation policies. Even when there is a decentralisation policy, no clear distinction was made in terms of policy focus between deconcentration and decentralisation. The Tanzania decentralisation by devolution policy was different and formed the basis of more robust policy guidance for the many actors involved in formulating, implementing and evaluating different aspects of decentralisation policy in that country. It is not an accident that the Tanzanian decentralisation programme is one of the most outstanding in terms of the policy outputs of participation and services delivery.

Learning from past experiences: As earlier noted, decentralisation is an old issue in all the countries studied. However, the knowledge acquired over the years in implementing various aspects of decentralisation is not always clearly connected to new initiatives. Most countries had experimented for several years with deconcentration; for example Ghana and Cameroon and had seen the high costs in terms of negative development, services delivery and participation. Yet, their decentralisation policies and programmes are still ambivalent. Again this is one area where the Tanzanian case has been different. The essence of the new policy of decentralisation is to make a clean break with the mistakes of the past. The country's first president has said that his decision to scrap local governments in the 1970s was one of his greatest policy errors. His successors made up their minds not to repeat such an error. Hence there is a more nuanced policy of preference for devolutionary decentralisation in their current initiative.

Decentralisation co-ordination agency: An understanding of the multidisciplinary nature of decentralisation suggests that it is wise to have a central co-ordination agency with political and technical clout to guide, persuade, implement and co-ordinate the decentralisation policy implementation. Every reform is resisted by those who believe that they will lose from the new initiative. Hence, there is a need for a central co-ordination agency to ensure that the policy process is not blocked by reluctant ministers or senior administrators. The existence of such a body in Tanzania, Ghana and Cameroon has helped in various ways.

Separation of urban and rural governance in policy and practice: Regrettably decentralisation reforms in many countries do not make a distinction between urban and rural areas. This review suggests that the differences between urban and rural are so substantial that the countries that recognised these differences in their policy and practice (especially Mozambique) seem to have had a better handle on implementing their decentralisation programmes. However, it is not sufficient to only make a policy distinction, it is important as well to make clear the path of convergence over time, otherwise such a policy might be counterproductive both politically and economically.

Constitutional protection for local governments: This is a commendable practice in that it raises the legal status of local authorities and ensures that national governments could not easily erode the powers of local authorities. The experience of Ghana shows that this can go a long way to assist the development of LGs in an environment in which the senior officials resist devolution reforms, as it relates to the transfer of personnel from national to local authorities. This is further enhanced by another good practice.

Mandatory central transfers to local authorities: This has resulted in the effective transfer of resources to LGs, and in the two countries in which it has been practiced – Ghana and Tanzania – it has led to substantial improvements in service delivery. It contrasts with what has happened in the other countries in this study. For example, in Mozambique the national government reduced central transfers unilaterally from 3 per cent to 1.5 per cent and actually paid only 1 per cent in 2009. In Botswana, the amount that is transferred varies annually and there is no way that the LGs can predict how much they will receive. This makes planning extremely difficult, as central transfers constitute the largest source of revenue for LGs worldwide. The flip side is that LGs can become excessively dependent on this source and be lax in mobilising their own revenues. The situation might also undermine effective accountability.

Enhanced capacity of local government chief executive: Most local government chief executives find the weak mayor system that they inherited from the colonial period a serious challenge, as it makes it difficult for them to effectively co-ordinate the work of the councillors or of the supporting heads of departments. Mayors under this system are elected by the councillors, who also oversee the council via a committee system. To

this extent, many of them prefer the strong mayor system, where the chief executive is popularly elected and has executive powers that are exercised at political and administrative levels. Only Mozambique has introduced this kind of innovation in its municipalities and the model is viewed favourably by most countries. The 2nd Presidential Commission on Decentralisation in Botswana recommended the adoption of strong or executive mayors. The government declined, but some people (within and outside the government) are still pushing for this system. Nigerian LGs use this system and recently Kenyans have chosen this model as a part of the country's constitutional reform proposals (Kenya Parliamentary Select Committee, 2010).

Human resource management for effective decentralised governance: It is important that human resource management (HRM) for decentralised governance is distinct from the national government. Only a few countries have been able to separate national and local HRM. Mozambique uses the separate personnel management model in its cities and each city has its own HRM system. Botswana and Tanzania use a local government service management model, which seeks to protect professionals from political victimisation while separating the system from the national government. It also ensures that small localities have access to quality professional leadership.

There are two other HRM initiatives that are also important to highlight. The first is the introduction of *performance management* at the local government level. Botswana has done this well, making it mandatory for all systems, national and local, to comply with performance management indicators. This has had a positive impact on the quality of services delivered in that country by LGs as well as other agencies of governance. The second is *training for local government officials*. Tanzania sets aside a proportion of its personnel budget for training and this is commendable.

Quotas for women: One-third of all positions in local government are reserved for women in Tanzania. This has led to some positive developments in participation and the quality of services delivered. The Ghanaian quotas have not been very well managed, unfortunately. On the other hand, women are regarded as a part of the effort to reach out to minorities who are co-opted into the district assemblies.

Inclusion of traditional chiefs in local government: Different countries in our sample have adopted different approaches to traditional chiefs. Tanzania banned these chiefs altogether in the days of socialism. Botswana has recognised chiefs as separate decentralised actors charged with specific duties outside of the formal local government system. Ghana has integrated them into the formal local government system by appointing some of them to district and regional assemblies. Each country must determine what the best way is to make use of traditional chiefs, who continue to be important in African cities and villages.

7.4.2 Potential interventions and ways forward

Besides the specific good practices, in this final section we discuss some broader policy interventions that could help to tackle some of the challenges confronting decentralised governance in the countries that we have reviewed.

We explore here potential joint actions or entry points by these countries in collaboration with the Commonwealth Secretariat, who sponsored this study. In particular, the following five main proposals have been identified as core and possibly catalytic:

Improve the capacity of national governments to support and sustain decentralisation through learning from their own past experiences and from the available literature on local organisations.

- Use central transfers to mobilise potential domestic financial resources.
- Explore alternative human resource management possibilities other than central government control.
- Reconcile central-led planning to decentralisation.
- Use external assistance to improve policy dialogue on decentralisation and domestic accountability and include more local organisations in monitoring and discussing the progress of decentralisation.

Improve the capacity of national governments to support and sustain decentralisation: We made the point that decentralisation is a complex venture. A critical issue is building the capacity of central governments by using available knowledge in this important area. All five countries were carrying out decentralisation reforms even before they became politically independent, and have continued since. It would seem critical that they learn from these experiences. Unfortunately, this has not always been the case. Central governments still use the same language, emphasising the superiority of national versus local governments or even deconcentration compared to devolution, when in fact this is not the issue. Both national and local governments are essential, as are devolution and deconcentration in any country. More importantly, what is often missing is an understanding of how to create the incentives for institutional effectiveness at both national and local levels, whether within field administrations or semi-autonomous local governments. One line of research that recently attracted global attention with the award of the 2009 Nobel Prize in economics is the need to understand collective action, principal-agent and constitutional choice principles in the creation and management of central and local government bodies and their agencies as identified earlier (see Ostrom, 1996 and Wunsch, 2009). This is the only way to explain why local and philanthropic organisations have often succeeded where much better resourced, government-supported organisations fail.

Helping national governments to improve knowledge management in decentralisation programmes is an important area that can be addressed through networks,

communication (using both old and new technologies), and enhancing the capacity of regional- and national-level training institutions to impart such knowledge.

Use central transfers to leverage potential domestic financial resources: There is a need to deliberately use central transfers to incentivise the mobilisation of financial resources, especially in cities. For example, two important revenue sources that have been poorly tapped in all five countries are *property taxes* and *user charges*, including parking fees. The technology and processes for assessing and collecting these fees are well known and it should not be difficult to document the experiences of other countries (even within Africa) that have been able to raise huge resources from these sources. The key issue, however, is that this is not only about money; it is also about developing effective domestic accountability for the local capital market. This was a critical issue for the construction of modern societies in today's developed world. Property markets provided a basis for responsible democracy, service management, and the enhanced capacity of local governments to borrow and indeed develop their property markets (Kersting et al., 2009). Similar arguments could be made for other potential local revenue sources that are presently poorly exploited (Bahl and Linn, 1992). The idea would then be that central transfers and grants would focus not only on population and equity, as is currently the case, but also on revenue mobilisation potential and actual performance.

Explore other human resource management (HRM) options: HRM has become part of strategic management, and it is important that the policy discourse and practice on this issue be changed in Africa. Africa is losing a lot of human resources to foreign countries when in fact its major challenge remains the lack of critical human resources capacity in many areas. The problem is the poor conditions under which people are required to serve; these conditions are neither competitive nor reflect the reality of the challenges that service providers at the local level face in these countries. The fact that national and external governments have increasingly realised the importance of decentralised bodies in this area should help to change the policy discourse in terms not only of conditions of service, but also of human resource management models: centrally controlled, separate, market controlled, local government commissions and co-operative arrangements. It is instructive, for instance, that in Mozambique municipalities have the freedom to hire their own personnel on terms that are more generous than the national government. This is the way it should be, as cities can also easily raise the revenue that would enable them to attract and retain critical skills.

Reconcile central-led planning to decentralisation: As most countries have now returned to national planning, mostly via poverty reduction strategies and national visioning processes, the relationship between development planning and decentralisation remains unclear. There is still a strong need to enhance central government field administration, local governments and other local governance bodies (non-governmental agencies, community-based organisations, local government associations, faith-based groups, etc.) to create an effective national framework for development

planning. Where countries do not have a clearly articulated policy that links development planning to decentralisation, it might be necessary to help countries to establish these links.

Use external actors to improve policy dialogue on decentralisation: It has become increasingly evident that development partners are playing a critical role in Africa's development management. As noted earlier, the portfolio of these institutions has grown phenomenally. In some cases, the resources made available by these organisations constitute the main elements of capital or development budgets, whether at national or local levels. The key point, however, is that these resources and the donors' political clout can be used to support the mobilisation of financial and human resources, but also to leverage a higher quality of domestic accountability. They would achieve these by leveraging a wider spectrum of actors within African countries, especially including the local governing bodies.

In conclusion, the five countries analysed here have all undertaken decentralisation reforms that aimed to promote improved governance and effective service delivery. These twin objectives have been partly achieved in most of the countries. Decentralisation policy implementation is a work in progress that needs deepening. It is also important for the countries to look inward and mobilise domestic resources to support and sustain decentralisation and other related governance reforms.

As examples of African decentralisation, these case studies provide insights into why decentralisation has not been as successful here as it has been in other regions of the world. Lessons from these experiences underscore the fact that decentralisation is advanced by the following actions:

- Constitutional protection and a clear articulated sense of responsibility assigned to local authorities, as distinct from field administration agencies.
- Clear financial and human resources provision to match the level of decentralised responsibilities.
- Reconciliation of development planning to devolution to semi-autonomous regional and local authorities.
- Mobilisation of domestic resources not only in terms of finance but also of human, knowledge and institutional resources to complement and ultimately replace external inputs.
- Empowerment of citizens and local councils to contract, co-operate and compete with other governance bodies in the public and private realms to boost local development and local good governance.

This project has the unique opportunity to move policy discourse and practice on decentralisation in Africa to a new level in which national and local institutions complement one another in improving development and governance. Crucially,

follow-up actions on this report could **focus on three key targets** that could revolutionise African governance and poverty alleviation successes that have proved rather elusive to date. First, it could become the nucleus of an effort to build a consistent and reliable database on African decentralisation that could be regularly updated to improve policy and the twin objectives of decentralisation: popular empowerment and effective service delivery. Second, it could target a redynamisation of African governance, starting with the cities. As Africa experiences its triple revolutions – demographic, capitalist and electronic – effort focused on dramatically democratising the governance⁶ of her exploding cities might provide the much-needed push to improve the welfare of millions of Africans living in mankind’s continent of origin. Third, it can task national resource centres in each country to work with the key actors in-country to revitalise municipal devolution while enabling national governments to support such efforts. This would have positive implications for the whole country, in that it would release to rural communities the much-needed government grants presently tied up in sustaining deconcentration even in the cities.

Notes

1. For instance, Ronald Wraith wrote a book called *Local Government in West Africa* (1964), but when he published a second edition in 1972, the title had changed decisively to *Local Administration in West Africa* (1975).
2. Central and local elections are organised at the same time but we were not able to lay hands on local election turnout specifically. Some other data that we had access to showed that turnout at national elections fell from 70.1 per cent in 1999 to 56 per cent in 2003 (Kuenzi and Lambright, 2007). The figures that appear here may therefore be for local elections.
3. Fifteen per cent of the total fund is deducted or reserved by the common fund administrator before the remainder (85%) is distributed to the DAs. So 15 per cent is not part of the five factor formula.
4. Departments of Social Welfare; Community Development; Town and Country Planning; Public Works; Parks and Gardens; Rural Housing and Cottage Industry; Births and Deaths; Forestry; Controller and Accountant-General; Medical Officer of Health; Feeder Roads; Animal Health and Production; Fisheries; Extension Services; Crop Services; Agricultural Engineering; Districts Sports; Cooperatives; Fire Services; Library Boards; Game and Wildlife; and National Youth and Organizing Commission.
5. There is a lot of concern presently that donor assistance, especially in poor countries, does not work and only aggravates rather than ameliorates poverty (see Moyo, 2010).
6. Over 30 per cent of Africans live in cities, up from 15 per cent in 1965. The number will rise to 50 per cent in another 10 years. See Kapstein, 2009: 119–128.

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The aim of a well-designed decentralisation programme is to deliver effective services to all citizens and to deepen democracy through active popular participation in local governance. Through detailed case studies of decentralisation policies in five sub-Saharan African countries – Botswana, Cameroon, Ghana, Mozambique and Tanzania – this book examines the challenges presented, lessons learned, and recommends ways to improve policy implementation.

It is clear from the analysis that there is no 'one size fits all' design of decentralisation policy. Policy-makers worldwide can use the lessons learnt and good practices presented here to better inform and advance their own decentralisation agenda.



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