Power to the People:
A Comprehensive Analysis of Decentralization in the East African Community

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I. Introduction and Executive Summary

Over the past two decades, the nations of Tanzania, Rwanda, Burundi, Uganda, and Kenya have implemented a wide range of decentralization and local government reforms in order to better meet national development goals. By transferring authority and responsibility for public functions from the center to the local level, governments in East Africa assume that small, local institutions can better provide public services, ensure transparency, respond to local needs, and increase public participation than can large national organizations. However, despite the progress, little evidence exists on how these reforms have impacted these good governance goals.

Although various case studies exist on the impact of local governance reforms in different East African nations, very little effort has been made to compare the trends in decentralization on a regional level. Because of this, development organizations wishing to support decentralization in East Africa find it difficult to focus their resources to maximize the impact of their programming.

The International Republican Institute (IRI) is interested in understanding what progress has been made in East Africa through the decentralization reforms and their effects on good governance. IRI has been working in the region to promote democratic governance through its East Africa Regional Governance Program. This program seeks to support decentralization by working with Local Government Associations (LGAs) to promote the exchange of governance ideas and mechanisms. To this end, IRI conducted in-country assessments of LGAs in order to identify gaps where IRI can partner with them for empowerment. After conducting these assessments, IRI is now interested in investigating the current barriers and opportunities to promoting more effective decentralization in the East Africa region.

The purpose of this comparative study is to identify the common trends, barriers, and opportunities for decentralization in order to shape the direction of the East Africa Local Governance Program. Based on these findings, this study will make recommendations for how IRI can tackle these governance issues.

Central Research Question and Methodology

To better inform IRI’s regional governance programming, this research seeks to answer the question: What are the common barriers and opportunities to effective decentralization in East Africa?

In order to answer this question, IRI partnered with a capstone team1 from the George Washington University2 in Washington DC to conduct an assessment of the trends in decentralization in five East African countries: Tanzania, Rwanda, Burundi, Uganda, and Kenya. The study took place over four main phases.

The first two phases consisted primarily of desk research. The first phase sought to answer the questions: what is decentralization and when is it effective? The team conducted a thorough review of the academic literature on decentralization and its assumed effects on governance. The team outlined the three levels of decentralization: deconcentration, delegation, and devolution. During this phase, the team also divided decentralization into three integrated dimensions, political, administrative, and fiscal, in order to create a framework for assessing challenges and opportunities in each country. The second phase assessed decentralization in four of the five East African Community countries. For this

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1 A four-member team of MA students that plan, implement, and present a group-designed, research-based project. The teams use their research to make defensible policy recommendations for respected International Development Organizations. Each capstone is conducted under the guidance of a faculty member.

2 Specifically, the International Development Studies program at the Elliott School of International Affairs.
phase, each team member reviewed information from academic, news, and organizational resources to analyze the progress of decentralization reforms in Tanzania, Rwanda, Burundi, and Uganda. Specifically, the team focused its assessment on relevant historical factors, legal frameworks, and positive and negative developments in each of the three dimensions of decentralization. The team also looked for best practices in local governance that could be applied to other contexts.

In the third phase, the team conducted field research in Nairobi, Kenya in order to assess the country’s progress in decentralizing its government. In consultation with IRI, the team chose Kenya as a field research site due to it being the most recent country in the region to implement wide-ranging decentralization reforms. In collaboration with IRI’s field staff, the team conducted semi-structured interviews with 34 representatives from civil society organizations as well as from the national and county governments. These interviews sought to investigate the same issues as in the earlier country assessments.

During the fourth phase the team analyzed the data from all five countries to identify common trends, challenges, and opportunities in decentralization. The team then used this analysis to make recommendations for how IRI can best focus its programming to support decentralization in East Africa.

**Findings**

Through this study, we find that decentralization’s progress in East Africa has been mixed. In general, the region has had the most success in decentralizing administrative functions to local governments. However, with some exceptions, political power remains heavily centralized in the assessed countries. Interestingly, we found no clear regional trend in the decentralization of fiscal resources, however in general local governments are underfinanced.

The experience of decentralization in East Africa has yielded a number of key lessons that IRI should take into consideration in its programming efforts. These include:

1. Lack of commitment to decentralize power is a primary constraint to decentralization efforts in the region. Therefore, political will is essential to effective decentralization.
2. Across the region, citizen input into local government decisions and plans is insufficient. Therefore, Citizen participation and oversight must be strengthened.
3. Decentralization is strengthened when subnational units’ roles and responsibilities are safeguarded in law. However, if not implemented well, national institutions can still manipulate local structures. Therefore, a strong legal framework is necessary, but not sufficient, for decentralization to be effective.
4. Fiscal decentralization in East Africa is impeded by local dependence on ineffective central transfer systems, which often results in inequality between different regions. Therefore, local governments need to be given resources transparently and according to need.
5. A major constraint to decentralizing service-delivery responsibility is the widespread lack of technical capacity and expertise amongst local level officials and staff. This is especially pressing in lower-level local governments. Therefore, capacity-building must take place at all levels of local government.
6. Dispersing authority too thinly can actually reverse the good governance benefits of decentralization. It is possible for decentralization to go too far.
7. Dispersing power amongst subnational governments has spurred local innovation in public institutions. However, cross-country learning may prove more important.

**Recommendations**
Based on these findings, the research team offers the following recommendations to key stakeholders in the region:

**Recommendations for National Government:**
- National Government must commit to systematically transfer power to local governments to ensure effective local service delivery.
- National governments need to better safeguard the roles and responsibilities of local governments in law.
  - One best practice is to outline a detailed system of decentralization in the constitution.
- National governments should develop effective revenue collection laws and protocols to ensure local government autonomy over fiscal resources.
- National governments need to offer stronger support to building up local revenue-collection systems, such as help implement electronic revenue collection systems.
- Both national and local government must have a clear understanding of their role in the decentralization process.
- National Financial transfer systems must be clear distribute resources throughout different local government systems on a needs based assessment.
- National political will for citizen engagement needs to increase.

**Recommendations for Local Government:**
- Local governments must have responsibility for building local staff capacity in key sectors.
- Local government officials and staff need a better understanding of their roles and responsibilities.
- Local political will for citizen engagement needs to increase.
- Local governments must provide access to key information on the decentralization process, the delivery of key services, and opportunities for civic engagement.
- Local revenue collection needs to be strengthened.

**Recommendations for Civil Society**
- Civil society needs to collaborate more to present a united front and advocate effectively for decentralization.
- Civil society must improve civic education efforts on decentralization for both citizens and local government officials.
- Civil society organizations and the media must create a feedback loop on public participation.
- Civil society should also play a watchdog role, monitoring local government budgets and spending, service delivery, public participation, and compliance with the laws.
- Civil society organizations need to build constructive, working relationships with both local and national governments. This will increase political will for citizen engagement and oversight of service delivery.

**Recommendations for IRI:**
- IRI should coordinate opportunities for cross-country engagement so that government officials can learn about effective local governance practices.
- IRI should draft accessible education materials for citizens in East Africa on decentralization in their country and partner with civil society and local governments to disseminate materials.
- IRI should develop a roster of technical experts that can be used as trainers by the local government associations where there are capacity gaps.
- IRI should consider creating a portal for regional LGAs, such as EALGA, featuring resources and information on innovations and best practices in local governance in the region.
- IRI should use technology, such as twitter and mobile phones, to disseminate information on opportunities for public engagement and create forums for discussion.
II. Conceptual Framework

This section puts forth a comprehensive definition of decentralization to be used throughout the remainder of the study. Following a discussion of the different levels of decentralization, this section then explains its three interrelated dimensions: political, administrative, and fiscal. The discussion concludes by describing the different good governance benefits that can result from effective decentralization.

According to the World Bank and other international development institutions, decentralization is the transfer of authority and responsibility for public functions from the central government to intermediate and local governments, quasi-independent government organizations, and/or the private sector. While it may appear that decentralization is a system of government where the central authority is no longer the key player in the operation of government functions, this is not the case. In fact, many decentralization efforts in East Africa involve the central government in some form or another in their decentralization processes.

Three distinct forms of decentralization are generally recognized, each with its own level of power transferred from the central authority. The first form of decentralization transfers the least amount of power to local authorities and is known as deconcentration. Deconcentration refers to the transfer of authority for specific services from high-ranking government officials to mid and low-ranking officials in the same institution. This is one of the most common forms of decentralization in developing countries because it allows the central government to retain its expertise and control of key services.

The second form of decentralization is delegation. In this system, the authority for specific services is transferred to autonomous or semi-independent organizations, such as development corporations or international aid institutions. For central authorities, this system has distinct advantages as well as disadvantages. Although it does require the central government to give up significant control, delegation allows the country to take advantage of outside experience and expertise. In addition, delegation also increases the capacity of local institutions, which are closer to citizens.

The final and strongest form of decentralization is known as devolution. Devolution is the transfer of power from the central government to constitutionally distinct sub-national authorities, such as county or local governments. Through this type of decentralization, the central government increases the capacity of local governments through the transfer of authority, and encourages citizen participation in the local government.

Regardless of its form, decentralization carries many clear benefits if implemented well. Primarily, decentralization can increase good governance practices through the principle of subsidiarity, which states that services are improved when handled by authorities closest to the people. According to this principle, decentralization of governance should result in increased accountability, citizen participation, and efficiency in local service delivery.

Dimensions of Decentralization: Administrative, Political, and Fiscal

According to the World Bank and other scholars, decentralization can be divided into three three primary dimensions: administrative, political, and fiscal. Administrative decentralization involves redistributing authority, responsibility, and financial resources for
providing services among different areas of government. This includes increasing capacity of local governments to take responsibility for key public services. In addition, administrative decentralization often requires greater engagement between local government officials and citizens, thus promoting public trust in the government. Administrative Decentralization also includes the development of assessment methods and protocols to monitor local government service delivery and identify any areas of concern that should be addressed, either by the national government, local government, or civil society organizations.

Political decentralization aims to give citizens, or their elected representatives, power in political decision making. This form of decentralization is often associated with pluralistic politics, but it can also give citizens and their representatives increased influence in the implementation of said policies. In addition, it transfers the focus of local politicians from national to local interests. Often, political decentralization involves the de-politicization of local government services, ensuring that local government policy on service delivery and development provides benefits to all communities, rather than those groups that currently retain power in the local or national government. Political decentralization also includes the development of opportunities for citizens to engage on local policy regarding service delivery and development, such as providing citizens a chance to review policies before ratification.

Finally, fiscal decentralization involves the transfer of financial resources to decentralized authorities, as well as the development of local budgeting and auditing capacity. Fiscal decentralization also incorporates the legal, regulatory, and policy framework to ensure local autonomy in revenue collection and spending power. Fiscal decentralization includes the development of: local revenue collection systems that provide local governments with the ability to better collect local taxes, effective transfer systems to distribute national funds to local governments, and clear and concise protocols to guide the budget creation process for local governments. In essence, fiscal decentralization’s primarily focus is to maximize financial resource collection and distribution effectiveness on a needs basis, with the goal of ensuring local government capacity in providing key government services.

These three dimensions are highly interconnected, meaning that many decentralizing countries must engage in administrative, fiscal, and political decentralization simultaneously to ensure effective local service delivery. Political decentralization, for example, often establishes policies and protocols that govern administrative and fiscal decentralization systems. Administrative decentralization, meanwhile, provides the bureaucratic resources to fully implement political and fiscal decentralization efforts. Finally, fiscal decentralization provides the financial resources necessary for reforms that enhance the effects of political and administrative decentralization. Unless countries engage in fiscal, political, and administrative decentralization simultaneously, it is highly unlikely that their decentralization efforts will take full effect, and could even lead to a reversal of said efforts. There are also several additional benefits to decentralization, which are mentioned in the section below.

Why Decentralize?

According to many international development scholars and experts, there are several clear benefits to effective decentralization in developing nations. According to the United Nations Development Program, decentralization improves the overall level of good governance and service delivery due to the principle of subsidiarity, which states that small, local institutions are better equipped to provide public services than large national governments. The principle of subsidiarity holds that decisions should be made at the lowest possible level of government that is capable of effectively administering them. This is especially important in developing nations, where local institutions often have closer ties to the communities they serve and are better positioned to understand and address their specific needs. Additionally, decentralization can lead to increased accountability and transparency, as local governments are held more accountable for their actions and are more transparent in their decision-making processes. This can help to build trust between citizens and their government, leading to greater social cohesion and a more effective delivery of public services. Decentralization can also promote economic development by allowing local governments to tailor policies and programs to the specific needs and strengths of their communities, rather than relying on one-size-fits-all solutions from the national government. Finally, decentralization can lead to greater political participation and civic engagement, as citizens have more opportunities to participate in the decision-making processes that affect their lives, and to hold their elected officials accountable for their actions. Overall, decentralization is a powerful tool for promoting good governance, economic development, and political participation, and it is one of the key strategies for improving the effectiveness of government in developing nations.
organizations due to greater public participation, limited bureaucracy, and greater interests in local needs.10

In the 2009 edition of the Democratic Decentralization Programming Handbook, USAID identifies three primary goals of good governance that are often met by effective decentralization efforts. The first goal is political stability, which can reduce the likelihood of violent conflict in developing states.11 Decentralization often opens up new opportunities for different groups to peacefully engage with and influence government policy. Because local governments are often better informed on the needs and interests of local constituencies than the central government, the greater local autonomy provided by decentralization can have a positive effect in addressing these issues.12

Increased democratization is the second goal of decentralization, which includes dimensions of transparency, political will, and greater civil society capacity. With regards to transparency, decentralization makes it easier for citizens to monitor and evaluate key aspects of key civil services by transferring these services to the local government. As citizens are also more invested in issues of local government than in the national government, the transfer of key government services to the local government can generate greater public interests in their effectiveness, thus increasing political will for good governance. Finally, decentralization often increases opportunities for civil society engagement, as it provides greater opportunities for community empowerment in addressing local issues.13

Finally, according to the USAID handbook, decentralization can lead to greater economic development. This is because many private sector organizations can take advantage of strong civil services to increase production. As decentralization increases local government capacity to provide effective services, it can also engender an increase in economic investment.14

III. Kenya

Introduction and Historical Overview

On August 27, 2010, Kenya adopted a new Constitution based on the principles of devolution to address the problems caused by the previous highly centralized system of government. Kenya’s centralized system of government, in place since the colonial era, had resulted in widespread inequality, ethnic divisions and animosity, and the monopolization of power by a small elite group.15 In contrast, Chapter 11 of the 2010 Constitution states that the objectives and principles of devolved government in Kenya include promoting the democratic and accountable exercise of power, fostering national unity by recognizing

Note: The findings in this section of the report are based on interviews conducted by the capstone team in Nairobi, Kenya with national government officials, county government officials, and civil society organizations.

12 ibid
13 USAID, “Why Decentralize?” 23
14 USAID, “Why Decentralize?” 24
diversity, ensuring equitable sharing of national and local resources, and enhancing checks and balances and the separation of powers.  

The national government oversaw a three-year plan to roll out devolution as prescribed in the constitution. This period included passage of important legislation to implement the new system, including the Transition to Devolved Government Act, 2012, the Intergovernmental Relations Act, 2012, and the County Governments Bill, 2012. In March 2013, Kenya held general elections and fully operationalized the new devolved government structure.

The 2010 Constitution established a number of new government structures at both the national and sub-national level. At the sub-national level, the Local Authorities, deconcentrated branches of the national government that implemented policy in the provinces, were abolished and 47 new counties were created. Each county is governed by an executive branch, made up of an elected governor and appointed County Executive Committee, and a legislative branch, the County Assembly. The County Assembly is made up of members directly elected at the ward level, the government level below the county, and special nominated members to represent women, youth, and people with disabilities.

At the national level, a Senate was established as a second legislative body to represent the interests of the counties before the national government. To manage the new devolved system of government, the national government established the Ministry of Devolution and Planning, the Taskforce on Devolved Government, and the Transition Authority, in addition to several committees, such as the Commission on Revenue Allocation and the Commission for the Implementation of the Constitution.

**Political Decentralization in Kenya**

The devolved system of government created by Kenya’s new constitution created meaningful opportunities for the public to shape local governance, and this optimistic sentiment is widely shared amongst Kenyans. The strong legal framework surrounding the county governments has effectively dispersed political power, bringing it closer to the people. This has created both new opportunities and challenges for citizens and government officials to ensure that the public effectively participates in local decision making.

Kenya’s new constitution explicitly lays out the functions, powers, and structure of the devolved county governments. Because of this strong institutional backing, the roles and responsibilities of the national and county institutions are formally separate, creating county governments which are completely politically devolved. Since the 2013 elections, the county governments have been much more visible to the people. Because legislation is now at the county level, people feel that they are better able to influence decision making and to hold local government officials accountable.

In addition, Kenya’s constitution mandates public participation in public finance. This is one of the biggest commitments to public participation among East African counties. The Public Finance Management Act (2012) also requires county governments to facilitate
public participation in the county budget process.\textsuperscript{22} Because of this, county governments can be taken to court for failing to facilitate public participation when passing a budget or plan. Kenya has seen an increase in the number of County Budget and Economic Forums being held within wards.\textsuperscript{23} There has been a real increase in public participation in county planning and service delivery and people are very aware of current events.\textsuperscript{24}

However, the persistence of a polarized political culture and a lack of effective engagement between government officials and the public present a significant challenge to these new opportunities. Power struggles and a lack of understanding of the newly devolved system results in insufficient citizen participation in county decision making.

The ideals of Kenya’s devolution have not yet caught up with prevailing polarized mindsets. Politicization was devolved to the county level and drives conflict within the county government as well as between the counties and the national government.\textsuperscript{25} Political parties are weak, and are often based around ethnic groups or short-term issues.\textsuperscript{26} They mainly serve as vehicles through which politicians seek to win power and money. Power struggles are common within the county governments.\textsuperscript{27} Political interests often affect decision making and resource allocation.\textsuperscript{28} MCAs often threaten to impeach their governors over demands for more resources. This behavior constrains the ability of the county government to work together as a team.\textsuperscript{29}

Local elected officials became much more powerful following devolution in 2013 and are reluctant to engage with the public. This has weakened the rule of law and inhibited effective public participation.\textsuperscript{30} County officials rarely show up for citizen forums. This is partly justified, as officials are often asked for handouts and are sometimes attacked.\textsuperscript{31} Participation has often been tokenistic, and sometimes MCAs will only invite their friends and supporters to meetings.\textsuperscript{32}

Counties officials are frequently reluctant to bring citizens into the policymaking process. Little effort is made to provide citizens with the information they need to effectively participate in public affairs. Information about public meetings is often posted at the last minute, displayed in a confusing and technical format, and is often published in newspapers, which most people can neither access nor read.\textsuperscript{33} People often don’t know where the forums are held. The media also lacks objectivity and is vulnerable to political control, which inhibits its role to educate and inform citizens.\textsuperscript{34} In addition, many citizens expressed frustration at various obstructions to their participation in county forums, such as discrimination, fees, lack of access for the disabled, and a lack of engagement during the meetings.\textsuperscript{35} Because participation is insufficient, citizens receive little in the way of feedback on county budgets and plans.

National and county governments have occasionally acted to constrain public participation. Funds for public participation have yet to make it to the lowest levels of

\begin{itemize}
\item[22] The Republic of Kenya. 2012. “Section 125. stages in the county government budget process.” In the Public Finance Management Act (No. 18 of 2012)
\item[23] Interview with IRI Field Staff, March 17, 2015
\item[24] Interview with Civil Society Representative, March 10, 2015
\item[25] Interview with Civil Society Representative, March 18, 2015
\item[26] Interview with Civil Society Representative, March 16, 2015
\item[27] Interview with Civil Society Representative, March 10, 2015
\item[28] For example, an MCA may demand that fiscal resources are spread evenly across the county’s different wards, rather allocated according to financial need.
\item[29] Interview with Ministry of Devolution, March 20, 2015
\item[30] Interview with Civil Society Representatives, March 13 and 20, 2015
\item[31] Interview with Civil Society Representatives, March 19, 2015
\item[32] Interview with IRI Field Staff, March 17, 2015
\item[33] This point was brought up by several civil society representatives whom we interviewed
\item[34] Interview with Civil Society Representative, March 18, 2015
\item[35] Observations from a Civic Education Forum supported by IRI in Nairobi County, March 13, 2015
\end{itemize}
government, and many counties have yet to pass a public participation bill. In addition, the relationship between the government and CSOs is often hostile. Recently, the government has been reducing the space for CSOs to operate by, for example, controlling their funding sources through the Public Benefits Act. CSOs are often seen as problem-causers by the government.

Finally, citizens lack understanding of devolution as well as their role in the new system, undermining their effective participation. People are often unwilling to forgo the cost of a day’s work to attend a public forum. They generally expect to receive payment for participating in public events, thus inhibiting their true engagement and expression of interests and needs. Because of this, they are not taking full advantage of the new opportunities offered by devolution. Citizens do not fully understand the roles and responsibilities of the county assembly members and governors. CSOs play an important role in educating citizens about their roles and responsibilities, but they are uncoordinated and focus too much of this work around elections. In addition, they are unorganized and underfunded; they require strong leadership and need to learn to interact more positively with policy-makers.

**Administrative Decentralization in Kenya**

Under Kenya’s newly devolved system of government, counties have greater authority and resources for public services and management, compared with the previous centralized administration. Schedule Four of the Constitution of Kenya clearly states which functions and powers are assigned to the national government and to the county governments. As many of our interviewees noted, the national government is responsible for policy, while the county government is responsible for implementation in nearly all sectors, except education, security and justice. While officials in Kenya continue to debate whether the counties should be given greater authority, compared to many of the other East African countries, the counties in Kenya have been given a very clear mandate to deliver services. Improved service delivery in health, agriculture, roads and transport, and water and sanitation has been one of the biggest success stories of Kenyan devolution, according to most people we interviewed. Marginalized counties, such as Turkana, have benefited greatly from the enhanced transfer of financial resources and closer government service delivery.

To further improve service delivery and the overall administrative functioning of the county governments, there is a serious need to strengthen capacity of both elected and appointed officials. Many of the local officials who were elected as members of the County Assembly (MCAs) or hired as county staff were employed in the previous system of deconcentrated Local Authorities (LAs). The county officials were unprepared for their increased responsibility under devolution, and the national government provided them with little training, according to many county officials and civil society groups. Many county officials do not fully understand their roles and responsibilities in relation to the overall system of devolved government and do not appreciate the need for citizen participation.

The Local Government Act originally called for education requirements for candidates for county government, but this was eventually removed in order to allow traditional and rural county leaders to participate. One Nairobi MCA argued compellingly that the secretariats and back-office staff of county assemblies need to be improved so that even the uneducated, elected county assembly member can push for relevant, important
Sub-county levels of government should not be ignored either. For the ordinary Kenyan, the wards and sub-county levels of government are critical because citizens can more easily participate and access those leaders. Civil society should train ward administrators and other staff on devolution and their rights and responsibilities.

In Nyeri County and Nairobi City County, the governments have experimented with public-private partnerships and privatization of some public services, such as trash collection. According to one county assembly member from Nairobi, this not only improved the quality of service delivery, but also helped the county to reorganize staff. The private operators managed the talented staff more efficiently and redistributed other staff to different government positions. Many technical staff were inherited from local authorities and seconded from the national government. Therefore over-staffing can be a challenge in some counties and many county resources are spent on salaries and recurrent expenditures instead of development due to bloated bureaucracies.

Although the county governments are given full authority over human resources, many of the county bureaucrats were “seconded” by the national government to the county level. While the intent was to provide the counties with trained technical staff, seconding created tension between the national and county government and between elected county officials and seconded bureaucrats. Some county officials that we spoke with noted that they fired almost all the seconded officials immediately because they felt that they were not qualified. Positive inter-governmental relations are critical for the success of devolution.

In addition to challenges with staffing, there is also a lack of infrastructure at the county level. Some MCAs that we interviewed did not have physical offices and instead travelled around in their cars or pitched tents in different locations to meet with constituents. While moving around does allow them to meet more constituents and encourage public participation, MCAs need a permanent office with resources to do their work. In addition, county IT systems are weak. All the counties are required to use a financial management software system called the Integrated Financial Management Information System (IFMIS), but many counties have neither the infrastructure nor the technical expertise to adopt and use this system.

Weak systems of accountability and transparency at the county level, particularly in relation to the budget process, are also slowing devolution. Kenya devolved corruption and the bad habits of the national government to the sub-national levels. Again because of capacity gaps, county governments struggle to manage their budget and procurement process, provide sufficient oversight of spending, and follow legal regulations. According to a recent audit conducted by the Public Procurement and Oversight Authority, none of the counties are currently following the Public Procurement Law in its entirety. The current scandal in Kenya revealing that the Ethics and Anti-Corruption Commission is investigating 175 government officials, including 5 governors, demonstrates how wide spread the problem is.

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44 Interview with County Assembly member, March 12, 2015.  
46 Interviews with County Assembly members, March 12 and March 20, 2015.  
47 Interview with County Assembly member, March 12, 2015.  
49 Interview with civil society representative, March 19, 2015.  
50 Interview with County Assembly Member, March 19, 2015.  
51 Interview with County Assembly Member, March 11, 2015.  
52 Interview with national government official, March 18, 2015.  
53 Interview with national government official, March 18, 2015.  
There are some bright spots, however. Some counties and civil society organizations have piloted clever uses of information and communication technology to address some of these challenges that other counties and countries in the region could learn from (See Appendix B). In addition, Kenya has a very strong independent judiciary and legal framework forbidding most forms of corruption, bribery and nepotism. Many citizens and local CSOs therefore have used the court system to challenge illegal actions of the county governments.

**Fiscal decentralization in Kenya**

The new constitution has made dramatic changes to the budget process. It provides for a new balance of budgetary power where the national government can no longer unilaterally dictate fiscal policy at the local level. The constitution mandates both the national and county government to carry out expenditure of national finances. The county treasury initiates the county budget process by submitting the County Fiscal Strategy paper to the County Executive Committee (CEC) for approval. The county executive then submits this paper to the County Assembly for approval by February 28th each year. The county executive also submits the budget estimates to the CEC for approval by April 30th each year. Afterwards, the budget estimates are submitted to the County Assembly for approval. Once approved, the County Assembly enacts an appropriation law and other laws required for budget implementation.

Several new revenue sources are provided for the county governments under the devolved government system. The constitution requires that at least 15 percent of national revenue be allocated to county governments every fiscal year. The constitution also introduced a new type of transfer called the equalization fund. This fund comprises 0.5 percent of total national revenue and is intended address inequalities that may exist between counties and within marginalized areas. County governments can also raise their own revenue from taxes on property and entertainment as well as from service delivery fees.

The new constitution also places a strong emphasis on strengthening public participation. Citizens now feel as if they can have a real influence on the local budget. During the county budget process, the county government is legally obligated to consult with citizens about spending priorities prior to approving the County Fiscal Strategy Paper and the draft budget. There are a variety of mechanisms through which citizens can engage in the budgeting process. For example, the County Budget and Economic Forums allow citizens to give their views and input into local planning and spending priorities. Citizens’ views must be integrated into planning documents such as the Fiscal Strategy Paper and the Budget Review and Outlook Paper. The County Assembly budget committee is also obligated to organize public hearings during the final budget approval process, where citizens can discuss their priorities. If this consultation does not occur, citizens can sue the governor, speaker, and/or budget controller. For example, in Kiambu County, residents challenged the 2013 Kiambu County Financial Act in court, claiming that it was enacted without the participation of Kiambu residents, and the high court declared the law illegal.

Yet citizens can only benefit from public engagement if they correctly understand the public participation system. In many counties, public participation is a great challenge because of a lack of information about the budget process. 65 percent of citizens do not understand the technical information and therefore cannot fully participate in the budget process. At the public forum that we visited, people expressed concerns that the budget

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56 Interview with Civil Society Representative, March 11, 2015.
58 Interview with Civil Society Representative, March 13, 2015.
documents are too long and complicated for them to understand. Also, the county government often releases information on public participation forums through the newspapers, which many people do not have access to. Following up once the budget is passed also presents challenges. Many interviewees mentioned that few counties have consistently posted their budgets, fiscal strategy papers, and expenditure reports online. In addition, many Kenyans do not have reliable internet access, especially in rural areas.

Capacity gaps within the county government also pose a serious challenge to effective fiscal decentralization. This inhibits most counties from collecting much of their own revenue, causing them to instead depend primarily on transfers from the national government for funding. This results in much of county budget being spent on recurrent expenditures such as salaries instead of on development. According to a recent World Bank report, during the 2013/2014 financial period, salaries and wages accounted for the highest share of total actual county spending. Only 10 counties allocated at least 30 per cent of their budgets to development projects.59

Compared with other countries in the region, Kenya’s county governments receive a relatively generous amount of funds from the national government. These funds are transferred through a fair, needs-based formula that addresses the inequalities between counties. However, it is still a challenge for the Commission on Revenue Allocation (CRA) to fairly and equitably distribute the required 15 percent of national revenue that is allocated to the 47 county governments.60 Because Kenya’s constitution is still new, having come into effect in 2013, the CRA has yet to find a stable and agreeable formula for appropriate resource distribution. Currently, financial resources are allocated according to the following weighted formula: population, 45 percent; poverty rate, 20 percent; land area, 8 percent; fiscal responsibility, 2 percent; and an equal share of 25 percent. This system has received a lot of criticism because it does not take into account the cost of various services that county governments are expected to deliver. Also there is no guarantee that counties that have been lagging behind will grow at the same rate as the more developed counties. Devolution will likely perpetuate inequality, as not all counties will be able to immediately absorb all the resources that they are allocated. The overall cost of delivering public services is likely to be significantly more than 15 percent of total national revenue. Currently there are calls for a referendum to increase county allocations.

Despite the strong legal framework giving county governments’ authority over their own budgets and spending, the national government still attempts to interfere with local development. One example of this is the controversial Constituency Development Fund (CDF). The CDF was first introduced in 2003 to support poverty-linked local development. The funds are managed by Members of Parliament (MP) and spent in their local constituencies. The CDF is popularly known as the MP’s “kitty,” and it provides an opportunity for the national government to interfere with county government spending. In February 2015, the High Court invalidated the CDF Act on the grounds that it undermines the autonomy enjoyed by county governments and threatens to create divisions between them and the central government. Furthermore, the court stated that the CDF Act threatens to kill devolution.61 The CDF Act will be suspended for one year, giving the national government a grace period to try to address the defects in the CDF system.

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IV. Decentralization vs. Recentralization in Uganda

Historical Overview

Although Uganda’s initially had one of the strongest decentralization systems in the region, recent history has seen a shift, as the power of the central government grows at the expense of local autonomy. The experience of decentralization in Uganda demonstrates that the motivation of recent decentralization policy was President Museveni’s interest in entrenching himself in power.

Uganda’s decentralization process dates back to 1987 when the present National Resistance Movement (NRM) government took power through an armed civil war. The previous two decades of political turmoil in Uganda had been characterized by the decay of state institutions and the people’s retreat from government. Therefore, the NRM government opted for decentralization as a home-grown strategy to re-establish state structures and authority and subsequently gain political legitimacy. The initial implementation period (1993-1996) was characterized by strong government commitment and political support. However, this environment changed following 1996 when Museveni began feeling politically insecure as opposition movements started to emerge and international donors were pressuring for a more representative government. In this context, Museveni felt that the Uganda’s decentralization system was negatively affecting his political power. Beginning in 2006, decentralization has reversed and Uganda has witnessed a wave of recentralization.

Political Decentralization

Since decentralization, Uganda has seen an increase in public participation in local institutions. One positive aspect is that socially marginalized groups are better represented in political decision-making. Every four years, representatives for women, youth, and persons with disabilities are elected in local councils. Because of these new opportunities, women currently constitute at least 30 percent of every local government council. However, translating this increased local representation into actual empowerment and local development has been challenging. The emphasis on citizen participation in Uganda is largely focused on political representation as opposed to integrating mechanisms that address the needs of different groups.

The key line ministries have retained substantial power over local policy making which offsets the positive role of public participation. Previously, the Chief Administrative Officer (CAO), who serves as the head of the public service in the district, was appointed by the District Service Commission (DSC). However, in 2005 the role of the CAO was recentralized through appointment by central government. In addition, the central government oversees the performance of local governments through the office of the Resident District Commissioner (RDC) who is appointed by the President. The Local Government Act mandates that the RDC represent the President and the Government in the district, coordinates the administration of government services in the district, and monitors and inspects the activities of local government. The role of the RDC often conflicts with that of the elected District Chairperson, as both are responsible for coordinating and monitoring district service provision, and this has negatively affected the districts’ development.

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Administrative Decentralization

The Constitution of Uganda (1995) establishes the local government system as a five-tiered structure, which consists of the village (LC1), parish (LC2), sub-county (LC3), county (LC4), and district (LC5) in rural areas, and the village (LC1), ward or parish (LC2), municipal division, town, or city division (LC3), municipality (LC4), and city (LC5) in urban areas. The Local Government Act, 1997 provides for the district to be a unit of local government, with the Ministry of Local Government overseeing local governments’ administration. With regard to the responsibilities of different local levels, the Local Government Act is very comprehensive and precise in determining which levels of government are in charge of which functions and services. In general, the central government is responsible for the provision of national public goods, such as defence, security, and foreign relations, while local government delivers local public goods and services.

Recentralization is growing in Uganda’s administrative system. In the past, Kampala, the capital city of Uganda, was an opposition stronghold. However, in 2010, the Ugandan Parliament passed the Kampala Capital City Authority (KCCA) Act, which brought the affairs of Kampala under the direct supervision of the central government. The Town Clerk, who was formerly the highest financial officer in the City, was replaced by an Executive Director answerable to the Minister for the Kampala Capital City Authority. This is one of the ways through which the central government is trying to retain its power.

One of biggest barriers for effective decentralization is, as in other East African countries, human resource capacity. These problems include shortages of qualified and experienced staff to deliver public services and a lack of training opportunities to develop professional and technical expertise. In Uganda, the issue of lack of capable staff is exacerbated by a shortage of equipment and materials. The central government has made efforts to build the capacity of local governments through staff training programs, however capacity gaps also exist within government training institutions. Although a growing number of private universities have begun offering training for government staff, in general, local governments continue to operate at less than acceptable minimum personnel structures.

Finally, in recent years, Uganda has seen an explosion in its number of districts, which have increased from 33 in 1986 to 80 in 2007, and to 112 in 2012. In addition, the government seeks to add another 22 districts to this number. The NRM government has used the creation of new districts as a source of patronage in order to continue winning elections. However, this has worked to undermine the benefits of decentralization. The increased number of local governments has put immense pressure on service delivery and the capacity to manage new administrations. Many districts have failed to raise more than 5% of their total revenue from internal sources. Instead, these new districts have become a political bargaining chip that the NRM government uses to reward cadres and lure opponents by offering them political jobs that do not enhance service delivery. Okidi and Guloba (2006) argue that by creating so many political districts, Uganda runs the risk of excessive decentralization, which could contribute to lowering local-level economic growth.

Fiscal Decentralization

Fiscal decentralization in Uganda has moved much more slowly than the political and administrative aspects. A study by Green (2008) shows that decentralized services are not

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69 David Ssonko, “Decentralisation and Development,” 40-41.
matched with adequate financial resources for local governments. Local governments obtain their finances from four main sources: locally generated revenue, government grants, donor and project funds for specific activities, and fund-raising. Among these different financial sources, local governments have had significantly limited sources of local tax revenue after the graduate tax (GT), which was the main source of local revenue contributing 80%, was abolished in 2005. In July 2008, the local service tax and the local hotels tax were introduced as a replacement for the GT, however, the implementation of these new taxes has been gradual, and their impact has yet to be realized. As a result, local governments are overly dependent on grants from the central government, accounting for 30 to 37% of the national budget and constituting about 95 percent of local revenue. Alarmingly, central government transfers to local governments have continued to decline. For example, in 2011/2012 the unconditional grant for all local governments decreased from $63 million to $60.5 million. Limited funding has threatened the autonomous functioning of local governments.

The Local Government Finance Commission is examining alternative sources of local government financing, such as royalties, agency fees, and the devolution of some taxes that could be effectively managed by the local governments, however, innovative ways of mobilizing funds for local governments are still rare.

V. Decentralization in Rwanda

In 2000, Rwanda implemented the National Decentralization Policy, the national government’s official plan for the decentralization of services from the national government to the local government. The primary goals of this decentralization plan are to enhance good governance practices by strengthening local economic development, bring quality, accessible services closer to citizens, and institute a system of public participation and monitoring of governance practices. Currently, Rwanda’s local government is divided into 30 different districts under 5 regional provinces. As with many decentralization reforms in East Africa, efforts in Rwanda have had both successes and difficulties, particularly in the areas of political and administrative decentralization.

Systematic Overview of Decentralization in Rwanda

According to Rwanda’s National Decentralization Policy, there are seven strategic objectives of decentralization: 1) Enhance institutional development and capacity building for local governance; 2) develop a transparent and accountable fiscal management system at the local government level; 3) strengthen participatory and inclusive local government planning; 4) ensure quality service delivery in various sectors; 5) create monitoring and evaluation systems for local government projects; 6) enhancing local government capacity to address issues of gender, environmental management, and HIV/AIDS prevention; and 7) strengthen coordination and harmonization of key programs.

The Ministry of Local Government oversees the decentralization process within the national government. The Ministry of Local Government is responsible for formulating national decentralization policies as well as establishing national standards for service delivery.

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71 David Ssonko, “Decentralisation and Development,” 38.
Each district government is divided between the legislative assembly, known as the council, and the local secretariat, which serves as the executive administrator of each district. The council is responsible for identifying key concerns and issues within the district and creating a local development plan to address the needs of the community. In addition, the council develops the local district budget, based on the revenue generated by local revenue collection and national grants. The secretariat is primarily responsible for implementing development programs in the district. Local development programs in Rwanda are implemented by the district governments to ensure that they have the approval of the community.

Because district governments implement development programs while the national government sets the overall goals of the Rwandan decentralization system, district governments are required to submit an annual plan for local development to the national government to ensure that their plans meet the national goals. This is done through the Imihigo system (See Appendix C for more details). In the initial phase, the local secretariat gathers information from villages and communities in the district on the results of last year’s development efforts. These reports are then compiled into a draft district decentralization report, which is sent to the local district councils to review the report’s compliance with national goals and objectives. Once the district councils have reviewed the report, it is then sent to the Ministry of Local Government, which reviews the report’s adherence to national decentralization goals and policy. Once the Ministry of Local Government has reviewed the annual report, it is sent back to the district council to address any necessary changes or concerns. Finally, the annual decentralization report is approved by the ministry and signed by the office of the president, which in turn releases national funds to the district governments. As this process demonstrates, there is a lot of interaction between the national and local governments within the Rwandan decentralization system. The next section will focus on the benefits and challenges of decentralization with regards to the three dimensions of political, administrative, and fiscal.

**Political Decentralization in Rwanda**

With regards to political decentralization in Rwanda, there has been a significant effort to address the issue of politicization of decentralized government by the national government of Rwanda. While many more local officials are elected than in previous years, sector and district council representatives are elected from local lists of potential candidates developed by local governments. The public indirectly chooses their sector and district representatives to ensure that elected officials do not campaign on behalf of their own pet projects, but rather on behalf of community interests as a whole.

As with administrative decentralization, however, there are many problems with political decentralization efforts in Rwanda. For one thing, attempts to depoliticize local decentralization efforts have made local government officials far more loyal to the national government than their local constituencies. Their loyalty to the national government makes it easier for them to implement national policy that goes against local interests, weakening local service delivery. Without a receptive political elite, citizens will feel further disenfranchised by the decentralization process, and therefore less likely to engage with it.

In addition, district decentralization action plans are supposed to be developed through a participatory process with collaboration between local government officials and community representatives. However, these plans often fail to reflect the needs and priorities of local communities. Furthermore, the process for approving and implementing these plans is long and bureaucratic, which can lead to delays in implementation.

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77 ibid
civil society organizations, and public meetings. However, current research indicates that there is very little public participation in the initial stages due to a lack of political will of the national government to provide citizens an opportunity to review national goals and objectives before ratification. Because many of the development projects include clear quantitative indicators and measurements from the national government, less consultation is required from other groups, such as civil society.80

Administrative Decentralization in Rwanda

The figure above represents how official oversight responsibility for and government services is distributed through the Rwandan government system. As we can see, decentralization and development efforts are highly controlled by the central authority. Projects are locally implemented according to mandates and indicators established by the national government. This allows for greater coordination of development efforts across multiple districts. Because local projects must meet clear national objectives, the national government can easily monitor any local projects.82 This in turn has led to increased accountability of local governments. In addition, the national government has been able to develop a culture of meritocracy within the local administrations by holding them accountable to a higher authority. Since the national government is in direct control of necessary resources, district governments must meet government objectives to receive funding.83

Another positive aspect of Rwanda’s decentralization efforts is Rwanda’s willingness to adapt new technologies and initiatives to improve its own service delivery. For example, Rwanda has successfully implemented electronic filing systems that were initially designed by the government of Tanzania.84 Under the oversight of the Rwanda Revenue Authority, districts have designed and implemented systems that allow citizens to file their tax returns electronically. As a result, revenue collection across districts has increased significantly, giving local governments a wider range of revenue sources to draw from.85

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However, several issues remain with the administration of Rwanda’s decentralization efforts, particularly the uneven balance of power between the national government and local government. According to the National Decentralization Policy, local governments are able to influence local decentralization efforts through the *Imihigo* system. As described above, the local government develops a yearly action plan in accordance with national goals and objectives. These action plans are reviewed by the national government and are approved by the Ministry of Local Government.86 Because the national government has the final approval of the annual action plans and conducts follow-up reviews to ensure the objectives are met, the local government has little actual decision-making power or oversight in administering its own projects.

This skewed balance of power in favor of the national government has led to several issues. As mentioned above, many projects favor the national decentralization strategy over local issues, and therefore may not be in the best interest of the people in each district. This can lead to greater resentment of the decentralization process, and cause conflict with the local population. As such, Rwanda should allow the district governments to have greater control of the process.

As indicated by the challenges facing both political and administrative decentralization in Rwanda, there is a need for more public participation and less central control of the district governments. While central government influence has been beneficial in coordinating decentralization efforts across multiple regions and removing party politics from the decentralization process, it has clearly been at the cost of local interests and service delivery. Local governments should be allowed greater authority to determine their own development strategies based on local needs. Decentralization mandates should also include provisions for greater public participation.

**Fiscal Decentralization in Rwanda**

With regards to the transfer of resources from the national level, there have been significant positive developments. Currently, the budget for local governments is officially 25% of the national budget. In addition, revenue collected from local sources has increased to about 30% of state resources. While these are positive developments for decentralization, there is still significant national government control of fiscal decentralization and the transfer of funds.

In Rwanda, districts receive national funds from four different types of fiscal transfers: the Local Authority Budget Support Fund (LABSF), capital block grants, earmarked grants, and inter entity transfers. The LABSF grant funds are intended to be spent to manage functional costs of the local government, but it is actually used to pay nationally-determined salaries of local officials.87 As such, local governments have very little power to determine how this fund is used, as it is specifically designed for recurrent costs and the national government determines local salaries.

The Capital Block Grants are drawn from the Rwanda Local Development Support Fund, and are meant to be used by the districts to fund infrastructure development projects. The specific projects that receive funding are selected by the district governments,88 but these projects must be a part of the district development plan, and they must meet national objectives. The central government is also able to override local decisions of which projects

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86 Ministry of Local Government, P. 17
receive funding from this grant. Once again, local governments have limited control over the financial management of their own development initiatives.

Earmarked transfers are also controlled by the central government by definition. These funds are only used for development projects which support Rwanda’s national development. As such, the national government is in complete control over which projects are supported and how these funds are utilized. With all of these different forms of central control in the budgets of local governments, it is clear that there needs to be additional fiscal decentralization reform to increase local government control of fiscal resources.

The national decentralization policies should be reformed to allow local government’s greater freedom in financing key projects. For example, a certain percentage of the Capital Block Grants could be independent from the Imihigo process, which would allow local governments an independent source of funds to address issues that are outside national interests. Without greater flexibility, local governments may not be able to address the issues that are most prevalent in their communities.

Rwanda’s decentralization is a mixture of effective adaptation and innovation with clear national government control and manipulation of local efforts. While the overall development of services and local resources in Rwanda has been generally positive over the past few years, it is clear that local challenges remain a secondary priority to national interests. As such, Rwanda must continue to increase the level of authority that district governments have over their own projects and develop fiscal resources that district governments have complete control over. Without these key reforms, Rwanda’s potential for effective decentralization will remain limited.

VI. Burundi

Introduction and Historical Overview

There is a long history of decentralized governance in the Republic of Burundi going back to the colonial era. The country maintained its decentralized system of government adopted in 1959 with minimal changes up through the civil war in the 1990s. The Republic of Burundi adopted its current decentralization policies in 2000 with the signing of the Arusha Accord for Peace and Reconciliation. When drafting the Arusha Accord, national and international policymakers agreed that exclusion and deprivation of rural communities was a key underlying cause of the conflict, and thus decentralization was introduced as a measure for conflict mitigation. The principle goals laid out in the National Decentralization Policy are to increase active citizen participation, make downward accountability to citizens the norm for local governments, and sustainably develop local communities. Burundi’s previous decentralization system was very hierarchical and top-down, and so the new emphasis on citizen participation and downward accountability represents a break from the past.

In 2005, Burundi adopted a new constitution that established a four-tier structure of government. There are 17 provinces led by a governor appointed by the central government. Below the provinces, there are 129 rural and urban communes, of which the overwhelming majority are rural. The rural communes are further sub-divided into zones and collines (literally hills, which are equivalent to wards), while the urban communes are divided into

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zones and quarters. The communes and collines have locally elected councils and a communal administrator. According to the constitution, communes are the only decentralized level of government. Therefore, this case study will focus primarily on the communes and their relationship with the provincial and national governments.

**Political Decentralization**

The communal council is directly elected for a five year term, and the council elects a communal administrator. The communal administrator is meant to serve the local citizens and implement the decisions of the communal council. However, according to Article 26 of the Law of the Communes, the communal administrator also represents the central government in the commune and oversees other centrally-appointed officials. The World Bank describes the role of the communal administrator as “simultaneously an elected official, the top local civil servant, as well as the representative of the central government in the commune.” This is one example of how the central government continues to maintain its authority over the sub-national levels of government.

The political and administrative authority of the communal government is also constrained by the “tutelle” system, a “supervisory relation between the commune and the central government.” All decisions made by the communal council are subject to oversight by the provincial governor and the Ministry of the Interior. According to the Communal Act of 2010, “The Minister in charge of territorial administration in its attributions may cancel any regulations or resolutions of the communal authorities which is beyond their duties or are contrary to law or to the public interest.” The Ministry, the governor or the communal administrator can also replace elected communal council members if they are not performing their duties. Through the tutelle system, the central government ensures that authority continues to flow from the national government because all authorities at the communal level are dependent on the approval of the provincial and national government to maintain their positions.

Politicization at the local level also impedes downward accountability among communal council members. Under the previous form of decentralized government, political parties were not allowed to play any role in communal elections. Now according to research by Gaynor, communal council members “are elected in a block as lists presented by political parties, rather than as individual candidates. Thus, commune elections tend to be highly politicised with a number of interviewees noting that party loyalty and allegiances are far more important for candidates than either competency or accountability to the electorate.”

Increasing public participation is another critical goal for decentralization in Burundi. Opportunities for participation are mandated by law. At the colline level, the council holds public meetings at least three times a year to discuss critical political, economic and security issues. The communal council is required to meet publically at least three times a year. In addition, the communal council holds public meetings where hill council members and members of local associations are invited to attend, ask questions, and make suggestions to the communal council. There must also be a public notice board outside every communal office where the minutes and decisions reached in council meetings are posted.

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96 ibid., 24.
In spite of these opportunities, participation in the political process at the local level remains limited because of both institutional constraints and cultural norms. Poverty creates a feeling of social exclusion and a sense that it’s not the people’s place to make decisions. In Burundi, there is a saying that exemplifies these cultural norms: “everyone knows exactly who is invited and who is not to any given forum.” In addition, because of the history of conflict, citizens view politics very negatively as a potential instigator of violence.

Administrative Decentralization

Among all the levels of government in Burundi, the commune is unique in having some legal, political and administrative authority that is separate from the central government. The communes are given the authority to adopt a communal budget and prepare the Communal Development Plan (PCDC). They are also responsible for promoting local development and delivering some services, including education, health, water and sanitation, electricity, security, and land management. In practice, however, many local public services are actually delivered by deconcentrated branches of the central government because of the lack of clarity in the law on the division of responsibilities. Adding to this confusion, important national departments such as agricultural and education have both provincial and communal deconcentrated branches. Lack of clarity about the roles of different levels of government makes it easier for the central government to either maintain control or abdicate responsibility arbitrarily, and makes it more difficult for citizens to participate effectively in governance.

The government is currently working on a draft law that will clarify the transfer of powers from the state to the communes. However, without greater capacity and resources, the communes cannot handle additional responsibilities. There is very little technical expertise among the commune officials, yet there are currently no national policies or institutes to provide capacity building and technical training to local governments. Communal officials are also unprepared to handle the current budget process. According to research by Gaynor, communal council members are “unaware and uninformed as to how priorities in budget expenditure are determined currently within their commune.” The local government association in Burundi, the Association Burundaise des Elus Locaux (ABELO), does try to provide the communal governments with some training, but ABELO’s capacity to provide training is limited.

Fiscal Decentralization

Fiscal decentralization is the greatest impediment to effective governance at the communal level in Burundi. According to the World Bank, “In 2012 total communal revenues reached FBu 16 billion, with almost 25 percent from the city of Bujumbura (Mairie)...The average annual communal revenue outside Bujumbura is FBu 103 million, equivalent to $68,000 or somewhat less than $1 per capita.” In many communes, the level of revenue can barely cover recurrent expenses such as salaries and basic functions. There are

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103 According to Article 5 of the Local Government Act, “the Commune is responsible for the management of the local interests of the people within its jurisdiction. It provides public services to meet the needs of this population and which are not, by their nature, importance or determination of the law, the direct responsibility of the State.” Translation, Désiré Ngabonziza “La décentralisation communale au Burundi,” 12.
106 Niamh Gaynor, “Bringing the Citizen Back In,” 211.
other funds being spent on services at the local level, but they are budgeted and spent by local branches of central ministries.

Currently, there is no formula-based intergovernmental transfer from the national government to the communal governments to cover recurrent expenditures.\textsuperscript{108} There is one transfer system for capital expenditures called the Fonds National d’Investissement Communal (National Investment Fund for Communes, FONIC). However, the procedures governing the distribution of funds through FONIC are extremely complex and both the communes and the national government often fail to meet regulations. 15% of national government funds were to be transferred through FONIC to the communal governments, but the government has not met this standard, and often communes are given materials rather than funding for projects. There is little citizen participation or oversight of the projects financed by FONIC.\textsuperscript{109} FONIC was reformed in 2013 to give communal governments some control over how funds are spent instead of following a centralized plan from the national government.\textsuperscript{110} However, according to the FONIC procedures, communes must apply for funding for each project and be approved before funding is dispersed so a lot of authority remains with the central government.\textsuperscript{111} Finally, because the FONIC funds can only be spent on new capital projects, it creates demand for recurrent spending in the communes for maintenance and new staff that cannot be met.\textsuperscript{112}

Without a reliable central government transfer system, the communal governments rely on local taxation and donors. However, local revenue collection represents only about 3% of total government revenue in Burundi, and there is significant variation in revenue generation potential between communes.\textsuperscript{113} Furthermore, tax administration at the local level is very weak. Tax collectors in Burundi are often the local colline chiefs who lack understanding of the tax code. According to the law, they are allowed to keep 10% of the amount they collect as payment, but many keep more than that because the pay is extremely low.\textsuperscript{114} Citizens view local tax collection with great suspicion and believe it is a major source of corruption.\textsuperscript{115} Citizens are more willing to contribute money, labor or materials to a CPD project because local officials are careful to account for the money and citizens can see the project being built. One particular commune in Burundi, Rutegama, significantly increased its local tax revenue by partnering with civil society groups to increase transparency of the tax collection and budget process (see Appendix B).\textsuperscript{116} Taxes collected in Rutegama more than doubled in three years.\textsuperscript{117}

There are other funds being spent on service delivery at the local level, but they are budgeted and spent by deconcentrated branches of central ministries. Central government spending on education and health accounts for 40% of total public spending and most of those services are delivered in communes.\textsuperscript{118} All the local government experts on health or education are employed and paid by the respective central government ministry, not the commune. While this money is important for providing local services, the national government is not promoting fiscal decentralization or building the capacity of the communal governments by paying for and delivering services directly through national ministries.

\textsuperscript{108} World Bank, “Republic of Burundi,” 35.
\textsuperscript{110} Ibid.
\textsuperscript{112} World Bank, “Republic of Burundi,” 9.
\textsuperscript{113} Ibid., 41.
\textsuperscript{114} Ibid., 102.
\textsuperscript{115} Ibid.
\textsuperscript{116} Ibid., 103.
\textsuperscript{117} Ibid.
\textsuperscript{118} Ibid., 40.
Participation and accountability in local budgeting is even more challenging for citizens than participating in development decisions. The budget process is difficult to understand for most ordinary Burundians and the communal and national governments have not done enough to make information accessible. Field researchers found that many communes did not post their budget on the public notice board as required. Even those that did, the budget was in French, which most people do not speak, and it was extremely technical. Also, there is no posting of annual expenditures to allow citizens to follow up on the budget.

The process of developing the CPD is exemplary of the problems with participation. Citizens are often involved in the first step of debating and developing the CPD because international donors have become heavily involved in supporting this process. However, the final report is never disseminated back to citizens effectively. According to residents, they often don’t know what the final outcome of the CPD was until a communal official comes to them asking for money or materials to help build a new school or road. In addition, because of the severe shortages of funds at the communal level, the CPD is often completely unrealistic and projects are never achieved, which further frustrates citizens and discourages participation.

Conclusion

Burundi currently faces many challenges to its continued stability, peace and democracy. The upcoming presidential elections in June could present an opportunity for progress on decentralization. However, given the current violence and unrest, this seems increasingly unlikely, and indeed there is a risk that the 2005 peace accord could collapse. Increasing citizen participation and government accountability and mitigating regional and ethnic inequality is critical if Burundi is to achieve lasting peace.

VII. Tanzania’s Partial Devolution

Introduction and Historical Overview

A defining feature in Tanzania has been the large role played by the central government in shaping the direction and progress of its decentralization. Although the country’s latest local governance reforms are by far its most significant and far-reaching, strong commitment on the part of the national government will be essential for devolution’s success. Tanzania’s Local Government Authorities (LAs) were established from 1976 to 1982. The Local Government Act (District and Urban Authorities) of 1982 as well as related legislation set in place Tanzania’s current system of local authorities. Although these structures were made responsible for service delivery in the areas of primary education, primary health, local water supply, local roads, and agriculture extension, in reality the existing Regional Secretariats (RS) controlled development activities as well as local funding.

Tanzania’s current wave of local governance reform began in the early 1990s with the recognition that the current deconcentrated system was not meeting national goals of poverty
Following a wave of substantive civil service reforms, the Government of Tanzania (GoT) took the decisive step towards further local government reform, when it announced the restructuring of the regional administration in 1996. With the 1997 Regional Act, a substantial number of staff were transferred to LAs and regional authorities no longer played a direct role in service delivery and capital projects.

Local governance reform aimed to reduce poverty in Tanzania by enhancing local government capacity and efficiency in delivering services to the people. CCM’s vision for decentralization in Tanzania was outlined in the 1998 “Policy Paper on Local Government Reform” which established its current Decentralization by Devolution (D by D) policy. LAs were to be largely autonomous; strong and effective; democratically elected and governed; in control of their own fiscal and human resources; reflective of local demands and conditions; transparent and accountable; and facilitators of participatory development.

The Local Governance Reform Program (LGRP) was launched in 2000, with the intent of phasing in political, administrative, and fiscal decentralization to LAs. The first phase of the program ended in 2008 and the second phase commenced in 2009. Through the launch of reforms, LAs have seen significant increases to their autonomy and capacity in delivering services, as well as moderate increases in public participation in local institutions. However, despite this progress, local governance in Tanzania is still heavily influenced by the central level.

At the time of writing, Tanzania was preparing to hold a referendum to adopt a new constitution. The political environment surrounding the constitutional drafting process has been highly polarized. One of the most controversial debates surrounding the draft constitution is over whether or not Tanzania should create a federalized structure of government. Whether or not the new constitution would mandate a federal structure, and how (if passed) this would affect devolution in Tanzania is unclear.

**Local Government Structure**

Tanzania has a fairly elaborate local governance system divided between urban and rural districts. The sectoral ministries are responsible for providing policy and sector-guidance to LAs. The Prime Minister’s Office of Regional Administration and Local Government (PMO-RALG) plays an overall coordinating and supporting role during the reform process. In addition, the 21 deconcentrated regional secretariats (RSs) are supposed to be the immediate points of referral for LAs when dealing with the central government.

Tanzania is divided administratively into 99 districts. Within these districts operate 114 councils, 22 urban and 99 rural. Rural LAs include the district councils, which have autonomy over their territory. They are empowered to make by-laws and supervise development within their area. Below them are administrative subdivisions called Ward Development Councils (WDCs) which develop development plans for their ward. The district councils coordinate the activities of township authorities and village councils. Village councils plan and coordinate village activities and encourage citizen participation.

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126 Ibid.
127 Instead, they were to guide and facilitate LAs to do this. Ibid. p. 6
128 Chama Cha Mapinduzi – Tanzania’s ruling party
132 *Policy Paper on Local Government Reform*, p. 32
councils are elected by a village assembly, which consists of all persons aged 18 and above. Below villages are vitongoji (suburbs/hamlets) which serve to debate local development needs.

Urban councils include cities, municipalities, and towns. Each of these urban authorities is equivalent to the rural district council. Urban LAs also include WDCs and Mtaas (streets). Political Decentralization

Tanzania has seen mixed progress in devolving decision-making power from the national to the local level. LAs’ autonomy significantly increased following the restructuring of the Regional Secretariats in 1997. LAs are now functionally responsible for providing the bulk of essential public services to their constituents. However, major impediments to LA political autonomy remain, including the weak legal framework surrounding decentralization and the central government’s reluctance to fully devolve power to the local level. In addition, although Tanzania has seen a moderate increase in citizen participation since implementing D by D, citizen input in local planning remains inadequate as does the accountability of LAs.

The lack of coordination of legislation between the local and central levels is a key challenge to Tanzania’s decentralization efforts. The roles and responsibilities of Tanzania’s LAs are not safeguarded by law. Tanzania’s current constitution vaguely states in section 145 that “there shall be established local government authorities in each region, district, urban area and village in the United Republic, which shall be of a type and designation to be enacted by Parliament or House of Assembly.” Because decentralization policy isn’t clearly outlined in the constitution, it is easier for national institutions to undermine the power and authority of local institutions. In addition, the Local Government Laws (1982) assign LAs wide-ranging, but broad and somewhat vague functions, with reference to other sector laws. This vagueness results in the duplication of roles and responsibilities between levels of government, resulting in parallel structures and conflict; uncoordinated local government legislation; and the introduction of laws that actually reverse devolution and strengthen the role of the central government in LGA affairs.

Although Tanzania has attempted to devolve power to Local Authorities, the central government sometimes curtails local decision-making. Central appointees, such as the District Commissioner and District, Ward, and Village Executives still exercise undue influence in even minor decisions made by the LAs. The district commissioner, through the District Consultative Committee, has the power to scrutinize council budgets and plans before they are tabled. Council-approved budgets and plans can also be further revised by PMO-RALG and MOFEA. In addition, the CCM plays a major role in local decision-making. Half of all local councils have no opposition members, and the CCM holds a majority in most LAs. The current system of local elections favors the CCM, especially at the lower level councils. Independent candidates are barred from running, as are regional,

135 Jaba.
136 Mtaas are equivalent to the rural vitongoji
137 USAID. Tanzania In-Country Assessment Report. p. 7
140 USAID. Tanzania In-Country Assessment Report. p. 9
141 For Example, the Public Service Act, which has hindered decentralization of human resource management
144 Ibid.
religious, or ethnic parties. This results in national-level preferences and party politics skewing local decision-making.\textsuperscript{145}

Devolving power to local governments has brought about real increases in citizen participation in Tanzania. At the village and vitongoji level, people report that they are participating in local institutions, such as sector-specific user groups (for example, parent-teacher associations), local meetings, elections, and village and ward planning through the opportunities and obstacles to development (O&OD)\textsuperscript{146} planning processes.\textsuperscript{147}

However, devolution in Tanzania is constrained by a lack of transparency and accountability for LAs’ planning and budgeting and ineffective engagement of citizens at the local level. Local plans and budgets are often created by experts at the district government level and don’t always reflect the priorities of local communities.\textsuperscript{148} A major driver of this is the current intergovernmental transfer system, which constrains LAs’ autonomy over their fiscal resources to budget for citizen priorities.\textsuperscript{149} Local governments are also understaffed, or have poorly trained staff, and cannot do PRAs for the amount of villages and wards in their districts.\textsuperscript{150} There also exists little opportunity for citizens to follow up with local officials on LA budgets and plans. Citizens do not receive adequate information on local expenditures and budgets. The information that is received is often in overly technical language or inaccurate, inhibiting the ability of citizens and civil society to perform their oversight role.\textsuperscript{151}

**Administrative Decentralization**

Due to the reforms, Tanzania’s Local Authorities are now effectively responsible for a range of essential public services. In addition, they have seen a real increase in their implantation capacity, due to an influx of new staff, skills, and funds. However, Tanzania’s centralized human resource management system for government staff significantly constrains LAs’ administrative capacity.

Since the implementation of reform, rural and urban LAs have taken over local service delivery responsibilities from the deconcentrated RSs. LAs are effectively responsible for delivering primary education, primary health, local water supply, local roads, and agriculture extension. In urban areas, they are also responsible for urban services, such as solid waste removal and street lighting.\textsuperscript{152} In addition, local government staffing levels, budgets, and technical capacities have improved.\textsuperscript{153}

However, the reluctance by the central government to decentralize human resource management (HRM) has severely constrained local autonomy over their resources and has frustrated capacity-building efforts.

Confusing and vague legislation assigns unclear responsibility for HRM. Although the 2000 Local Government Service Regulations decentralized recruitment and appointment of staff to the council recruitment boards, the subsequent passage of the Public Service Act (2002) and the Public Service Regulations effectively recentralized these functions. The council director became the local appointing authority, the President’s Office of Public Service Management (PO-PSM) rather than PMO-RALG became in charge of HRM.

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\textsuperscript{145} Ibid. p. 219  
\textsuperscript{146} See Annex I for a detailed explanation of the O&OD methodology  
\textsuperscript{147} REPOA. 2014. “Citizen Participation and Local Governance in Tanzania.” REPOA Brief No. 41  
\textsuperscript{148} REPOA. 2010. “Planning in Local Government Authorities in Tanzania: Bottom-up Meets Top-down.” REPOA Brief No. 18  
\textsuperscript{149} Ibid.  
\textsuperscript{150} Venugopal and Yilmaz. p. 229  
\textsuperscript{151} REPOA. 2014. “Transparency and Accountability in Local Governance in Tanzania.” REPOA Brief No. 45  
\textsuperscript{153} USAID. Tanzania In-Country Assessment Report. p. 37
regulations, and the central government retained the power to transfer staff across and between levels of government whenever “in public interest.”

Officially, LAs carry out employment activities through their employment boards, but a majority of members on these boards are central government appointees, which skews them towards the national government. Employment boards need permission from the public service commission to create a vacancy. In addition, the central government controls staffing budgets, pay decisions, and numbers of approved staff. Councils aren’t involved in staff appraisals, and procedures for staff discipline are cumbersome and rarely used.

As a result, LAs’ staff have dual allegiances. On the one hand they are officially employees of the LAs; on the other hand they also have to satisfy the central government. Senior staff depend on the central government for career advancement. Transfers of staff frustrate local HRM planning and capacity-building efforts. Unequal staffing and funding between LAs cannot be addressed, as centralized procedures for transferring and hiring new staff are too slow.

This creates a lack of technical knowledge and capacity amongst local officials and staff, which increases the influence of more technical staff and central appointees. These capacity issues are worse below the ward level. Capacity challenges are magnified in rural districts which have difficulty attracting and retaining staff and are consequently understaffed and underfunded. Remote areas are the worst affected, as many staff tend to cluster around the district headquarters.

Fiscal Decentralization

Efforts to devolve fiscal resources to Tanzania’s LAs have achieved mixed results. Despite some progress in increasing LAs’ budgets and financial management capacity, lack of LA autonomy over their finances has resulted in government spending that doesn’t reflect local priorities.

Over the past decades, LA budgets have increased, both absolutely as well as a relative share of total public funding (recent figures show this at about 20-21% of public spending). LGA financial management, accountability, and transparency have also improved as indicated by decreases in the number of adverse audit reports.

However, LAs’ fiscal autonomy is constrained by their dependence on central government recurrent block transfers. About 70% of local revenue is provided as recurrent fiscal block grants from sector ministries, 78% of which is earmarked for salary payments. This money isn’t allocated according to need, rather it is allocated according to filled posts. Although the central government has introduced a formula-based, transparent grant system, the reluctance to remove the “hold harmless” and “phase-in” provisions has stalled its implementation. As a result, severe fiscal inequality exists both between and within LAs. This inequality is driven by staff allocations, as most deployed staff are not retained in target LAs and have little incentive to be deployed to the LAs’ most in need. In addition, although

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154 Ibid. p. 51
155 Ambrose and McCourt. p. 693
156 USAID. Tanzania In-Country Assessment Report. p. 52
157 Venugopal and Yilmaz. p. 222
158 USAID. Tanzania In-Country Assessment Report. p. 52
160 USAID. Tanzania In-Country Assessment Report. p. 14
161 Tidemand et al. p. 12
162 This means that grant allocations related to personal enrollment are based on the existing personnel distribution (plus approved new establishments) rather than based on the distribution of service needs. The United Republic of Tanzania. Prime Minister’s Office of Regional Administration and Local Government (PMO-RALG). 2009. Local Government Reform Program II: Vision, Goals and Strategy, July 2009 – June 2014. p. 14
local incentive schemes would help these LAs retain staff; few local governments have strategies for these and they lack necessary funding.

As a result of this lack of fiscal autonomy, LAs have little flexibility in tailoring their budgets to local needs. LAs have limited ability to reallocate the recurrent budget because fixed costs (salaries) are so high, and the national government has control over budget structure and quantity. In addition, MOFEA and PMO-RALF can alter LAs’ plans and budgets, circumventing the participatory planning process as well as the autonomy and functionality of LAs.

However, there is evidence that staff would be more willing to work in the more needy LAs if they had adequate facilities, allowances, and other incentives. Staff allocations need to be more cognizant of deployment locations and staff motivation. The system as is reduces the quality of public services.

Another major issue is that LA’s own revenue has decreased as a share of local government budgets. Own source revenue represents only 8% of LAs’ budgets. LAs suffer from inappropriate tax design and poor collection systems and infrastructure. In addition, in 2004 the central government abolished several important taxes for LAs, including the development levy, which was a crucial revenue source for rural LAs. The central government also sets tax rates and ceilings, and must approve LA by-laws that change these numbers. There is limited scope to improve rural LGA tax-collection systems; therefore the system of fiscal transfers must be reformed to improve these authorities’ financial autonomy.

One positive development in Tanzania’s fiscal decentralization was the introduction of Local Government Development Grants (LGDG) in 2006. These are discretionary local development grants that are allocated according to a pro-poor formula. LGDGs give LAs room to fund local development priorities, provided they meet minimum standards of financial management, accountability, and transparency. They also include capacity building grants, which LAs have the opportunity to receive even if they don’t meet the requirements for the development grants. LGDGs are the preferred modality of government to transfer development funds, and various sectors have transferred to this system. LGDGs currently represent about 18% of LGA revenues.

**VIII. Comparative Analysis and Findings**

This section evaluates the East Africa region as a whole by comparing the progress made in political, administrative, and fiscal decentralization across Tanzania, Rwanda, Burundi, Uganda, and Kenya. Following this general overview, the discussion will then describe the common issues identified in each country. These issues form the basis for the concrete recommendations offered in the concluding section.

In East Africa, there has generally been little progress in decentralizing political decision-making power away from the central government. While Tanzania’s Local Authorities and Kenya’s county governments have increased their decision-making authority, Rwanda’s and Burundi’s local governments remain tightly under central control. In addition, central influence over district governments in Uganda has increased in recent years.

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163 Tidemand et al. p. 2  
164 Ibid. p. 12  
165 USAID. *Tanzania In-Country Assessment Report*, p. 48  
167 Ibid.  
168 PMO-RALG. p. 18
Furthermore, efforts to facilitate citizen input into local governance have been insufficient across the region.

In general, significant progress has been made in decentralizing administrative responsibility to local government units. In Tanzania, Rwanda, Uganda, and Kenya, sub-national governments have become the primary providers of public services and development projects within their territory. An exception to this pattern is Burundi, where, due to a lack of funding and an unclear division of roles and responsibilities, deconcentrated arms of the central government are still major service providers. However, aside from Rwanda, each of the countries studied suffer from significant capacity gaps within local governments, which constrain effective service delivery.

Finally, fiscal decentralization has seen mixed progress across the region. The local share of national financial resources has increased since decentralization reforms began in Rwanda, Tanzania, and Kenya. However, Uganda’s districts have seen diminishing shares of national revenue in recent years, and many of Burundi’s communes remain severely underfinanced. A lack of autonomy over earmarked local expenditures is a major impediment to decentralization throughout the region. Local tax collection is constrained in all countries except for Rwanda. In addition, substantial financial inequality exists between different sub-national units within each country.

As we can see, decentralization in East Africa has seen mixed results. The following discussion details the main issues affecting political, administrative, and fiscal decentralization in the region.

**Political, Administrative, and Fiscal Decentralization – Lessons Learned**

1. Political will is essential to effective decentralization

   One of the primary constraints to decentralization in East Africa has been the lack of commitment on the part of the national government to decentralize power to subnational units. The pace and substance of decentralization reform is primarily determined by the interests and constraints of its primary stakeholders.  

   Although decentralization reforms initially had strong national political support, this seems to have diminished in many of the countries studied. Decentralization is meant to bring decision-making power and public service delivery closer to citizens so that governance better reflects local needs and priorities. However, in each of the five countries studied, central influence over local decisions, plans, and budgets significantly hinders this benefit of decentralization. This interference is most visible in Rwanda’s implementation of the *Imihigo* system and Burundi’s *tutelle* system, where the central government formally interferes in local policy-setting and ensures strong upwards accountability. In Burundi, Rwanda, Uganda, and Tanzania, central appointees to sub-national councils can affect local decision making. Some other examples of this lack of commitment include: centralized control of HRM in Tanzania, increasing central control of district governments in Uganda, and the centralized control of public service provision in Burundi. National government interference has been less significant in Kenya where, due to its strong legal backing and rapid pace of reform, decentralization has effectively given the county governments political and administrative autonomy from the national government.

2. Citizen participation and oversight must be strengthened

   Across the region, citizen input into local government decisions and plans is insufficient. As mentioned above, citizen participation in local institutions allows for better decision making, more targeted and efficient service delivery, and increased accountability of local officials. Public participation in local government faces various challenges throughout

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the region, yet a primary underlying cause appears to be a lack of political will amongst local and national officials to effectively engage people in policy-making. For example, in Rwanda, national control over development goals and objectives effectively curtails consultations between local officials and the public. In Burundi, Tanzania, and Kenya, despite impressive structures for facilitating citizen input in local planning and budgeting, a lack of effort to provide residents with timely, accurate, and easily-understood information constrains public participation. In these three countries, citizen oversight and follow up of local spending is also inhibited by a lack of transparency, causing frustration and distorting the connection between local input and government development efforts. In addition, unfamiliarity with public participation is prevalent in Burundi and Kenya.

3. A strong legal framework is necessary, but not sufficient, for decentralization to be effective

   As demonstrated in Kenya, decentralization is strengthened when subnational units’ roles and responsibilities are safeguarded in law. If the functions and structure of local governments are explicitly detailed in a country’s constitution, it becomes much more difficult for the central government to interfere in local decision-making. In addition, decentralization also benefits when legislation relating to local governments is coordinated and harmonized with other relevant national laws. In Tanzania, this is an acute need, as the roles and responsibilities of elected local officials and central appointees often overlap and conflict. However, as demonstrated in Burundi and Uganda, decentralization can still face constraints even when supported by a strong legal framework. In these two cases, the intertwining of the ruling political forces with state structures impedes the implementation of the decentralization framework.

4. Local governments need to be given resources transparently and according to need

   Fiscal decentralization in East Africa is impeded by local dependence on ineffective central transfer systems. With the exception of Kenya, each country lacks an effective, equitable, formula-based system for transferring funds from the central to the local government level. Aside from Rwanda, each of the East African countries possesses poor local revenue-collection systems and/or sources. Each country relies overwhelmingly on central transfers for a majority of their revenue. However, most of these transfer systems aren’t transparent, and much of the transferred funding is earmarked by the central government for specific purposes. This severely constrains local governments’ spending autonomy, and skews local expenditure towards national priorities rather than local needs. This also contributes to inequality between different sub-national territories, with more prosperous areas often receiving substantial human and financial resources and more marginalized areas receiving much less. As seen in Kenya, a legally enshrined transfer-system based on a formula that takes into account the needs of different areas can help ensure that local governments have the necessary resources to effectively deliver services to their residents.

5. Capacity building must take place at all levels of local government

   A major constraint to decentralizing service-delivery responsibility is the widespread lack of technical capacity and expertise amongst local level officials and staff. Aside from Rwanda, local officials and staff lack understanding of their roles and responsibilities, which inhibits effective service delivery and increases the power of the more knowledgeable central government staff. As seen in Tanzania, Burundi, and Uganda, capacity gaps can be the result of a lack of training opportunities as well as staffing deficits in more remote areas. Often the lowest levels of government, those at the ward or village level, suffer most seriously from

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170Phillip Kundishora, p. 16
capacity gaps. More effort needs to be focused on building the capacities of these lower-level offices, as people most often interact with the officials and staff in these units.

6. Decentralization can go too far

Although decentralizing power can improve countries’ good governance and service delivery, dispersing authority too thinly may actually reverse these gains. As seen in Uganda, dividing up power amongst too many units has actually increased the relative power of the central government at the expense of the districts. As local governments become smaller, their human resource base is divided up, leaving them with insufficient capacity to perform their responsibilities. In addition, the creation of too many sub-national units can actually drive up the cost of government, leaving less money available for local development.

7. Innovation is happening, but cross-country learning may prove more important

Dispersing power amongst sub-national governments has spurred local innovation in public institutions in many of the countries in East Africa. Some examples include: Tanzania’s e-revenue pilots, O&OD planning system, LGDGs, Rwanda’s Imihigo planning system, and Kenya’s pilots of public-private partnerships for service delivery and use of ICT, such as twitter, to facilitate public participation. However, there is great untapped potential for countries to learn from one another. For example, Rwanda and Kenya have begun piloting the e-revenue collection system introduced in Tanzania. Local governments in East Africa may benefit from cross-country learning and knowledge-sharing.

See Appendix B for more details on these innovative programs.
<table>
<thead>
<tr>
<th>Country</th>
<th>Political</th>
<th>Administrative</th>
<th>Fiscal</th>
<th>Overall Trends</th>
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<tbody>
<tr>
<td>Rwanda</td>
<td>Challenges: Local representatives and officials are indirectly elected by citizens. There is no real direct connection between local government officials and their constituencies. Local officials are far more interested in meeting national goals than addressing local concerns. <strong>Opportunities:</strong> De-politicization efforts has led to highly technocratic local governments; more efficient in implementing decentralization projects; Significant political will to integrate and improve on decentralization best practices from other African states.</td>
<td>Challenges: National Government heavily influential in local decentralization efforts, primary dictator of goals and objectives of local devolution efforts. Public participation limited in local decentralization plans. <strong>Opportunities:</strong> Greater accountability due to national government oversight of local decentralization initiatives; Greater level of coordination of multi-district decentralization efforts.</td>
<td>Challenges: Majority of financial resources from central government are restricted to specific projects or used for recurring costs (salaries, etc.); limited local discretion in resource allocation. <strong>Opportunities:</strong> Greater oversight in local spending; effective national audit system for local projects; Greater equal distribution of resources across districts.</td>
<td>Decentralization process in Rwanda has led to greater efficiencies in meeting clear national decentralization goals, but local governments are heavily influenced by national priorities and not the interests of local populations; there are limited opportunities for public participation.</td>
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<td>Burundi</td>
<td>Challenges: Public participation is limited. Politicization of local officials leads to strong upward accountability. Lack of political will within the national government to support decentralization; legal system governing the process is weak and lacks clarity. <strong>Opportunities:</strong> Government currently drafting a law to clarify local and national government functions.</td>
<td>Challenges: Central government is still primarily responsible for service delivery due to low local capacity and lack of local resources. Through the tutelle system, central and provincial government maintains control over communal government decisions and personnel. <strong>Opportunities:</strong> Structure of the communes and collines offer opportunity for more participation.</td>
<td>Challenges: No formula-based recurrent transfer of funds from central government. Local governments dependent on limited local revenues - barely able to cover recurrent expenses. <strong>Opportunities:</strong> FONIC has been amended to allow for local spending discretion.</td>
<td>The decentralization process has not advanced significantly since 2010 due to lack of political will. Communal governments are still heavily controlled by the central government. The upcoming election in June 2015 and a new administration may offer an opportunity for progress.</td>
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<tr>
<td>Tanzania</td>
<td>Challenges: Ruling party dominates state structures and local decision-making. Central government appointees have undue influence in local government structures. Legal framework is weak, vague, and uncoordinated. Citizen participation in local planning doesn’t affect actual allocation of funds and determination of project priorities. <strong>Opportunities:</strong> Local governments have real decision-making powers.</td>
<td>Challenges: Central government control of HRM inhibits capacity building, results in fiscal inequities. Capacity gaps, especially among lower-level governments. <strong>Opportunities:</strong> Local governments control their own resources and staff. Technical capacity has improved since the reform. Service provision has improved. Local governments have real responsibility for services.</td>
<td>Challenges: Heavily dependent on fiscal transfers. Conditional grants for national priorities. Decreasing own-revenue (especially in rural areas); tax collection systems are poor; Lack of effective formula-for recurrent transfers Resource inequality between LAs. <strong>Opportunities:</strong> Discretionary LGDGs</td>
<td>Local governments are only partially devolved, and aren’t fully autonomous from the central government. Decentralization has only proceeded in ways that coincide with the dominant party’s interest, due to CCM control of state structures. Old deconcentrated structures and interests remain, although they have less power than before the reform.</td>
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<tr>
<td>Country</td>
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<td>Uganda</td>
<td>Recentralization of power over policy making. Appointment of the Chief Administrative Officer (CAO) by central government. Each district has a Resident District Commissioner who is appointed by the President.</td>
<td>Recentralization of the administration system. (eg. Kampala now under direct supervision of the central government) Increasing number of districts has put immense pressure on service delivery and the capacity to manage new administrations.</td>
<td>Limited sources of local tax revenue and overdependence on grants from the central government. Central government changed the tax system which significantly reduced the local revenue. Reduction of central government transfers</td>
<td>Local government is extensively devolved. This however is not empowering local government. Since 2006, decentralization is used as a way for central government to control its power. (recentralization)</td>
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<td>Opportunities: Legal framework is well defined in the Constitution and the Local Governments Act.</td>
<td>Opportunities: Improvements in service delivery in health and education</td>
<td>Opportunities: The budgeting and expenditure process has become more transparent.</td>
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<tr>
<td>Kenya</td>
<td>Lack of political will to fully engage citizens. Lack of useful information for citizen participation. Politicization and power struggles within the county government and between the county and national level impede decentralization. Citizens do not understand their roles and responsibilities in the new system.</td>
<td>Limited technical capacity of county government officials Limited accountability at the county level</td>
<td>Limited understanding of budget information by public Own revenue collection inhibited by lack of capacity</td>
<td>Kenya continues to make progress in devolving its government. The strong Constitution and legislation provides a clear framework for devolution. The government needs to increase efforts to build capacity and encourage more effective participation.</td>
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<tr>
<td></td>
<td>Opportunities: Strong legal framework around devolution. Strong county governments. Legal requirements for participation open up new spaces for citizen input.</td>
<td>Opportunities: Improved local service delivery Constitution clearly states which powers are delegated to county and national government</td>
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IX. Recommendations for Improving Decentralization in East Africa

After reviewing the information available on the strengths and weaknesses of decentralization in East Africa as well as information gathered from our interviews in Kenya, we have identified several key challenges that must be addressed in order to ensure that decentralization is effective in improving good governance and providing government services to citizens. Some of the major issues that are common across East Africa include local capacity for service delivery, tense relations between the local and national government, lack of political will for decentralization and public engagement, and limited fiscal resources for local governments, either due to mismanagement of funds or a lack of revenue collection capacity. Implementing the following recommendations could be very beneficial for decentralization efforts across East Africa.

The following section is divided up between four different sectors: national government, local government, civil society groups, and IRI. It is important for all four of these sectors to be involved in the decentralization process as each of them has their own unique areas of expertise and attributes that can contribute to more effective decentralization in East Africa.

Recommendations for the National Government

- **National governments must commit to systematically transferring power to local governments to improve fiscal, administrative, and political autonomy of local governments**

  While decentralization is focused on developing the capacity of local governments to provide services, there is still a significant role for national governments to play in the decentralization process. For one thing, national governments must commit to systematically transferring power to local governments to ensure local governments have political, administrative and fiscal authority to govern. What this means is that national governments must have the political will and dedication to support the decentralization process within their own country. One way to accomplish this would be to create institutions and national protocols that make decentralization a primary concern of the national government. In this way, the national government can change its internal culture to accept the idea of decentralization, thus engendering political will in the decentralization process. This will only be effective if the highest political leaders in the country, such as the president, are supportive of the decentralization process.

- **Safeguard the roles and responsibility of local government in the system of law**

  Another requirement for the national government is to safeguard the roles and responsibilities of local government in the system of law. Without ensuring that the roles and responsibilities of local government are clearly defined in some way, decentralization can become very complicated with both national and local government taking responsibility for the same service, leading to greater confusion and weakening service delivery at the local level. One effective way to define the roles of the national and local government, which has proven to be a success in Kenya, is to outline a detailed system of decentralization within the national constitution. By adding this process into the constitution, the local government’s roles will be protected by the highest authority in the country. In addition, by defining the roles of national and local governments, both forms of government will have a clear understanding of their role in the decentralization process.

- **Develop effective revenue collection laws and protocols to ensure local governments have autonomy over fiscal resources and distribute national funds to local governments on the basis of need.**

  The national government must develop effective revenue collection laws and protocols to ensure local governments have autonomy over fiscal resources, offer stronger
support to develop local revenue collection systems, and distribute national funds to local governments on the basis of local government need. Without national fiscal support, many local governments will not have the resources to take on the new responsibilities that they have been assigned via the decentralization process.

In Rwanda, the national government has had significant success enhancing local government revenue collection efforts by developing electronic tax filing systems and assisting local governments to implement them. In this way, not only does Rwanda’s national government help enhance local government revenue collection systems, it also encourages support for local fiscal autonomy. With regards to the distribution of national funds, Kenya has had significant success by implementing a national formula that calculates the percentage of national resources to be distributed to county governments based on a number of local factors, including need. As such, the national financial transfer system is harder for political groups to manipulate, and it ensures that different counties receive necessary funds to finance their decentralization efforts.

- **Engendering political will for citizen engagement at both the national and local level.**

Finally, national governments must engender political will for citizen engagement at both the national and local level. Without the support of the national government, it is highly unlikely that there will be significant citizen input on national policies that affect the decentralization process. One method for encouraging citizen engagement at the national level would be to develop a semi-independent group within the national government that monitors and assesses citizen engagement efforts at the national level. This group would be able to produce reports and identify weaknesses in the national government’s citizen engagement efforts, thus encouraging the national government to adapt its citizen engagement strategy. By being semi-independent from the national government, this organization will still have access to national resources, yet remain beyond political influence when assessing national efforts at citizen engagement.

**Recommendations for Local Government**

- **Develop local government capacity to build local staff and train them on their roles and responsibilities.**

Local governments need to prove that they are capable of managing local staff and ensuring that they clearly understand their roles and responsibilities. In Tanzania, for example, the fact that the national government is responsible for appointing key staff members in local government offices weakens the autonomy of the local government, and can lead to confusion if the national government does not have a clear understanding of the responsibilities of the open position. Local government could meet both these objectives by developing clear and concise HR and hiring policies for local government institutions with guidelines for recruitment, training of new staff, and the organizational structure of local government offices. By developing these policies and protocols, the local government will be able to show that they have the capacity to manage their own hiring and fielding of local government staff, as well as help define the roles and responsibilities of different levels of authority within the local government.

- **Promote Citizen Engagement and Access to Government Information**

Like the national government, the local government still lacks sufficient political will for citizen engagement. In addition, there is also a significant lack of access to public information on service delivery, the decentralization process, and opportunities for civic engagement. Without citizen engagement at the local level, there will be less trust between the public and the local government, thus weakening local government legitimacy. One way for local governments to improve citizen engagement would be to provide funds for services that will allow a greater number of marginalized groups to participate in public forums, such
as sign language translators for disabled and technology that allows individuals in remote areas to participate, such as broadcasting town hall meetings via community radio to allow individuals to listen in.

With regards to the issue of access to information, local governments need to provide citizens with the necessary information so that they have a comprehensive understanding of the development issues and local budget in their community. Without this, citizens will lack the knowledge and political will to engage in opportunities for citizen participation. One way to strengthen access to information would be developing mechanisms to respond to requests for information at the local government level. In addition, local governments can also use technology to provide information to citizens, such as using text messages and twitter to inform citizens about current development programs.

- **Enhance local revenue collection systems**

Finally, local governments need to independently enhance their revenue collection systems, in addition to the efforts mentioned above for the national government. Without enhancing their revenue collection systems, local governments could become dependent on the national government for their revenue and expertise in revenue collection. As such, it is important for local governments to develop their own revenue collection protocols to ensure that they are able to retain autonomy and train collection agencies to be more effective in collecting tax revenue. Counties can improve their tax administration by training and incentivizing tax collectors to efficiently and accurately collect taxes.

### Recommendations for Civil Society

- **Civil society needs to collaborate more to present a united front and advocate effectively for decentralization.**

Civil society collaboration is critical both in countries like Kenya, with lots of political space and a very active civil society, and countries like Uganda, where public space is more constrained. There needs to be a platform for coordination both within countries and at the regional level so that civil society can learn from each other’s work and advocate for decentralization together.

In Kenya, having two local government associations creates division and weakness when the counties want to negotiate with the national government. The County Assemblies Forum and the Council of Governors should be strongly encouraged to work together to establish a unified LGA representing both the county legislatures and executives.

- **Civil society must improve civic education on decentralization policies and benefits for citizens and for local government officials.**

In all five East African countries, the national governments have failed to sufficiently train and prepare citizens and local leaders for the decentralization process. Civil society has stepped forward to fill this gap and many organizations are doing excellent work, including IRI in Kenya. Civil society organizations and the government should collaborate to ensure that classes are being offered where they are most needed, curriculums are in sync and reinforce learning, and resources are not being wasted. In some cases, CSOs in Kenya noted that trainings were being offered repeatedly in one region on the same topics by different organizations. CSOs also need to be able to offer these trainings consistently, not only when elections are approaching. Classes on civic education are often less effective and are used as political events when they occur shortly before elections. Therefore, donors should support civic education as a regular ongoing activity in countries with new political systems.

- **Civil society organizations and the media should serve as a feedback loop for public participation in local communities by listening to citizens’ interests, conveying them to government officials, and then monitoring the results.**
In order for small, local CSOs to play this role in their community, national and international CSOs should work with communities to build capacity of existing organizations and, if necessary, create organizations to address local issues. The Institute for Social Accountability in Kenya’s “community conversations” program could be a good model for such an institution.

The media is also a critical link in this feedback loop. In order to be effective, journalists must be educated about the new decentralized structures of government as well. In countries like Kenya, where there is a free and vibrant press, a well-trained media that understands decentralization can investigate local governments, provide information and increase understanding of citizens, and allow government officials and citizens to communicate.

- **Civil society must also play a watchdog role by monitoring local government budgets and spending, service delivery, public participation, corruption and compliance with decentralization laws in each country. Their findings should be shared impartially across a wide audience.**

There are several monitoring approaches that citizens and CSOs could use. Local citizens and CSOs can be trained in social auditing to hold local governments accountable for spending and encouraged to conduct these audits regularly. CSOs could also monitor public participation by sending “monitors” to attend public forums and draft reports on public participation to draw attention to strengths and weaknesses, much like election monitors report on polling places. IRI and other CSOs could work to develop a scorecard for public forums that could include items such as the forum was advertised at least one week in advance, accessible materials were provided, citizens were given time to speak openly and ask questions, and women attended and spoke. Trained citizens could then attend the forums and use these scorecards to track how well their local government is doing in encouraging public participation.

- **In order for civil society to be effective as both a trainer and a watchdog, CSOs need to build constructive, working relationships with local and national government.**

Government will be more open to accepting criticisms and implementing recommendations if CSOs work with democratic governments as partners. In Kenya, both CSOs and government officials noted that the political culture has become more democratic, but CSOs still often view the government as the enemy, which is not effective. Both government and civil society can work more effectively and deliver more for citizens if they cooperate. It may not be possible for CSOs to work with openly hostile regimes, particularly at the national level, in countries that are less open and democratic, such as Burundi and Uganda. However, local government officials may still present an opportunity for engagement.

**Recommendations for IRI**

The recommendations listed above for civil society organizations should be useful to IRI in improving its programming generally. The specific recommendations for IRI suggest specific practices that IRI should consider implementing at the regional level.

- **Coordinate opportunities for cross-country engagement in order for government officials to learn about effective practices**

All of the countries in the East African Community are developing innovative practices within local governments or civil society. These include the Imihigo system in Rwanda, e-revenue systems in Kenya and Tanzania, and using social media for direct public participation in Kenya. While not all of these systems will be appropriate to the specific context in the other countries, there is still much that local governments can learn and possibly adapt. IRI should work with local government associations (LGAs) to facilitate
exchanges for local officials through the LGAs in each country and EALGA. Visiting other
government officials and seeing how a different system of decentralization works may inspire
new ideas and improvements.

- **Build a cadre of experts in technical areas, such as budget development, managing
  procurement, and service delivery in specific sectors, that can be used as trainers by
  the local government associations where there are capacity gaps**

  Local government officials in all five countries suffer from technical knowledge gaps
  in specific areas. In particular, effective development and management of budgets and
  procurement can be a serious challenge and incompetence may result in delayed or reduced
  funding and less effective fiscal decentralization. The LGAs in each country try to fill this
  gap by delivering training services to their local government members, but they are hindered
  by their own lack of capacity and resources. IRI should consider finding experts in these
  technical areas where capacity needs to be developed. The LGAs or local governments
  themselves could then use these experts as qualified trainers to address these specific
  knowledge gaps. These expert trainers could also address the capacity gaps within the LGAs,
  particularly in fundraising, engaging stakeholders, and monitoring and evaluation, to help the
  LGAs become self-sustaining.

- **Develop accessible education and training materials for citizens in East Africa on
  decentralization in their country and partner with local civil society organizations
  and local governments to disseminate them.**

  IRI Kenya in partnership with local CSO Uraia Trust developed an excellent resource
called “The Citizen Handbook” for their civic education trainings in Kenya. IRI should create
a similar resource for each country that the LGAs and local CSOs could use to conduct civic
education trainings.

- **Assist the East Africa Local Government Association (EALGA) to develop an online
  portal featuring resources and information on innovations and best practices in local
  governance in the region.**

  In addition to encouraging physical meetings and exchanges, IRI should help LGAs
build their IT capacity and communications skills to help encourage cross-country learning.
In particular, EALGA could develop a regional portal with news updates, profiles of
innovations and best practices, and information on upcoming events that could be a resource
for all the East African local governments.

- **Use innovative communications strategies, including new media and technology such
  as Twitter and SMS, to engage civil society, local government officials, and the public
  in ongoing discussions about decentralization in their communities and inform the
  public about opportunities for participation**

  While it is not a replacement for popular forms of media like radio and newspapers,
new forms of online media offer an opportunity for citizens to participate and give their
opinions on a regular basis without having to be physically present. It also allows CSOs to
communicate information to citizens in an engaging, digestible manner, if done well. The
Society for International Development hosts a weekly discussion on Twitter on Friday
afternoons about devolution issues in Kenya while the Institute for Social Accountability uses
SMS for civic education (see Appendix B). With new features such as tweet to SMS and the
widespread availability of mobile phones, this can engage a large audience. Other simpler
forms of technology could be harnessed also, such as an anonymous complaints email
address, online petitions to county governments, or an ongoing discussion forum. These types
of initiatives can be particularly effective for educating and engaging urban youth.
Bibliography


## Appendix A: List of Interviews

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<td>Lake Victoria Youth Initiative</td>
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Appendix B: Innovative Approaches to Decentralization in East Africa

Tanzania

Local Government Development Grant System

The Local Government Development Grant System (LGDG) is a unified national transfer instrument for providing development funding to Tanzania’s Local Government Authorities. The grants were first introduced in 2004 as the local government capital development grant system (LGCDG) under the Local Government Reform Program (LGRP I). The Government envisioned the LGCDG system as the primary means for local capital development finance in the country, and that all area-based capital development programs and all sectorial development funds would be merged under this system. Although the program was originally funded by the Tanzanian Government in conjunction with development partners, the Government was set to fund the program entirely by the summer of 2013. Under LGRP II, the LGCDG system was transformed into the LGDG system, with the aim of fully integrating and operationalizing it into the government system. The purpose of the LDGD system is to support LA’s long-term functioning by harmonizing all local development funding under one mechanism and ensuring the these funds are spent according to local priorities. This system is formula-based and performance-based, enabling it to be a successful means of increasing local fiscal autonomy.

The LGDG system has the following overall objectives:

● to improve the access of communities especially the poor, to local services through expanding the physical stock of new and rehabilitated infrastructure;
● to improve the sustainability of local development infrastructure through ensuring proper planning and adequate operations and maintenance;
● to enhance the delivery and management capabilities, productive efficiencies and financial sustainability of local governments; and
● to provide a national system for the delivery of development grants to LGAs.

In addition, LGDG transfers must adhere to the following five principles:

● The allocations are based on an objective, equitable, efficient and transparent formula;
● The allocations are performance-based and subject to a common performance assessment;
● The rules of the LGDG system are universally applied and all councils that qualify should receive their allocations in strict accordance with the allocation formula;
● There is only a single PMO-RALG managed approval and disbursement process for all windows of the LGDG system, guided by a single LGDG System Steering Committee
● The LGDG system transfer resources, in combination with other recurrent and development grants and own source revenues, is to be spent by the LGAs based on their own local level planning and budgeting priorities to promote local governance, autonomy, accountability and ownership.

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172 Sulgo. p. 2
173 Ibid.
175 The United Republic of Tanzania. 2005. LGCDG Implementation and Operations Guide
As of FY2014 the LGDG system has been fully integrated into the national budget, and several sectors have integrated their development grants into the transfers. Since its introduction, LGDGs have increased the amount of financial resources controlled by LAs from TZS 4.8 billion in 2004/5 to TZS 205.7 billion in 2012/13. They have improved community access to local services, increased the amount and predictability of development funds to LAs, and have increased LA compliance to rules and regulations.177 The following paragraphs discuss the two components of LGDGs, Council Development Grants (CDGs) and Capacity Building Grants (CBGs).

Council Development Grants assist LAs in constructing and rehabilitating infrastructure according to local priorities. They are designed to empower communities, reduce poverty, and improve service delivery. In order to qualify for CDGs, LAs must meet minimum conditions for financial accountability and transparency. LAs are still entitled to a portion of their potential total CDG amount, even if they don’t meet all of the minimum conditions.178

Council Development Grants are allocated according to the following formula: 70% in proportion to the LA’s population size, 10% according to the LA’s capped land area, and 20% in proportion to the number of poor residents in each council area. LAs are classified on an aggregate performance score. Each LA receives a minimum amount of CDG that ranges from 25% to 100% depending on their assessment scores. LAs can be classified as “Very Good,” which entitles them to receive 100% of their CDG; “Good,” which entitles them to 80%; and “Poor,” which entitles them to 50%. Those failing to meet the minimum conditions receive 25% of their allocation, and will be subject to strict oversight from PMO-RALG and the RSs. In addition, they must develop an action plan with a timeline of action for bringing the LA into compliance with the minimum standards within a year. 80% of CDGs must be spent on poverty-reduction, and 50% of CDG investments should be spent at the Village or Mitaa level.179

Capacity Building Grants assist LAs in improving their capacity and performance. In order to receive CBGs, LAs must have acceptable capacity building plans and have satisfactorily accounted for previous CBG disbursements. Activities funded under CBGs can include the “eleven standardized courses,” on-the-job trainings, technical assistance, and studies of other LAs best practices and working tools. In addition, over a third of CBG funding must be spent at the sub-district level. Even LAs that do not meet the minimum standards for CDGs will still receive the full amount of their CBG, supervised by PMO-RALG and the RSs and based upon their compliance action plans.180

However, the LGDG system is not without problems. LGDG funds remain a small portion of LAs’ budgets. This means that LGDG funds are inadequate to address many of the local priorities identified during the O&OD process. Other problems include: lack of a strong monitoring framework to confirm actual improved access to services; late and under disbursement of funds; lack of confidence by some sectors (for example, education); and occasional disbursement without regard to the formula. PMO-RALG plans to address these issues in the coming years, as indicated by its recent review of the LGDG system in 2014.181

Opportunities and Obstacles to Development Process

176 Including Agriculture, Water, Education, and Health.
178 Sulgo. p. 3
179 Ibid.
180 Ibid. p. 4
181 PMO-RALG. The Review of the LGDG Operational Guide
The Opportunities and Obstacles to Development (O&OD) process is a bottom-up participatory planning methodology for local development. Its goal is to involve people in planning and implementing development programs to ensure that these programs are relevant to local needs and engender a sense of ownership. 

Introduced in 2002, the O&OD process has been rolled out to 90% of Tanzania’s LAs and has been institutionalized within local government structures. The O&OD methodology describes the legal framework, roles and responsibilities of government institutions at different governance levels. The methodology aims to harmonize different participatory approaches used for specific projects. O&OD is designed to: guide communities in identifying available resources to overcome obstacles and foster the spirit of self-reliance; enlighten community members of their own resources and how best to use them for self-reliance; employ participatory tools and facilitate identification of sources of income and expenditure; enable the community to identify logical frameworks and priorities; lead to a comprehensive plan rather than an action plan; and allow for interaction between bureaucrats and communities as well as between the different governmental levels.

The planning process takes place over a period of twelve days and results in the development of three-year community plans. It is carried out by Community members who are selected based on sex, age and social status, in order to ensure that the views of all the social groups are reflected. Community members use participatory tools to collect data. Focus groups then discuss the collected data with regard to Tanzania’s national development objectives in order to assess the community’s situation in the light of national targets. This discussion guides the formulation of specific community objectives and identification of opportunities for overcoming obstacles. A draft plan is prepared and presented to the Village Council for prioritization and budgeting. The Village Council then presents this draft plan to the Ward Development Committee for technical advice before submitting to the Village Assembly for approval. Plans are then integrated into the LA plan. Annual monitoring, review, evaluation, and updating of the plan ensure that it remains relevant. In addition, plans developed through the O&OD methodology are expected be factored into LGDG expenditures.

**e-Revenue Collection**

In an effort to improve the local revenue collection, the Tanzanian government has recently piloted a e-revenue collection instrument in Kinondoni. In line with Tanzania’s e-Government strategy, Kinondoni has begun using electronic systems for a variety of functions, including: bill generation, payments, cash collection, receipt issuing, valuation roll for property taxes, and business licenses. All 34 wards in Kinondoni have integrated this system, which allows citizens to use mobile phones to pay bills, fees, and other costs through electronic transfers. By simplifying tax payments, Kinondoni nearly doubled its revenue-collected between FY2012/13 and FY 2013/14.

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182 Japan International Cooperation Agency. 2013. *Strengthening Participatory Planning and Community Development Cycle for Good Local Governance (O&OD PROJECT)*. p. 1  
183 Ibid.  
185 Ibid.  
186 In urban councils these are ward plans, whereas in rural councils they are village plans.  
Table 1: The O&OD Planning Process

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<td>Three</td>
<td>Extraordinary village assembly to launch O&amp;OD: formation of focus group (FG), selection of map drawers and community resource persons, and primary data collection</td>
<td>Zonal/mtaa meeting to launch O&amp;OD, formation of focus group, selection of map drawers and community resource persons, and primary data collection</td>
</tr>
<tr>
<td>Four</td>
<td>Primary data collection and use of participatory rural appraisal (PRA) tools</td>
<td></td>
</tr>
<tr>
<td>Five</td>
<td>Focus group discussions (FGDs) on TDV 2025’s first principal objective: “high quality of livelihood”. Topics: food sufficiency and food security, universal primary education, gender equality and access to primary health</td>
<td></td>
</tr>
<tr>
<td>Six</td>
<td>Further FGDs on TDV 2025’s “high quality of livelihood”: Topics: access to reproductive health, infant and maternal mortality rates, access to safe water, life expectancy and child poverty</td>
<td></td>
</tr>
<tr>
<td>Seven</td>
<td>FGD on TDV 2025’s second and third principal objectives: “good governance” and “rule of law”</td>
<td></td>
</tr>
<tr>
<td>Eight</td>
<td>FG to prepare draft community plan</td>
<td>FG to prepare draft ward plan</td>
</tr>
<tr>
<td>Nine</td>
<td>Village council prioritises all specific objectives and drafts three-year community plan</td>
<td>Zonal/mtaa meetings to discuss and comment on the draft ward plan</td>
</tr>
<tr>
<td>Ten</td>
<td>Ward Development Committee (WDC) meeting provides technical advice on the draft plan</td>
<td>Focus group under Ward Executive Officer (WEO) incorporates comments from mtaa meeting into draft ward plan</td>
</tr>
<tr>
<td>Eleven</td>
<td>Extraordinary village assembly to receive and approve community plans</td>
<td>WDC to prioritise all specific objectives, prepare and ancourage the three-year ward plan</td>
</tr>
<tr>
<td>Twelve</td>
<td>Preparation of simple formats by sector at ward level.</td>
<td></td>
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</tbody>
</table>

Burundi

Transparent Tax Collection and Budgets in Rutegama

As discussed in the section on fiscal decentralization, Burundi’s communes are heavily dependent on local tax collection to raise revenues because there is no formula-based, non-earmarked transfer of funds from the national government to the communes. However, tax administration in Burundi is extremely poor and the local tax base has been eroding over the past few years. ¹⁸⁹ Problems with communal tax administration include the lack of lists of taxpayers, limited knowledge of tax laws among tax collectors, and poor enforcement of penalties against tax delinquents. ¹⁹⁰ Most importantly, citizens lack information about tax revenues and what they are spent on. Therefore, citizens are very reluctant to pay and there is a widespread sentiment that taxes are a major source of corruption in the communes.

The Communal Administrator in Rutegama, a large rural province in Burundi, implemented a series of reforms to increase social accountability
around the tax collection and budget process. To improve tax administration, the commune hired contracted professional tax collectors, in addition to elected colline officials. Officials also reformed the system for depositing funds in the communal account and improved oversight of these funds.

Their most important reform, however, was hiring a local CSO to work with the commune to explain to citizens how the tax system works, the purpose of taxes, and what tax money is used for. This CSO acts as a bridge between the commune and citizens who cannot understand the complicated budget documents released in French by attending community meetings and church services to read the documents in the local language and explain their content. Other local CSOs are also invited to meetings with the commune officials to discuss the budget and tax collection. All local CSOs are encouraged to monitor tax collection and spending.

By improving tax administration and increasing the transparency of the tax collection process, Rutegama has been able to steadily increase their tax revenue over the past three years and as a result, they are one of the few financially viable communes in Burundi.

Kenya

Engaging the Community through ICT

Adequate access to information and opportunities for meaningful participation are lacking in all five countries in the East African Community. Information and communication technology is one way to reach a wider audience, particularly urban youth.

The Kenya Dialogues Project

The Society for International Development is implementing the Kenya Dialogues Project to increase public participation and access to information through creation of virtual and physical dialogue spaces. The Dialogues Project uses traditional approaches to public participation, including hosting public forums and writing blog posts as well as new social media platforms to reach out to citizens and leaders.

One of their most popular forums is the Tweet Chat, a moderated dialogue on Twitter every Friday about a specific topic. Past topics have included school land grabs, whether security should be a county or national government function, corruption, and how to strengthen the capacity of County Assembly members. Our team interviewed the creators and moderators of the Tweet Chat who offered some insights into why it has been successful.

The Tweet Chat has been able to engage both national and county government leaders in the discussions, which is often a challenge in traditional public forums. According to the moderators, leaders are willing to discuss issues with citizens because the Tweet Chats remain civil and grounded in facts. In preparation for the weekly topic, the moderators research that subject exhaustively and before the given hour for the Tweet Chat (11 am to 12 pm), the Kenya Dialogues Project posts the topic followed by a series of facts and resources for participants to base the discussion on. The Kenya Dialogues Project blog post for the week often is based on the same topic as well. The topics are timely and information is presented in an engaging understandable manner. Activists have also used twitter and the Kenya Dialogues Project to organize citizens to protest around issues, such as land grabs and the rights of women.

One challenge with ICT is scaling up because many people, particularly in rural areas, don’t have access to the internet and almost no one owns a smartphone. However, there are

192 After each Tweet Chat, the moderators put together a post on Storify compiling all the Tweets from participants. https://storify.com/SIDKDP
solutions to scale it up, particularly using regular mobile phones. Twitter has been adapted to work on regular mobile phones through text messages. In one county, local leaders have started a twitter account and chiefs use it to keep residents informed and provide assistance. SID has also held trainers for civil society partners and county leaders on how to develop a twitter feed and use it effectively.

Another Kenyan CSO, the Institute for Social Accountability, uses their free SMS platform called Jehusishe (which means participating in Swahili) to send out messages on civic education and engagement. Citizens who subscribe receive text messages with basic information on the constitution, information about their counties, and dates and times for local public forums. TISA is also experimenting with the use of social media and other visual mediums to communicate information simply and to those who are illiterate. For example, they create infographics that provide a visual summary of important government documents.

Rwanda

The Imihigo System: Opportunities for increased political will and the need for Local Government Independence

The above diagram represents the organizational breakdown of the Imihigo system in Rwanda, which is how the national government is able to ensure that district government development plans meets the annual requirements of the National government. As we can see from this model, the Imihigo system follows a system of upward accountability, where the national government has the final approval in the distribution of fiscal resources to district governments. The process begins at the level of the household, where key goals and commitments are gathered for development plans at the village level. These village plans are

then collected at the cell/sector level, which cover several villages within a specific district. These sectoral plans are then checked by the district assembly for compliance with national goals and objectives before being sent to the District Council on Economic Commission for compliance with the local government budget. Finally, these district Imihigo plans are sent up to the Ministry of Local government for final approval before being sent to the Office of the President for signature.

As it is clear from the graph above, one of the strengths of the Imihigo system is the fact that it involves every aspect of the local community, including households and civil society organizations (which fall under the Umudugudu organizations within districts). By having the process be officially decentralized to the household level, the Imihigo system allows individuals to be invested in the success of their programs. As such, it helps generate significant political will among the citizens for the improvement of service delivery, ensuring a commitment to further decentralization efforts.

For other countries, this system can be highly effective for the development of political will at all levels of the country, including the local level. By highlighting the responsibilities of the local government and civil society, this system is able to engender a sense of responsibility and ownership of the decentralization process, which in turn ensures that these aspects of society are engaged in the development system. In addition, the organization and structure of the Imihigo system gives international organization a clear way to effectively monitor decentralization efforts by reviewing the results of the yearly action plans for local governments. As long as the country’s goals and objectives for their decentralization and development efforts are clear, international NGOs and organizations would be able to use this system to analyze whether local development efforts are meeting their priorities on a yearly basis as well as identify key areas where they can provide additional assistance in the form of technical advisors.

However, one of the challenges with this system is that it is completely controlled by the national government, with very little actual input from the local level. While they are involved, the Umundugu and local government have the responsibility of ensuring that the goals of the Imihigo plans meet the goals of the national government, rather than ensuring that they meet the goals of the local government or citizens. As such, local interest in the decentralization process can be weakened if the national interests do not align with interests at the local level. The situation can become even more challenging if national and local interests are in direct competition, as the local government will seek to preserve national interests over local interests. During the implementation of the Crop intensification program, a program designed to promote crop regionalization and monocropping, many district governments submitted annual plans through the Imihigo system that required specific crops to be cultivated in key agricultural areas at significant levels of production. As such, the local ecology and market was unable to adapt to this significant shift in agricultural production, which resulted in district governments uprooting farms that were not planting crops approved by the national government. Even though district governments are responsible for implementing development initiatives, it is clear that Rwanda’s decentralization process provides the central government significant control.

One of the possible reforms for this process would be to allow local governments the opportunity to review and submit proposed reforms to the development goals and objectives of the central government. Not only would this provide greater incentive for the local governments to meet these goals, but it would also provide a balance of power between the national government and the local government in Rwanda. By providing this reform process,

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the national government would provide the local government an opportunity to direct their own decentralization and development process, thus ensuring that the realities in their districts are respected by any decentralization and development initiative of the national government.

In addition to issues regarding the balance power between the national and local government, the Imihigo system also has an issue with citizen participation. As we can see from the chart, citizens are included in the process, but only at the initial stage. As such, their input decreases significantly by the time that the local government sends the plan to the national government. As such, one of the other necessary reforms to the Imihigo process is to have opportunities for citizens to discuss and review the annual plan before it is sent to the Ministry of Local Government. In this way, citizens will become more engaged in the process, and will have a greater role in the development of their own communities.
Appendix C: Interview Protocol

Semi-Structured Interview Protocol

This interview is being conducted on behalf of the International Republican Institute (IRI) to inform their work in supporting decentralization in East Africa. Your responses to the following questions will be incorporated into an assessment of decentralization in Kenya that IRI will use to improve the quality of its assistance in the region. The interviewers are graduate students from the Elliott School of International Affairs at The George Washington University in Washington, DC, USA. The interviewers are supporting IRI in order to fulfill the academic requirements of the School’s International Development Studies program Capstone Project.

The interviewers will, to the best of their ability, protect the confidentiality of your responses in their research and ensure that your identity remains anonymous. Should you no longer wish to participate in the interview, you can withdraw at any time.

Interviewer:
Note-taker:
Interviewee Name:
Title:
Organization:
Sector:
Location:

Interview Questions:

General Decentralization Questions:
1. What do you think are the most important aspects of decentralization in Kenya?
2. Who do you think are the primary drivers of decentralization in Kenya? Why?
3. What are your hopes for decentralization in Kenya?
4. What do you think has been the impact of decentralization in Kenya?
5. What are the greatest challenges of decentralization facing Kenya today?
6. How can IRI best support decentralization in Kenya? What about in East Africa?

Fiscal Decentralization Questions:
1. How much flexibility do you feel local governments have in spending financial transfers from the national government, and do you think this is sufficient for local government projects?
2. How much flexibility do you feel local governments have in spending revenue collected from local taxes, and do you think this is sufficient for local government projects? How efficient is local tax collection?
3. Describe the budget creation process. How is the public able to participate in creating budgets? Are local government budgets published for review by Kenyan citizens? Who is responsible for approving local government budgets at each level of government?

4. Are public inputs reflected in local budgets/plans? Are these institutionalized or informal?

5. What are the major issues preventing greater local government control of local budgets and revenue collection? How could local governments overcome some of these challenges? What are the opportunities for increasing local government capacity (particularly financial management education and technical skills of local government staff) regarding fiscal decentralization?

6. Do local governments receive sufficient financial resources to perform their roles effectively?

7. What role do County Budget and Economic Forums play in actual local budget formation? Can/Should this role be increased? Do these forums operate effectively? What challenges do they face in increasing participatory budgeting and how can these be overcome?

8. What is the audit process for local government budgets? Do you think there is enough oversight of local government spending?

Administration Decentralization Questions:

1. What is the relationship between the Local and National government in Kenya with regards to the administration of development projects? Who has final say in approving said projects?

2. What is the relationship between the Local and National government in Kenya with regards to the administration of public services? Who is responsible for each service?

3. What is the role of the public in overseeing local development projects in Kenya? Is there an opportunity for Kenyan Citizens to provide input for projects?

4. What are some of the major issues with regards to the administration of these projects? How can the government of Kenya encourage greater autonomy of local governments in managing these projects?

5. How do local governments handle the increased responsibility that often comes with decentralization programs? What shifts in Kenyan local governments structure need to occur in the future?

6. Who, in practice, is responsible for the hiring, firing, rewarding, promotion, development, and discipline of local government personnel?

7. How does the national government balance adherence to the national decentralization policy with the needs of local governments?

Political Decentralization Questions:

1. What role do political parties and elected officials play in local government development programs?

2. How does political competitions effect decentralization in Kenya?
3. Between the local and national government, who is ultimately responsible for approving development projects in Kenya and why?

4. What is the role of the public in designing and approving of development projects? Is there an opportunity for them to decide which projects are implemented in their community?

5. What are the major obstacles to increased civil society participation in the decentralization process?

6. In what ways can citizens hold local government officials and staff accountable for their performance? Are there official means outside of elections in which this takes place?

7. How do citizens participate in decision-making below the county level? What is the role of civil society in decision-making processes at the county level and/or below?