

Financial accountability and resource management in local government in Tanzania

Do we know who benefits?

Presented by Geir Sundet at Danida meeting for Natural
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Do we know who benefits?

1. Limits to accountability from above: a problem of monitoring and data management
2. Where to next? Some thought on how to strengthen local accountability

Limits to accountability from above

- Chains of accountability in Tanzanian Local Government are largely vertical and upwardly directed
- Exercising oversight from above depends on the availability of data that reflect the realities on the ground
- But, financial data tends to be of questionable quality
- and, there is no common reference point for the available data

The state of monitoring systems

- What the 2004 External Review of the PER said:

“Tanzania has a large number of parallel systems to monitor government policies and programs, but their capacity to deliver outputs that are useful for improving budget allocations and policy effectiveness is weak.”

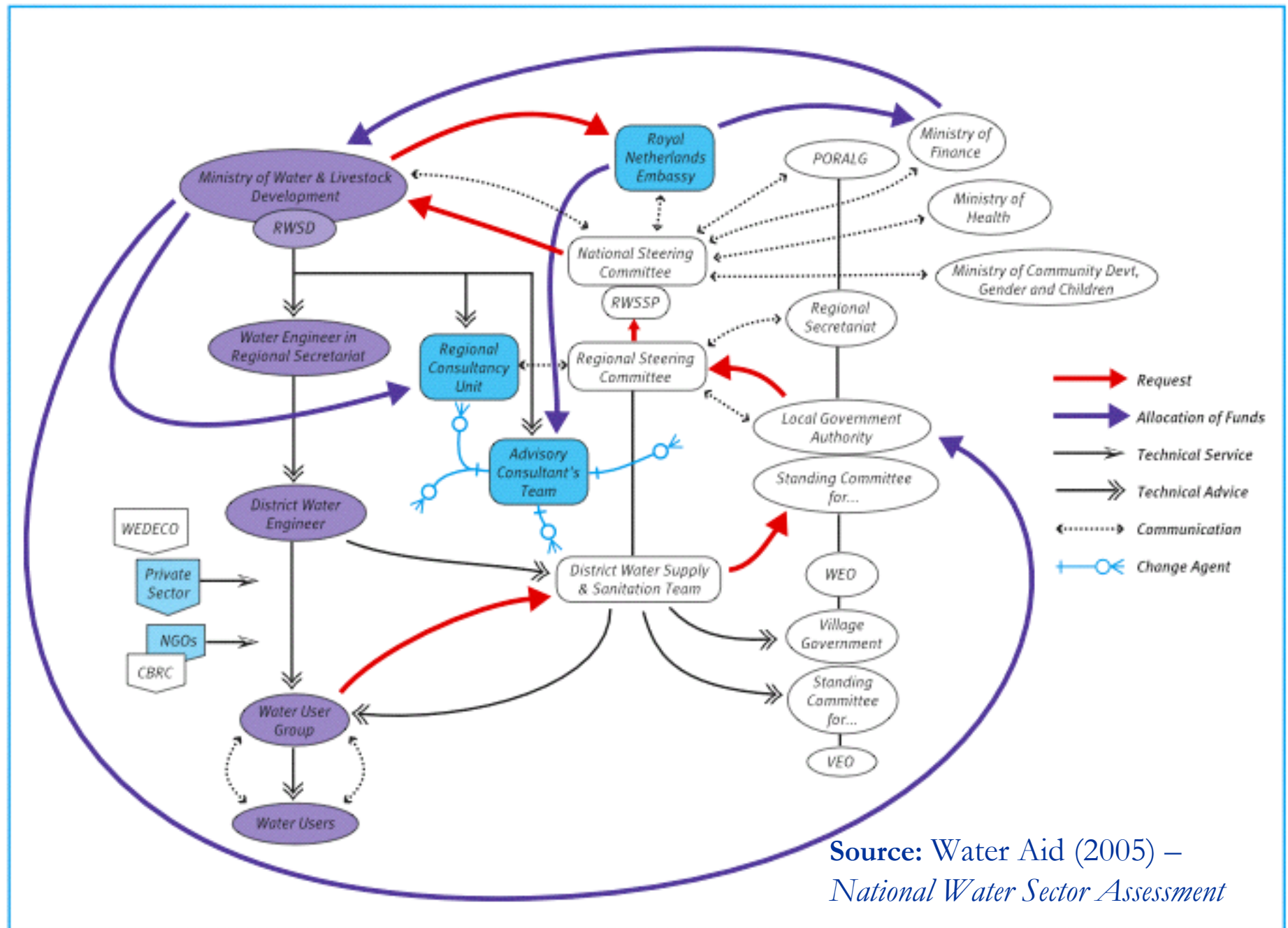
“To date there is no mechanism/procedure for collection, collating and analysis of local government revenue and expenditure to arrive at a general view of government operations.”

Operating Programmes at the Local Level – Some Common Problems

- Establishment of establishing parallel structures – rather than supporting existing ones
- Focusing on the technical aspects of the programmes – rather than addressing the political ones
- “Participation” predominantly occurs in the planning stages – rather than in the arguably much more important stages of implementation and monitoring

An example of the reporting and funding
arrangements in a typical donor
supported project...

Figure 4: Institutional arrangements for Shinyanga Rural Water Supply and Sanitation Project



Source: Water Aid (2005) –
National Water Sector Assessment

How Well Do the Present Reforms Address the Need for Accountability?

- Existing programmes address:
 - Financial management - PFMRP, LGRP, PEDP
 - Need for transparency - LGRP, PSRP, LGRP, PEDP...
 - Participatory management, planning, etc - all NRM related policies, reforms and programmes?

But

- Focus on the supply side, e.g. capacity building, training, regulatory reform and internal controls
- Activities that have sought to target the demand side have not been effective

What About the Public Postings?

- Present policies and requirements of public postings do not go beyond mechanical posting of information
- Little or no effort has been put into making the posted information understandable and useable
- It is very clear that this has not been a priority

The Problem of Vested Interests and Institutional Inertia

- Improving transparency and enabling public oversight threatens well-placed, vested interests
- Policy objectives of strengthening governance and enhancing transparency are most likely to be addressed through activities and outputs such as capacity building, training and awareness raising
- Formulation and implementation of public policy reform is a political, as much as a technical process

An Example From the LGRP

- At donor sponsored meeting on Access to Information, proposal made for each village to designate a village notice board to function as a Village Gazette. Requiring certain official information to be posted:
 - **Village by-laws**
 - **Budgets and financial statements**
 - **Land allocations**
- Proposal turned down because there is “no capacity” at village for “this kind of activity” and “we got to get the districts right first”

A new initiative - the Tanzania Governance Noticeboard (TGN)

1. A dynamic database on governance (predominantly financial) indicators accessible from the internet
2. An initiative to promote access to information and budget monitoring at district and village level

TGN - The Database and Website

- Key governance related indicators for Tanzania, with an emphasis on financial data, including:
 - Budgets
 - Expenditure data
 - Audits
 - NACSAP indicators
- Emphasis on user friendliness, usability and policy relevance

TGN – Access to Information: The Outreach Component

- Explore and develop models for better access to information and monitoring of finances at district and village level
- Work with organisations that are active at the local level to find better ways of making key information easily available and useable
- Provide training to key user groups (professional associations, media, councillors, communities) on how to access, interpret and follow up on information

The Challenge: Open up the Reform Process to Allow for Horizontal and Downward Accountability

Three proposals

1. Open up Reforms

- Monitoring systems should produce a continuous flow of data that is immediately accessible
- Build in component for independent monitors
- Ensure that reforms use common points of reference
- Work through the existing structures of governance at district, ward and village level

2. Access to Information and Bottom-up Monitoring

- Emphasise access to information at district and village level
- Use notice boards and allocate sufficient time and brain-power to make them useable, used and useful
- There must be ways and means for people to challenge or follow up on data posted or not posted
- This should be addressed as a key part of *all* relevant reforms and programmes

3. Address the Politics

- Information is power – a strong emphasis on access to information may be the best political support
- A question: Is it in the donors' best interest to have independent monitoring of the activities it supports?
- By making monitoring “automatic”, incentives for not facing uncomfortable truths will hopefully be minimised

A Final Question

If Natural Resource Management is first and foremost a political challenge – how well is this reflected in our programmes?