

REPOA Brief



Strengthening Local and Regional Strategies for Economic Transformation in Tanzania

By Ambrose T. Kessy and Jamal Msami

Key Messages

Strengthening the autonomy of Local Government Authorities (LGAs) is crucial for tailoring development initiatives to unique regional needs and priorities.

Addressing inequalities in resource allocation, infrastructure, and institutional capacity between urban and rural councils will ensure equitable development.

Promoting participatory governance by involving communities, private sector actors, and local politicians is key to enhancing the relevance and sustainability of LED initiatives.

Introduction

Tanzania's economic transformation hinges on effective Local Economic Development (LED) strategies that leverage decentralized governance and regional diversity. Local and regional development initiatives play a pivotal role in addressing socio-economic disparities, creating employment opportunities, and promoting sustainable growth. However, despite the promise of these strategies, systemic challenges such as inadequate funding, weak institutional frameworks, and limited community participation hinder their effectiveness. This policy brief explores the potential of LED strategies to drive Tanzania's economic transformation, examining their implementation at both local and regional levels. It analyses the key factors influencing the success of these initiatives, including policy frameworks, resource allocation, and stakeholder engagement. Furthermore, the brief investigates innovative approaches and best practices that can enhance the impact of LED strategies in fostering inclusive and sustainable development across Tanzania's diverse regions.

Findings

- 1. Urban-Rural Divide in LED implementation:** Urban councils, such as Dodoma and Mwanza, benefit from diversified funding sources and advanced administrative structures, enabling them to attract private investments and implement large-scale infrastructure projects. In contrast, rural councils like Chamwino and Masasi face resource constraints and lack technical capacity, which limit their ability to execute effective LED initiatives.
- 2. Policy Misalignment:** Top-down directives from the central government often fail to align with local priorities, limiting the relevance and impact of development projects.
- 3. Limited Stakeholder Collaboration:** While participatory mechanisms exist, actual community engagement varies significantly, with rural areas often experiencing lower levels of involvement due to lack of awareness and resources. Effective stakeholder engagement requires proactive outreach and capacity-building efforts, particularly in rural

areas where communities may lack access to information and resources. Local governments can enhance participation by establishing regular forums for dialogue, providing training on LED concepts, and leveraging digital platforms to reach a wider audience.

Second, it is important to prioritize investments in critical infrastructure such as roads, electricity, and water systems, in rural locations to stimulate local economic activities by reducing business risks and costs. This should be accompanied by efforts to leverage urban councils' administrative capacity to support cross-regional projects.

Third, it is necessary to promote and institutionalize participatory budgeting processes to align development initiatives with community needs. This should go hand in hand with strengthening of local platforms for stakeholder engagement, such as regional business councils and community forums.

Fourth, decentralize decision-making processes will grant LGAs greater autonomy. It is proposed that national directives should be aligned with regional priorities through coordinated policy frameworks.

Fifth, council staff and targeted community members should be trained on project management, technical skills, and participatory planning. Taking advantage of technological advance, digital tools should be applied to enhance financial management and accountability at the local level.

Conclusion and Policy Recommendations

Strengthening local and regional development strategies is essential for achieving Tanzania's Vision 2025 and Sustainable Development Goals (SDGs). By addressing systemic challenges such as funding constraints, policy misalignment, and limited stakeholder engagement, Tanzania can unlock the full potential of LED initiatives to drive inclusive and sustainable economic growth. The recommendations outlined below provide actionable steps to empower LGAs, foster community participation, and promote equitable development across all regions.

First, strengthening financial support and autonomy for LGAs is imperative. Increasing the allocation of funding for rural councils will promote equitable resource allocation. Diversification of revenue streams at local levels through public-private partnerships (PPPs) and donor engagement will also be beneficial.

REPOA Resource Centre

Our Resource Centre provides a good environment for literature research, quicker, easier access and use of knowledge and information. It has full internet connection for online library to support Master's & PhD candidates, researchers and academicians with free access to latest journals, books, reports, webcasts, etc.

Tuesday to Thursday from
10:00am to 1:00pm,
2:00pm to 05:00pm.

Friday
10:00am - 01:00pm

The online library <https://www.repoa.or.tz>
opens 24 hours a day.



REPOA HQs

157 Migombani/REPOA streets,
Regent Estate, PO Box 33223,
Dar es Salaam, Tanzania.
Tel: +255 (22) 2700083
Cell: +255 78 455 5655
Website: <https://www.repoa.or.tz>
Email: repoa@repoa.or.tz

Branch Office

2nd Floor Kilimo Kwanza Building 41105,
Makole East, Kisasa,
Dodoma, Tanzania

@REPOA 2024

Findings and opinions expressed are those of the author(s) and do not necessarily reflect the views or policies of REPOA and any of her partners.