

THE URBAN LOCAL GOVERNMENT SUPPORT PROGRAMME (ULGSP)

INTRODUCTION

The Government of Tanzania through the Prime Minister's Office Regional Administration and Local Government (PO-RALG) is implementing the Urban Local Government Strengthening Program (ULGSP) supported by the World Bank. The program is designed to support the development and strengthening of 18 participating urban local government authorities (ULGAs) namely Municipal Councils of Morogoro, Singida, Shinyanga, Musoma, Tabora, Bukoba, Moshi, Lindi, Songes, Iringa and Sumbawanga and Town Councils of Geita, Bariadi, Babati, Korogwe, Kibaha, Njombe and Mpanda.

OBJECTIVE OF THE PROJECT

The objective of the Program is to improve Institutional Performance for Urban Service delivery in the targeted Urban Local Government Authorities resulting in;

- (i) Improved Urban Planning Systems
- (ii) Increased Own source revenues particularly from Property Tax.
- (iii) Efficient Fiduciary Management Systems
- (iv) Improved Infrastructure Delivery and Operations & Maintenance (O&M) systems and
- (v) Strengthened Accountability and Oversight Systems.

ROLES OF PO-RALG AND ULGAs

Among other roles, PO-RALG is responsible for capacity building at both the Ministry and ULGA levels and is assessed each financial year to determine; (i) the extent to which the Capacity Building Plan for that year has been accomplished and (ii) the amount of funds to be allocated for the following financial year.

The roles of program ULGAs are to carry out their activities under the Program with due diligence and efficiency and in accordance with the Program Manuals, maintain policies and procedures adequate to enable them to monitor the progress of their activities under the Program and the achievement of the Program's objectives, enable the PO-RALG and the Association to inspect the Program activities within the Program ULGAs' jurisdiction, develop infrastructure action plan in each fiscal year, thereafter implement the adopted infrastructure action plan. Before LGAs fully access the UPG funds, they are required to meet a set of minimum conditions and performance indicators. This requirement is to ensure that funds transferred to LGAs are properly used and in compliance with GoT statutory and administrative requirements. These minimum conditions are derived from laws, regulations and guidelines of the Tanzania.

PROJECT COST AND CONDITION

The project is financed by The World Bank through the credit provided to the Government of Tanzania. The World Bank credit is provided through a new Lending Instrument known as Performance for Results (PforR) and GoT has introduced a new window within the LGDG, known as the Urban Performance Grant (UPG), through which the funds are disbursed to the

participating ULGAs. A total of USD 255 million is earmarked for the program out of which USD 201 million is to be used in rehabilitation of infrastructure; USD 54 million is for Strengthening ULGAs public sector management and overall strengthening of the LGDG system.

Disbursement of the UPG allocations is done after ULGAs undergo an independent annual assessment that measures their performance against two sets of indicators namely: (i) minimum access conditions (MCs); and (ii) performance indicators (PIs). Before LGAs access the UPG, they are required to meet the minimum conditions (MCs), which are essentially the LGDG conditions enhanced slightly to include environmental and social management conditions. This requirement is to ensure that funds transferred to implementing ULGAs are used effectively, efficiently, sustainably and with integrity.

The rationale of the Institutional Strengthening (Capacity Building) is thus to enable improved performance of the ULGAs and ensure functional internal systems/processes as required for them to qualify and access the UPG. Ultimately, these improvements will have a bearing on improved service delivery.

ACHIEVEMENT

In the first year of the program implementation, we have recorded a number of notable achievements. Some of these are as follows:-

- (i) There is increased understanding of the program in general and specifically of the new instrument Performance for Results (PforR) and attendant requirements,
- (ii) There has been a substantial reduction in the potential risk on ESM Systems,
- (iii) ULGAs' Commitment to the enhancement of own source revenue, particularly Property Tax, is high.
- (iv) Rolling out of Local Government Revenue Collection Information System (LGRCIS) to all 18 ULGAs implementing the program and installation of centralized system at our Headquarters in Dodoma
- (v) All Core staff are in place as per program requirements.
- (vi) The WB continued to offer valuable support and together with PO-RALG overcame several hurdles that threatened the smooth implementation of the program.
- (vii) Support from the WB on municipal finance mobilization including the Public Private Infrastructure Advisory Facility (PPIAF) initiative and e-learning courses through Webinars to build the capacity of the ULGAs was a success. Many participants of the academy have opted to enroll in online training. In addition, interest in PPP, together with internal discussions on support and skills development designed to identify and manage PPP opportunities, is ongoing.

- (viii) Completion of construction of 3.30km of road to Asphalt Concrete standard and, other roads totaling to 49.9km construction ongoing. There is also Four (4) bus and 1 lorry parking in construction
- (ix) Improved LGA performance. In 2013/14, Three (3) ULGAs namely Tabora MC, Geita TC and Bariadi TC did not met the funding minimum access condition. The following year only Bukoba MC did not.

Documents (Attachments)

1. Annual Performance Assessment Manual
2. Environmental and Social Management Technical Manual
3. Annual Performance Assessment Synthesis report for 2013/14