Decentralization and the delivery of water and sanitation services in Tanzania

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Photo credit: Ansila Albert.

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1. Introduction: The state of local water and sanitation provision in Tanzania

1.1 Background

Since the 1990s, a majority of countries in the developing world have experienced a decentralization reform of some type or another. Decentralization reforms were advocated in particular in developing countries as a means of increasing citizen voice and participation, improving government accountability and responsiveness, deepening democracy, improving economic performance, reducing bureaucracy, and increasing policy stability (Faguet, 2012; Conyers, 2007; Bird, 1994). In theory, bringing government closer to the governed should facilitate the identification and targeting of needy populations (Galasso and Ravallion, 2005; Crook, 2003), and make it easier for citizens to sanction or reward poor or good behavior on the part of local officials (Faguet, 2012). In light of this, the World Bank and other foreign aid agencies have been supporting decentralization reforms since the 1990s as part of broader efforts to promote "good governance" in recipient countries.

The government of Tanzania was a relatively early adopter of decentralization reforms, in keeping with its status of 'donor darling.' Beginning in the late 1990s, the country's deconcentrated regional administrations were significantly reduced and staff and resources were transferred to local governments at district and municipal levels. In 2000, a dedicated Local Government Reform Program (LGRP) was established to support the decentralization reform process through a basket-funded program. LGRP's original aim was to reform the legal framework and the local government finance and human resource management systems, and enhance local participation and "good governance" more broadly speaking at the local level.

In 2004, significant progress was made in the area of fiscal decentralization, as various sectors began employing formula-based grants as a means of transferring recurrent funds to local governments for the implementation of local government services (Tidemand et al., 2010). In parallel, a Local Government Capital Development Grant System (LGCDG) was established to allocate discretionary development grants to local government authorities (LGAs), conditional on their fulfillment of basic minimum conditions regarding the quality of their development plans, financial management, and degree of local transparency and procurement systems. The LGCDG system was declared by the government to be the "preferred modality for transfer of development funds to LGAs."

As part of the intergovernmental fiscal reforms introduced in 2004, an important effort was made to coordinate with sectoral ministries, many of which were pursuing their own efforts and programs to improve public service delivery at the local level. Chief among these was the water sector, which began implementing a parallel set of reforms in 2006. Although the water sector reforms relied on the same basic grant mechanism as the LGCDG to allocate development grants to qualified districts, and was largely guided by the same principles as the broader decentralization reforms, the two reform trajectories have not been fully harmonized.

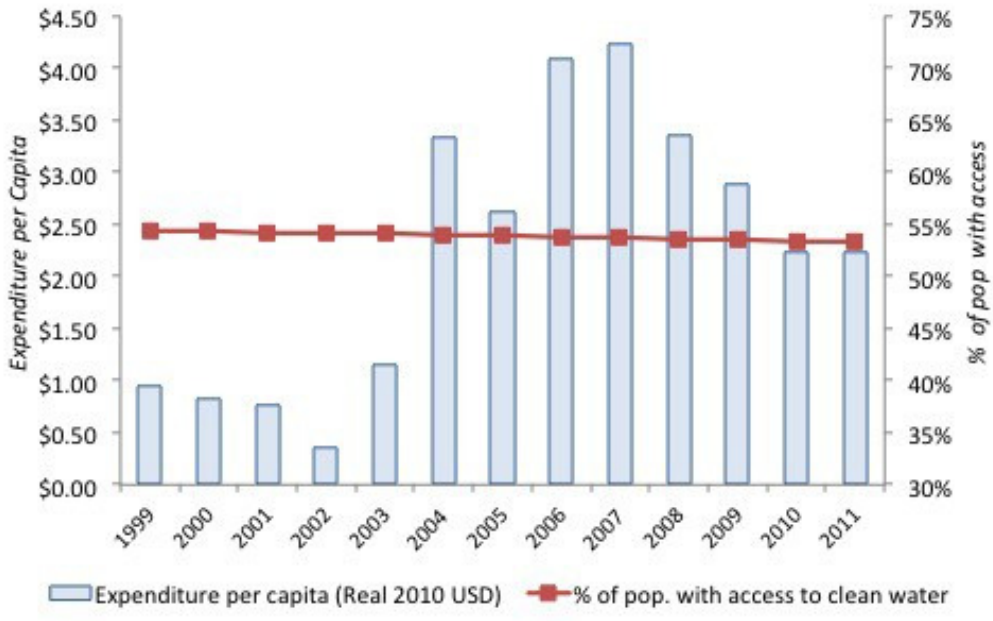
The tension between the parallel reforms is a potential culprit for Tanzania's laggard status with respect to improving access to water and sanitation services (WSS). Tanzania only made limited progress on its Millennium Development Goals in the areas of water and sanitation (JMP, 2015) and seems unlikely to meet the Sustainable Development Goal target of universal and equitable access to safe and affordable drinking water by 2030 unless the country's governance and water service delivery arrangements are reexamined. This case study represents an important element of such a reexamination. The lessons it generates will serve not only the Government of Tanzania and its

development partners, but other stakeholders interested in promoting equitable and sustainable access to water and sanitation services.

1.2 The state of local water and sanitation provision

In 2000, the Tanzanian government and the majority of the country's foreign aid donors began coordinating their efforts around the Millennium Development Goals (MDGs), which included a target of reducing by half the proportion of people without sustainable access to safe drinking water and basic sanitation (United Nations Statistics Division, 2008). By 2004, the government of Tanzania had incorporated a number of MDG targets into its national poverty reduction strategy, and initiated a doubling of its budgetary resource allocation to the water sector (van den Berg et al., 2009: p. 5). This increase was largely sustained over the next decade with the launch of the Water Sector Development Programme (WSDP) in 2006. At the same time, however, access to clean water has stagnated at just over 50%, as shown in Figure 1.1.

Figure 1.1 Tanzania: Spending on Water vs. Access (Rural and Urban)



Note: Expenditure data for 1999-2007 from van den Berg et al. (2009), Annex Table 1; expenditure data for 2008- 2011 calculated by combining data from Quinn and Tilley (2013), Table 3 with GDP figures from the National Accounts of Tanzania Mainland 2011. Expenditure figures are adjusted for inflation and converted into per-capita amounts using population data and the Consumer Price Index (2010 = 100) for Tanzania from the World Bank World Development Indicators. Figures on access to clean water are from World Health Organization and UNICEF.

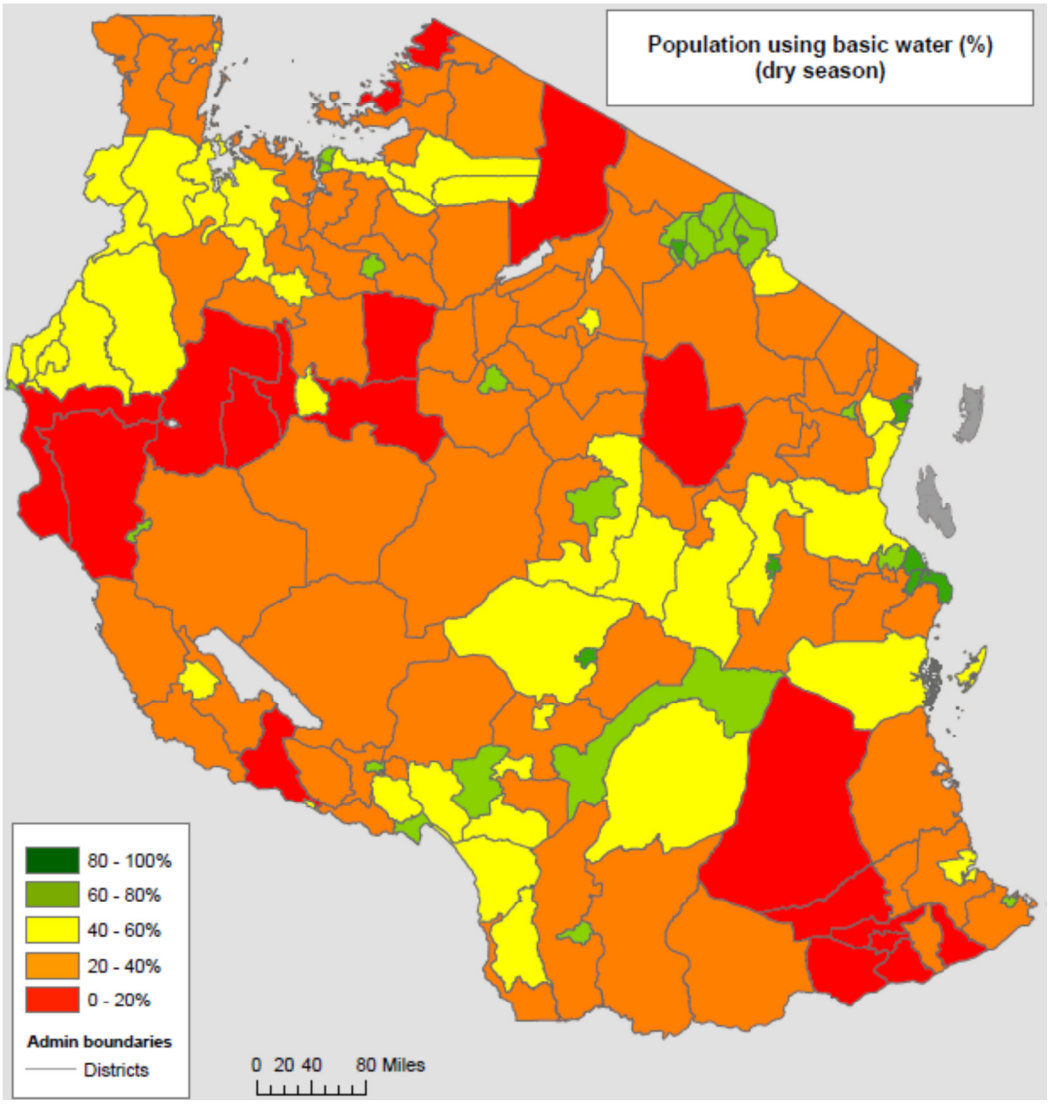
One main reason for the disconnect between increased finance and improved access is the fact that funding has been skewed toward the construction of new rural water points, many of which have quickly fallen into disrepair, whereas much less attention has been paid to the operation and maintenance aspects of rural water services.[1] It is estimated that 25 percent of all water points

[1] About 68 percent of Tanzanians live in rural areas. Point sources account for the overwhelming majority of water supply infrastructure in rural Tanzania as only 5.6 percent of Tanzanians living in rural areas have piped

break down within two years of construction, and recent estimates indicate that 40 percent of all water points serving Tanzanians in rural areas are non-functional. As a result, access to clean water among rural residents has stagnated at just 45 percent, in spite of substantial funding increases to the sector over the past decade. This problem disproportionately affects the bottom 40 percent of the income distribution (B40), as approximately 90 percent of poor people in Tanzania reside in rural areas.

It is also worth noting that access varies considerably in different parts of the country, as shown in Figure 1.2.

Figure 1.2 Access to Improved Water within 30 Minutes, by District



Source: WSP Survey, 2014

In urban areas, 77% of the population access water from improved sources, though less than one-third of all urbanites (28%) have water piped into their homes. Furthermore, the piped water figure

water in their homes. All access figures in this section from WHO/UNICEF Joint Monitoring Programme: https://www.wssinfo.org/data-estimates/tables/

may be an overstatement. For example, many households connected to the piped water network in Dar es Salaam (Tanzania's biggest city and *de facto* capital) do not receive water all day or even every day (Smiley, 2013).

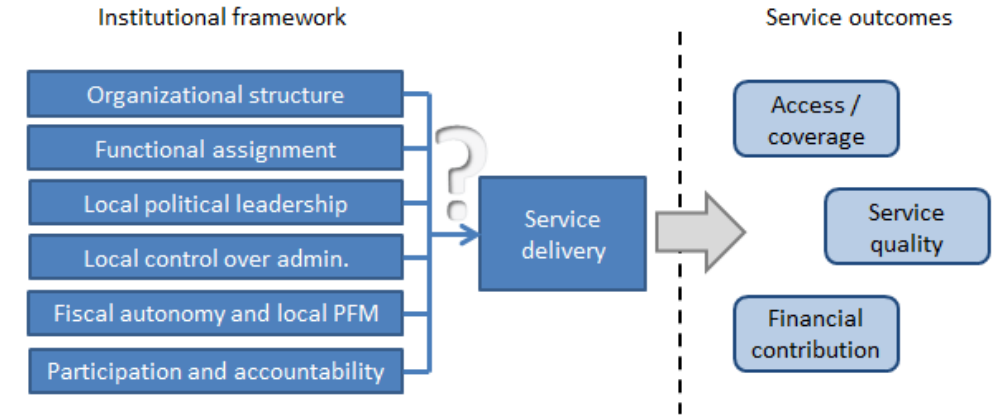
Access to improved sanitation is an even greater challenge in Tanzania. Nationwide, just 15.6% of all Tanzanians have access to improved sanitation facilities, and 12% of the population practices open defecation. Again, these figures are driven in particular by rural residents – just 8% of whom have access to improved sanitation facilities, and 17% of whom practice open defecation. In urban areas, about one-third of the population uses improved sanitation facilities, while 2% of urbanites practice open defecation. Disparities also exist across regions, between urban and rural areas, and between people of different socio-economic levels.

Similarly there are substantial intra-rural disparities in access, with more remote communities lacking access to water and sanitation. Although data is limited, it has been found that in some parts of the country, sanitation coverage among rural populations without road access is less than half that of rural areas with road access (URT 2006, p. 19).

1.3 Overview of the methodology and case study

The assessment of decentralized delivery of water and sanitation services in Tanzania is based on the premise that the nature and quality of decentralized institutional arrangements has an important impact of the service delivery performance (Figure 1.3). As suggested by the figure, public service provision in the context of a multi-level public sector is a complex and non-linear process. Creating an enabling environment for effective, equitable and sustainable public service delivery is highly country- and context- specific, and there may be more than one path to achieving improved public service delivery performance.

Figure 1.3 What are the institutional arrangements necessary for the effective decentralization of W&S services?



Source: Prepared by authors.

The World Bank increasingly recognizes that importing or transposing "best practices" from one place to another seldom succeeds. Instead, public sector system strengthening is more readily achieved by understanding the development context well; by identifying binding constraints to the development objective (in this case: improving water and sanitation outcomes); and by working to remove or work around these constraints. The World Bank's Approach to Public Sector Management 2011-2020: "Better Results from Public Sector Institutions" (World Bank, 2012) recognizes that in contrast to a "best practice" approach, a "diagnostic" approach focuses on finding out what the

particular binding constraints are that drive the failure to achieve certain outcomes, and identifying feasible strategies for easing the binding constraints.

In this spirit, this country case study aims to identify the functional problems associated with the lack of improved water and sanitation services in Tanzania, rather than present the service delivery challenge as resulting from the lack of a particular institutional form. This case study takes advantage of local knowledge and "insider" information to identify functional problems, likely binding constraints, and potential mitigators. It also uses political economy analysis to identify the winners and losers from the current policy arrangements, and examines the incentives they face when it comes to instigating policy change.

This case study draws on a framework developed to inform the research and writing of a comparable set of case studies to be implemented in 6 different countries.[2] The case study is based on a review of relevant policy documents, academic, and gray literature. It also draws on one of the author's doctoral dissertation fieldwork in Tanzania, conducted between July and January 2013 (Carlitz, 2016).

This case study proceeds as follows. **Section 2** examines the vertical (subnational) structure of the public sector in Tanzania. Subsequent sections then examine six dimensions of the institutional environment of decentralized water and sanitation provision: **Section 3** considers the organizational structure of water and sanitation services; **Section 4** discusses the functional assignment of responsibilities; **Section 5** highlights the role of effective and responsive local political leadership; **Section 6** focuses on local control over administration and service delivery; **Section 7** emphasizes local fiscal autonomy and local financial management; and **Section 8** relates to issues of local participation and accountability. Finally, **Section 9** provides information on the vertical composition of water and sanitation expenditures, while concluding remarks are presented in **Section 10**.

[2] These include Kerala (India), Indonesia, Kenya, Peru, South Africa, and Tanzania. The framework was developed by Jamie Boex (Senior Fellow, DCID, Duke University), Gustavo Satiel (Lead W&S Specialist, LAC), and Rama Krishnan Venkateswaran (Lead FM Specialist, MNA).

2. The vertical (subnational) structure of the public sector

2.1 Basic country information

Tanzania is a low-income country characterized by robust economic growth and political stability. The East African nation has an estimated population of 50 million as of 2016. Political stability has helped the country to maintain strong economic performance. Over the past decade, Tanzania has experienced relatively stable and high growth (6.5% per annum). The poverty rate declined to around 28% in 2012, from 34% in 2007. However, approximately 12 million Tanzanians still live below the national poverty line, a figure that is almost unchanged from 2007 due to high population growth. However, poverty varies considerably across and within rural communities, where 68 percent of the country's population resides (World Development Indicators, 2015).

Although the United Republic of Tanzania is formed by the federation of Mainland Tanzania and Zanzibar, Tanzania Mainland (formerly Tanganyika) — which represents close to 98 percent of the country's population and land area — is governed as a unitary state based on multiparty parliamentary democracy. The Government of the United Republic of Tanzania has authority over all "Union matters" in the United Republic and over all other matters concerning Mainland Tanzania, while the Revolutionary Government of Zanzibar has authority in Tanzania Zanzibar over all matters, which are not Union matters (UN-DESA, 2004). [3]

This report focuses on mainland Tanzania. As noted in Section 1, Tanzania (Mainland) began implementing decentralization reforms in the late 1990s, with implications for a variety of public service sectors. In the wake of these reforms, Tanzania's 175 local government authorities (LGAs) are responsible for over 25 percent of public spending.

2.2 Vertical (subnational) structure of the public sector[4]

Tanzania's public sector is organized in a hierarchical manner, which combines elements of deconcentration and devolution. Table 2.1 depicts the basic vertical structure, described in further detail below.

Table 2.1 Vertical structure of the public sector of Tanzania Mainland: main levels / tiers / types

	Name of subnational level / tier / type	Number of jurisdictions[5]	Average population[6]
	Central (national) government	1	53.47 million
1.	Regional Administration	26	1.7 million
2.	Local Government (District and Urban) Authorities	175	305,545

At the regional level, Tanzania Mainland is divided into 26 deconcentrated administrative regions.

[3] "Union matters" include a wide range of areas, which cover a significant part of the sovereignty of the Zanzibar state. The original Article of the Union consisted of 11 union matters, which have increased over the years to 22. These include: foreign affairs, defense and security, police, emergency powers, citizenship, external borrowing and trade, mineral oil resources, higher education, court of appeal and registration of political parties (Killian, 2008).

[4] This section draws heavily from the Commonwealth Local Government Forum (CLGF) Country Profile for Tanzania and Boex and Simatupang (2015).

[5] The number of regions and LGAs has been increasing steadily in recent years. The figures cited here are for 2015, which includes 6 new districts (Tanganyika, Ubungo, Kigamboni, Songwe, Kibiti, and Malinyi). One additional new region (Songwe) was also established in 2015.

[6] Average population figures based on dividing 2015 population figure from World Bank by number of subnational units.

Each region is headed by a Regional Administrative Secretary.

The main level of the local government system in Tanzania is formed by elected Local Government Authorities (LGAs), comprising 135 District Authorities and 40 Urban Authorities. Although urban and rural LGAs are governed by two separate pieces of legislation, for all intents and purposes, these two types of local governments are organized and function in the same manner (with minor discrepancies in terms of how they are structured at the grassroots level).

Urban authorities include Town Councils, Municipal Councils and City Councils.[7] For administrative purposes, Urban Authorities are further be sub-divided into *mitaa* (neighborhoods or streets), whereas rural district councils are further subdivided into villages and vitongoji (hamlets). (CLGF Country Profile, n.d.).

In order to enhance community participation, Village Councils and *Mtaa* Committees are elected below the district level in rural and urban LGAs, respectively. Whereas Village Councils (12,163) are considered a distinct level of local government, *mitaa* comprise part of their respective urban authority structures. Villages and *mitaa* do not have their own specific service delivery functions or formal local government budgets, although villages perform an important role in ensuring community engagement, exercise certain functions with regard to land management, and may act as an implementation level for sectoral projects.[8]

Each district or Local Government Authority (LGA) is governed by council consisting of councilors elected from each of the district's 20 to 40 wards. The LGA is administratively led by a district executive director (DED) who is centrally appointed by the President's Office-Regional Administration and Local Government (PO-RALG), but reports to the local council.[9]

LGAs are responsible for the day-to-day delivery of a number of basic public services, including education, health, water, roads, and agriculture. As described in further detail below, these services are funded primarily through formula-based block grants allocated by the central government.

In addition to the elected local governance structure, there is a parallel system of politically appointed Regional Commissioners and District Commissioners. Although these commissioners do not have any service delivery responsibilities, they play an important role in coordinating and monitoring local activities as well as ensuring political stability and law and order.

2.3 Organizational / governance structure

As noted above, Tanzania embarked on a series of decentralization reforms beginning in the late 1990s. The reforms promoted "decentralization-by-devolution" in a number of public service sectors (Gould and Ojanen, 2003; Green, 2003). As the name of the reform program suggests, decentralization in Tanzania is primarily characterized by *devolution*, although it also contains elements of *deconcentration* – particularly when we compare *de jure* and *de facto* functions.

[7] An anomaly in the local government structure is Dar es Salaam City Council, which functions like a metropolitan council covering the same area as the five municipalities that make up Dar es Salaam region (Kinondoni Municipal Council, Kigamboni Municipal Council, Ilala Municipal Council, Temeke Municipal Council, and Ubungo Municipal Council).

[8] As Villages and Mitaa are not part of the formal public sector's service delivery apparatus, they will be excluded from the discussion going forward.

[9] In addition, in parallel to the elected local government structure, each region and district also has a Regional / District Commissioner appointed by the President, who plays an advisory, monitoring and coordination role.

In keeping with the principles of devolution, local government authorities (LGAs) are corporate bodies with their own political leadership (the district council). Local councils prepare, adopt and implement their own budgets, which generally include all expenditures required for locally provided services. Likewise, local-level infrastructure projects—including local administrative offices, local roads, agricultural schemes, or the construction of local health clinics or school buildings—are generally procured or constructed by the Local Government Authority itself.

However, LGA autonomy is constrained by a number of factors. First, while the district council approves the local government budget, the Ministry of Finance subsequently scrutinizes (and sometimes amends) local budgets as part of the national budget formulation process. To the extent that local sectoral infrastructure is supported by national sector programs (such as the Rural Water Supply Programme), there is typically extensive guidance from the relevant sector ministry that guides local infrastructure spending decisions.

Furthermore, although LGAs are the statutory employer for local government staff, the management of local government staff, including local administrative staff, as well as teachers, local health workers, and other local government staff is highly centralized. Although some HR tasks are performed at the local level, essentially all HR decisions are made by the President's Office-Public Service Management (PO-PSM). As a result, the local budget formulation process focuses almost exclusively on non-wage expenditures: while LGAs may submit a request to the central government to create additional staff positions during the budget formulation cycle, the creation of any local staff positions is made centrally by PO-PSM after the local budget formulation process has concluded. When a local staff position is approved by PO-PSM and the position is filled, an earmarked grant for the salary of each individual local staff member is provided on a monthly basis.

The central government's influence also results from the local governments' heavy reliance on the central government for resources. Most rural LGAs rely on intergovernmental transfers for over 90 percent of their operations, and are subject to further directives regarding how they may spend their own-source revenue (OSR).

Table 2.2. Organizational / governance structure of the public sector

Subnational Level / Tier / Type	1.Regions	2. LGAs
Main features of subnational / local entities		
1. Are local entities corporate bodies?	No	Yes
2. If (1) is no, are local entities budgetary sub-units of the higher-level?	Yes	--
3. If (2) is yes, horizontal deconcentration or vertical deconcentration?	Horizontal	--
4. Do local entities have their own political leadership?	No	Yes
5. Do local entities prepare/adopt/manage their own budgets?	No	Yes*
Governance of subnational / local entities		
6. If (4) is yes, is the local political leadership (at least in part) locally elected?	--	Yes
7. If (6) is yes, have elections been held in the past seven years?	--	Yes
8. Does the local political leadership include elected local councils?	--	Yes
9. If (8) is no, is there a local advisory / supervisory council?	No	
10. Is the local executive directly elected?	--	No

2.4 Basic assignment of functions and responsibilities

The *de jure* functional responsibility of local government in Tanzania is outlined in the following principal legislation:

- The Local Government (District Authorities) Act, 1982;
- The Local Government (Urban Authorities) Act, 1982;
- The Local Government Finances Act, 1982;
- The Local Government Negotiating Machinery Act, 1982;
- The Urban Authorities (rating) Act, 1983; and
- The Local Authorities Elections Act, 1979.

In addition, the functions and responsibilities of the regional administrations, with respect to oversight and interlinking central government and local governments, are spelled out in the Regional Administration Act, 1997 (Tidemand et al., 2010).

The Local Government Acts assign LGAs the responsibility for the delivery of numerous public services, including in their areas of primary and secondary education, local health services, construction and maintenance of local roads, drinking water, etc.). This is not only a matter of legal or *de jure* assignment: LGAs also play an important service delivery role in practice (Table 2.3). As noted above, the LGA is the statutory employer of local staff—including front-line service delivery staff—and pays their salaries (albeit as a "post-office" for PO-PSM). In addition, the LGA provides for operation and maintenance expenditures (known as Other Charges or "OC", in Tanzanian budget parlance) to ensure local services are delivered and LGAs are generally responsible for putting in place the infrastructure needed to deliver the assigned services. In turn, the Local Government Finances Act sets up a system of formula-based recurrent block grants for each sector that purposely routes grant funding directly from the Ministry of Finance to LGAs, rather than allowing this money to flow through sectoral ministries (where it would be prone to ministerial capture).

The main areas where the various central line ministries play a role is in the procurement and provision of sectoral supplies (such as textbooks, medicines and fertilizers). In addition, sectoral line ministries often service as the main counterpart for sectoral development projects, although to the extent that sectoral functions are assigned to LGAs, many sectoral development projects will pass responsibilities and resources on to the local government level.

Table 2.3. Assignment of functions and expenditure responsibilities: Selected local functions

	Pers.	O&M	Supplies	Capital
Primary Education (70912)	LGA	LGA	C	LGA
Public health and outpatient services (7072,7074)	LGA	LGA	C	LGA
Agricultural extension services (70421)	LGA	LGA	C	LGA
Solid waste management (70510)	LGA	LGA	-	LGA
Construction and maintenance of local public works (70451)	LGA	LGA	-	LGA

As already noted, the ability of LGAs to perform their statutory functions is constrained in two very important ways. First, with regard to personnel, de facto, the central government—through the PO-PSM—controls most aspects of local government human resource management, including the approval of staff establishments, setting of salary scales and standards, and so. The salaries and wages (personal emoluments, or "PE") of all local government staff (including sectoral staff) are funded from earmarked sectoral wage grants. In addition, the District Executive Director as well as other department heads are often appointed and rotated by the central government. As such, even though they are technically autonomous local governments, LGAs function more like deconcentrated entities than devolved local authorities in this regard.

Secondly, LGAs been constrained by availability of—and limited control over—finances. LGA revenue autonomy is quite limited, and as such, they are highly grant dependent. While LGAs employ about 50% of all public sector staff (including teachers, health workers, agriculture extension workers, local

administrators, and so on—local governments only receive about 10% of the non-wage recurrent (OC) resources in the budget. This means that LGAs typically lack adequate recurrent resources to effective provide front-line services. Some sector ministries have tried to exploit this OC funding gap in order to justify a greater role for themselves in supporting local sector services.

Although a performance-based, formula-driven Local Government Development Grant (LGDG) system was introduced in 2004, which allowed LGAs a meaningful degree of budgetary discretion on the development side of their budgets, this system no longer functions effectively. LGDG grants are no longer consistently and predictably funded, and there is no longer a participatory process to identify local infrastructure priorities. Most (local) development spending comes through aid-funded sectoral projects.

3. Organizational structure of water and sanitation services

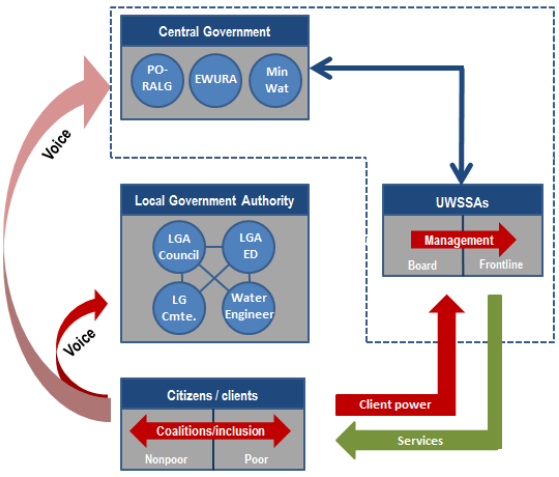
3.1 Overview of the organizational structure of local water and sanitation services

The Local Government Acts assign the functional responsibility for water and sanitation to local governments. However, the water sector—through its sectoral policies and strategies—has introduced additional water service delivery organizations that are supposed to provide water and sanitation services at the grassroots level in coordination with local governments. As a result, local water and sanitation services are organized in somewhat different ways in rural and urban areas of Tanzania (Figure 3.1).

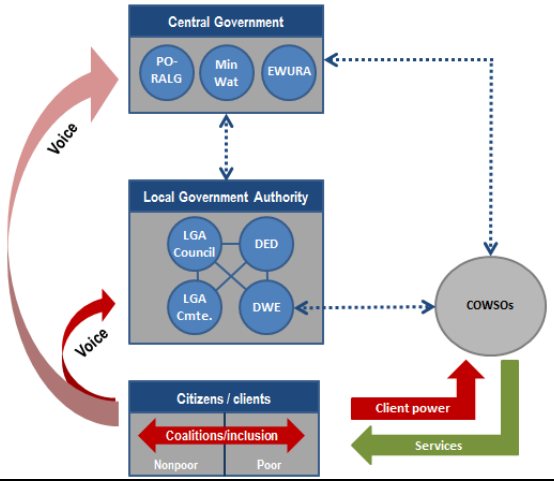
As further discussed below, in urban areas, the Energy and Water Utilities Regulatory Act (2001) established local Water Supply and Sanitation Authorities (WSSAs), which are corporate bodies established by, and reporting to the Minister responsible for Water. In rural, areas, the National Water Sector Development Strategy (2006) established Community Owned Water Supply Organizations (COWSOs) as bodies legally constituted by a community to own, manage, operate and maintain the water supply systems on behalf of the community.

Figure 3.1. Key relationships of power in the decentralized delivery of water and sanitation services

Panel A: Urban WSS provision (UWSSAs)



Panel B: Rural WSS provision (COWSOs)



This section describes these and other key stakeholders involved in providing water and sanitation services in Tanzania, beginning with the relevant central government ministries:

Ministry of Water and Irrigation. In light of the decentralized nature of water and sanitation service provision (through delegation in urban areas, and devolution in rural areas), the Ministry of Water and Irrigation (MOWI) is not responsible for direct implementation of service delivery. Rather, MOWI seeks to play a "hands off, eyes on" role focused on policy formulation, coordination, monitoring and regulation. Specific responsibilities (outlined in the Water and Sanitation Act) include providing regulations, guidelines and approving tariffs chargeable for the provision of water supply services. In addition, however, the Ministry plays an important indirect role in the development of local water and sanitation infrastructure by coordinating and providing technical and financial support for construction of water supply and sanitation schemes, and expansion or rehabilitation of existing schemes of national importance; and securing capital finance for schemes of national importance.

The National Environmental Standards Committee. The National Environmental Standards Committee, which is part of the Tanzania Bureau of Standards, is responsible for prescribing classifications, criteria and procedures for measuring standards for water quality, as well as for establishing minimum quality standards for different uses of water. All of these standards are subject to approval by the Ministry of Water.

President's Office – Regional Administration and Local Government (PO-RALG). As the Ministry responsible for the oversight and coordination of local government, PO-RALG plays an important role with respect to decentralized water and sanitation services. According to the Water and Sanitation Act, PO-RALG is responsible for coordinating planning and resource mobilization for water supply and sanitation authorities and community owned water supply organizations through local government budgets, external support agencies, NGOs and the public. Like the Ministry of Finance, PO-RALG also has the power to alter the budgets prepared by LGAs (Venugopal & Yilmaz, 2010). PO-RALG is also supposed to lead implementation of school sanitation and hygiene activities, though the Ministry of Education, Science and Technology (MoEST) is responsible for coordinating and funding these activities, with contributions from the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC), MoWI, and PO-RALG (Ekane et al., 2016).

Local government authorities (LGAs). LGAs have the overall responsibility of governing the delivery of WSS in their area of jurisdiction. In rural LGAs, District Water Engineers (DWE) are responsible for the delivery of water services.[10] In order to fulfill this mandate, DWEs are supposed to work with District Water and Sanitation Teams (DWST), comprised of the DWE as well as the District Executive Director (DED), District Health Officer, and District Education officer. DWSTs are supposed to support overall input in planning, preparation of designs, studies, tender document preparation, supervision and advice to communities on matters pertaining to water supply, sanitation and hygiene services (Mmuya & Lemoyan, 2010).

When it comes to sanitation, each LGA is responsible for sanitation services in consultation with the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC).

In urban LGAs, the role of the LGA tends to be limited to water and sanitation provision in the areas of the local authority that are not served by piped water and sewered sanitation through the Water and Sanitation Authority (discussed below). These are typically the peri-urban areas of the local government as well as the informally settled slum areas.

Urban Water Supply and Sanitation Authorities (UWSSAs). In urban areas, water and sanitation service provision is carried out by Water Supply and Sanitation Authorities (UWSSAs). In line with the Waterworks Act No. 8 of 1997, UWSSAs are corporate bodies established by the Minister responsible for Water, in consultation with the Minister responsible for local government. As per the 2001 *Energy and Water Utilities Regulatory Authority Act,* WSSAs are subject to regulation by the Energy and Water Utilities Regulatory Authority (EWURA). Since UWSSAs are effectively owned and controlled by the Ministry of Water and Irrigation—rather than to the LGA—the accountability mechanism for ensuring their performance flows through the central government via the "long route of accountability", rather than through LGAs, where residents would potentially have greater voice in case of weak service delivery performance (Figure 3.1, Panel A).

Community-Owned Water Supply Organizations (COWSO)s. In rural areas, water service provision is characterized by devolved provision through community-owned water supply organizations

[10] The exact staffing structure of the local water departments is unclear. It is said to be roughly one district water engineer, with 2-10 subordinate officers of varying specialties and ranks per district (DIME, 2016).

(COWSOs). Since 2006, COWSOs are supposed to be established for every rural water scheme in Tanzania. As explained in Tanzania's *National Water Sector Development Strategy:*

> Community Owned Water Supply Organizations (COWSOs) will be bodies legally constituted by a community to own, manage, operate and maintain the water supply systems on behalf of the community. These bodies may take various legal forms, such as Water Consumer Associations or Water Consumer Trusts, and establishment of the COWSOs will be promoted through the local government framework of district and village councils. The COWSOs will be expected to meet all the costs of operating and maintaining their water supply systems through charges levied on water consumers, and to contribute to the capital cost of their systems. The main source of capital investment will be through the system of block grants to district councils (United Republic of Tanzania, 2006: p. 43).

As noted above, COWSOs are corporate bodies, which are technically independent from local government authorities. The Ministry of Water and Irrigation holds the responsibility for regulation of COWSOs, but this is delegated to LGAs (United Republic of Tanzania, 2006). LGAs are also supposed to play a supervisory and backstopping role to strengthen and legitimize COWSOs. Finally, LGAs are supposed to provide technical support to COWSOs, and fund major repairs and rehabilitation when community-generated COWSO funds are insufficient. As such, the organizational framework for the delivery of rural water services most closely resembles Panel B) of Figure 3.1.

Box 3.1: The Water Sector Development Program (WSDP)

The Water Sector Development Program (WSDP), launched in 2006, has affected the organization and operation of various implementing agencies. The Water Sector Development Programme (WSDP), launched in 2006, was estimated to be the largest national water program operating in Africa with confirmed funding on the order of 1.3 billion USD for its first phase. The program established a twenty-year vision and encompasses not only rural and urban water supply and sanitation but also water resources management and measures to develop sector capacity. The WSDP aims to enhance coordination among donors while also promoting decentralization and greater public participation. The program is founded on a sector-wide approach (SWAp) and incorporates structures for joint government-development partner dialogue. Financing mechanisms include budget support administered via a basket fund, as well as additional 'earmarked' funding allocated by a number of development partners (DPs) outside of the basket to support special projects in selected locations (OPM, 2013).

Table 3.1 provides a more detailed organizational overview of the key actors and stakeholders within Tanzania's water and sanitation sector.

Table 3.1 Key stakeholders in the water and sanitation sector at each level

Stakeholder	Level / Type	Number of entities	Main responsibilities
Ministry of Water and Irrigation	Central; Ministry	1	Determine legislative, policy and strategy aspects of the provision of water supply and sanitation services; provide guidelines and approves tariffs chargeable for the provisions of water supply services; establish urban WSSAs and cluster WSSAs in order to achieve commercial viability; appoint chairman and members of the Board of urban WSSAs
President's Office – Regional Administration and Local Government (PO-RALG)	Central; Ministry	1	Coordinate planning and resource mobilization for water supply and sanitation authorities and community owned water supply organizations.
National Environmental Standards Committee	Central; part of Tanzania Bureau of Standards	1	Prescribe classifications, criteria and procedures for measuring standards for water quality; establishes minimum quality standards for different uses of water. (All subject to approval of Ministry of Water.)
Energy and Water Utilities Regulatory Authority (EWURA)	Central; independent agency	1	Exercise licensing and regulatory functions in respect of water supply and sanitation services (in urban areas); establish standards relating to equipment attached to the water and sanitation system; establish guidelines on and approve tariffs chargeable for the provisions of water supply and sanitation services; monitor water quality and standards of performance for the provision of water supply and sanitation services;
Regional Secretariats	Region; Deconcentrated entities	26	Provide advice and guidance to LGAs on water supply and sanitation matters; monitor and evaluate projects of LGAs and provide technical backstops; oversee and compile LGA plans and reports and forward same to Minister of Water
Local Government Authorities (LGAs)	District; primary local government entity	169	Coordinate budgetary requirements of water authorities with local authority budgets; disburse block grants to the water authorities; coordinate physical planning with the water authorities; make by-laws in relation to water supply and sanitation. In rural areas, facilitate registration of COWSOs; mobilise communities to take over water supply schemes and provide technical and financial support; promote provision of sanitation facilities in the areas of community owned water supply schemes; and regulate performance of COWSOs
Water Supply and Sanitation Authorities	Corporate bodies; controlled by Ministry	124	Secure the continued supply of water; develop and maintain waterworks and sanitation works; protect and maintain water

(WSSAs)			sources; advise the Government in the formulation of policies arid guidelines relating to potable water standards; plan and execute new projects; educate and provide publich health and environmental information; liaise with LGAs on matters relating to water supply and sanitation; collect fees and levies; propose water supply and sanitation tariffs
Community-Owned Water Supply Organizations (COWSOs)	Community; independent corporate bodies	1,089 (as of Sep 2016)	Manage, operate and maintain public taps and or waterworks; make rules for the use of public taps and or waterworks by consumers; charge consumers for the water supplied from public taps and or Waterworks
Village Councils	Village	12,163	Promote establishment of COWSOs; coordinate COWSO budgets with village council budgets; resolve conflicts arising within COWSOs

* According to the 2009 Water and Sanitation Act, WSSAs may include the administrative boundaries of one or more LGAs, though they are typically associated with particular municipalities.

Table 3.2 (see Annex) illustrates the nature and degree of decentralization of the organizational structure in water and sanitation in urban and rural areas. These are described in further detail in the subsequent sections.

3.2 The organizational structure of local WSS in urban areas

In Dar es Salaam (and in two peri-urban districts of the adjoining Pwani Region), the responsibility for water supply and sanitation is split between an asset holding company that is responsible for capital investments (the Dar es Salaam Water and Sewerage Authority - DAWASA) and an operating company that runs the water and sewer system on a daily basis and bills the customers (the Dar es Salaam Water and Sewerage Corporation – DAWASCO). As is the case in many other countries, Dar es Salaam is an exceptional case in terms of its water and sanitation service delivery structure.

In other cities, the operation, maintenance and development of water and sewerage infrastructure is carried out by Urban Water and Sanitation Authorities (UWSSAs). UWSSAs have been established in 23 major urban cities in accordance with the *Waterworks Act No. 8* of 1997.[11]

WSSAs are autonomous legal entities that are meant to operate on the basis of commercial principles. They are corporate bodies with the power to sue and be sued. They are accountable to and monitored by, the Ministry responsible for Water. Urban water utilities are not responsible for on-site sanitation (i.e., non-sewered sanitation), which remains in the hands of the relevant local council.

Each WSSA has a Board of Directors responsible for carrying out the functions and managing the business and affairs of the water authority.[12] The members of the Board appointed by the Minister

[11] There are also eight National Project WSSAs operating in various areas in Tanzania Mainland (EWURA, 2016a). In addition, Section 9 of the Water Supply and Sanitation Act, 2009 established District and Township Water Supply and Sanitation Authorities (DT WSSAs). There are currently 83 DT WSSAs serving a population of about three million people in their service areas. These include 69 utilities operating in district headquarters and 14 utilities in townships (EWURA 2016b).

[12] Note that 11 DT WSSAs had no Board of Directors in place as of June 2016. These include: Karatu, Bonga,

of water, in consultation with the regional administration or the relevant local government authority. Each Board has a Managing Director appointed by the Minister of Water on recommendation of the Board for a term not exceeding four years; the Board's recommendation is to be based on a competitive recruitment process. The Board is responsible for approving the WSSA's plan and budget, and may appoint staff as needed. WSSAs must operate under the authority of licenses issued by the Energy and Water Utilities Regulatory Authority (EWURA), and independent central government agency providing technical and performance supervision and enforcement.

3.3 The organizational structure of local WSS in rural areas

As per the Local Government (District Authorities) Act, local governments are responsible for local water and sanitation provision in rural areas. Funds for rural water supply are supposed to be allocated to districts according to a formula that considers the level of need (proportion of district residents unserved by an improved water source), the difficulty of water extraction (proxied by dominant extraction technology), and the quality of financial management at the district level. Districts are then supposed to allocate resources to projects for communities within their jurisdiction, based on a combination of need and demand expressed for services.

Each LGA has a District Water Engineer with limited support staff. However, the sectoral resources being provided to the LGA are insufficient for the local government to play a meaningful role in water and sanitation provision.

As of 2006, the National Water Sector Development Strategy directed the responsibilities for operations and maintenance of rural water schemes to be transferred to community-owned water supply organizations (COWSOs), which are supposed to be established for each rural water scheme. COWSOs replaced village water committees (VWCs) as the main authority responsible for the community management of water. Unlike COWSOs, VWCs were not independent from village governments and lacked clear mandates. Such a lack of independence was thought to leave VWCs open to political interference and a greater probability of corruption (Giné Garriga, 2007). Indeed, VWCs in many villages frequently have been found to misuse funds and have been disbanded in villages. Such experiences motivated the shift to independent legal entities (i.e., COWSOs) as the preferred management body (Tilley, 2013).

LGAs are supposed to provide technical support to COWSOs, and fund major repairs and rehabilitation when community-generated COWSO funds are insufficient. Specifically, the Water Supply and Sanitation Act No. 12 stipulates that local government authorities are responsible for "meeting part of the costs incurred by community owned water supply organizations in the major rehabilitation and expansions of water schemes and payment for costs of service rendered" (United Republic of Tanzania, 2009: Sec. 39,b). The Act does not, however, define "major" rehabilitation or make clear how it is distinct from minor repairs, leaving it up to districts to interpret the division of responsibilities.

It is important to note that as of September 2016, just 1,089 COWSOs had been registered.[13] Given that Tanzania had approximately 10,000 rural villages as of the 2012 Census, this accounts for about 10 percent of the rural population.[14] The situation in villages where COWSOs have yet to be registered is somewhat unclear, though anecdotal evidence suggests that they are being managed in

Didia, Iselamagazi, Jomu, (Tinde), Laela, Uyui (Isikizya), Lalago, Maganzo, Malampaka and Sangang'walugesha. In addition, the tenure of 24 DT WSSAs Boards of has expired (EWURA, 2016b).

[13] Electronic communication with Matilda Kivelege, World Bank Tanzania, May 19, 2017.

[14] While it is possible that some COWSOs may cover more than village, the majority do not.

a similar fashion by appointed Water User Committees (WUCs). Despite their unclear legal status, these WUCs appear to be independent from village government influence. However, in some cases there have been conflicts between the WUC and the village government when it comes to the collection of tariffs (with the village government wanting the power to use the funds collected).[15]

Not all water and sanitation services in rural LGAs are considered "rural" in nature. In many rural LGAs, piped water schemes and small-scale sewered sanitation projects are managed by District and Township Water Supply and Sanitation Authorities (DTWSSAs). About 100 District and Township Water Supply and Sanitation Authorities have been established in districts and small towns. Similar to UWSSAs, these DUWSSAs are legally separate entities under the control of the Ministry of Water and Irrigation, rather than under the control of the LGA in which they are located.

In 2007, MoWI initiated a process of clustering DT WSSAs with the aim of increasing the quality and efficiency of service (NWSDS, 2006). As of 2012, clustering had made little progress because it ran counter to broader decentralization reforms. Donor agencies such as GIZ thus stopped their support for clustering (TZ DPG, n.d.) That being said, the second phase of the Water Sector Development Program (WSDP II) re-affirms the commitment to clustering as a strategy for accelerating the commercial viability of utilities in districts and small towns. Clustering and twinning are highlighted as strategies for creating a larger customer base, improving revenue collection, sharing experiences in management and technical operations, and reducing operating costs. Pilot clustering has begun with the Tanga, Morogoro, Mbeya and Moshi water utilities (URT 2014a, p. 24).

It is also worth noting some instances in which LGAs are providing financial support to WSSAs. For instance, both Bunda DC and Sengerema DC have entered into Memorandums of Understanding (MoUs) with the District Urban Water Supply Authorities under Clause 23 (d) of the Water Supply and Sanitation Act 2009, which entitles WSSAs to financial support from LGAs. In case of Bunda DC, the LGA commited itself to provide funds by way of subvention to the Bunda Urban Water Supply Authority as may be found necessary for the performance of the Authority's functions. Accordingly, the DC pays off electricity bills of the Authority on an annual basis and has also provided a one-time grant in the past of TZS 25 million for establishment of water systems in the hospitals. Sengerema DC, similarly, paid the electricity expenses of the Sengerema Urban Water Supply Authority in 2013-14 amounting TZS 114.1 million. In addition, the DC is also responsible for funding salaries of the professional staff of the Authority (PwC, 2016).

Rural sanitation services are fairly limited. LGAs are responsible for the promotion, planning, and skills development for sanitation and hygiene within their jurisdictions. However, the initiative for on-site sanitation as well as the funding for the on-site infrastructure has to be provided by the households themselves (NRWSS, 2015).

3.4 Assessing the organizational structure of water and sanitation services

The organizational structure of water and sanitation services is characterized by a number of competing and overlapping organizational structures. The local governance system and the sectoral water and sanitation organizational structures are poorly attuned to each other. The primary source of this lack of clarity and consistency is the tension between sector legislation and broader local government (decentralization) legislation. Whereas by the local government acts the LGA is responsible for water services, by sectoral policy and legislation, sectoral water bodies (WSSAs and COWSOs) are established to provide local water and sanitation services.

[15] Electronic communication with Matilda Kivelege, World Bank Tanzania, May 19, 2017.

In urban LGAs, WSSAs under MOWI tend to focus on providing water and sanitation services in the urban core. At the same time, the LGA has the legal responsibility to provide water and sanitation services, and thus has the *de jure* and *de facto* responsibility for providing non-networked services in the LGA's unserved peri-urban areas. All urban LGAs employ urban water engineers in order to perform this function. To the extent that there is only a weak link between the LGA and the WSSA, it is unlikely that this arrangement results in economies of scale being exploited.

Likewise, the numerous parallel mechanisms in rural LGAs—with some areas served by COWSOs or by (outdated) VWCs, other areas serviced by DUWSSAs or TUWSSAs, while yet other areas are the direct responsibility of the LGA (if served at all)—make it highly unlikely that water and sanitation are provided effectively or that possible scale economies in the provision and management of rural water services are captured.

Furthermore, from the perspective of the water user, it can be difficult to determine who bears responsibility for ensuring water and sanitation provision. This is particularly the case in rural areas where water users bear the primary responsibility for operations and maintenance (O&M) through COWSOs. The duplicative assignment of functional responsibilities allows each level—the Ministry, LGAs, WSSAs and COWSOs—to claim that their failure to perform is based on inadequate funding and pass the blame to one or both of the other government levels or entities involved.

Overall, local government authorities are severely constrained when it comes to making substantive policy decisions or playing an effective backstopping role. The reasons for such constraints, and their implications for responsive and sustainable service provision, are discussed in further detail in subsequent sections.

4. Assignment of functions and responsibilities

4.1 Overview of the assignment of functions and responsibilities for local water and sanitation services

Prior to discussing the *de jure* and *de facto* assignment of functions and responsibilities for local water and sanitation services, it is useful to define and articulate what is considered to be "the public service" (or more properly: what are the public services) provided by Tanzania's public sector with respect to water and sanitation. Tanzania's National Water Policy reflects a dual understanding of water as a human right and water as an economic good. Box 4.1 lays out the specific policy objectives for rural and urban water and sanitation services.

Box 4.1: Policy Objectives for Rural and Urban Water and Sanitation Services

Tanzania's 2002 National Water Policy lays out the following policy objectives for **rural water provision**:

- to provide adequate, affordable and sustainable water supply services to the rural population
- to define roles and responsibilities of various stakeholders,
- to emphasize on communities paying for part of the capital costs, and full cost recovery for operation and maintenance of services as opposed to the previous concept of cost sharing,
- to depart from the traditional supply-driven to demand-responsive approach in service provision,
- to manage water supplies at the lowest appropriate level as opposed to the centralized command control approach,
- to promote participation of the private sector in the delivery of goods and services,
- to improve health through integration of water supply, sanitation and hygiene education (United Republic of Tanzania, 2002: 30).

The National Water Policy then outlines the following specific objectives in the context of developing and managing **urban water supply and sewerage services**:

- to guide the development and management of efficient, effective and sustainable water supply and waste water disposal systems in urban centres.
- to create an enabling environment and appropriate incentives for the delivery of reliable, sustainable and affordable urban water supply and sewerage services.
- to develop an effective institutional framework and ensuring that the water supply and sewerage entities are financially autonomous.
- to enhance an efficient and effective system of income generation from sale of water and wastewater removal.
- to enhance water demand management and waste water disposal

Table 4.1 (see Annex) illustrates the nature and degree of decentralized functional assignments in water and sanitation service delivery. These are described in further detail in the subsequent sections.

4.2 The assignment of functions and responsibilities for local WSS in urban areas

Corresponding to the duplicative organizational structure related to local water and sanitation provision, the assignment of functions and responsibilities for local WSS in urban areas is characterized by overlapping responsibilities between water supply and sanitation authorities

(WSSAs) and local government authorities (LGAs).

The 2009 Water and Sanitation Act outlines the following powers and duties of urban and district water supply and sanitation authorities (WSSAs):

- (a) keep custody, acquire, including through compulsory purchase, construct and operate waterworks and sanitation works;
- (b) have way leave to enter any land for the purpose of laying water mains or sewers, or erecting a public tap;
- (c) install water meters for the purpose of measuring the amount of water supplied to a consumer;
- (d) charge fees for services rendered;
- (e) enter into an agreement with the owner or occupier of land for more effectively collecting, conveying or preserving the purity of water which the water authority is authorized to take;
- (f) restrict, diminish, withhold or suspend the supply of water;
- (g) supply water fittings to any person to whom a water authority supplies water;
- (h) enter into a trade waste agreement for the discharge of waste into a sewerage system;
- (i) prohibit the discharge of certain wastes into a sewerage system;
- (g) enter premises for any purpose related to the provision of water supply and sanitation services to consumers; and
- (k) promulgate by-laws for the better performance of functions stipulated under this Act.

At the same time, the Local Government (Urban Authorities) Act (1982) includes the following among the functions to be performed by Urban Authorities:

- (46) establish, install, build, maintain and control drains, latrines, public lavatories, baths and wash places;
- (47) establish, maintain, operate and control drainage and sewerage works;
- (48) regulate the washing of clothes in public places within the area;
- (49) establish, maintain and carry out service for the removal and destruction of and otherwise dealing with night soil and all kinds of refuse;
- (90) establish, Provide, maintain and control public water supplies and impose water rates;
- (91) prevent the Pollution of water in any river, stream, water course, well or other water supply in the area, and for this Purpose prohibit, regulate or control the use of such water supply;
- (92) regulate or prohibit the sinking of wells and provide for the closing of wells; and
- (98) regulate the use and prevent the misuse or waste of or any interference with water, gas, oil or electric power;

In addition, the Local Government (District Authorities) Act (1982) includes the following among the functions to be performed by Township Authorities:

- (42) provide and maintain supplies of water and, for that purpose, to establish and maintain water works and water mains; and
- (43) take and require the taking of measures for the conservation and the prevention of the pollution of supplies of water.

We can see that there is a clear overlap of *de jure* functions and responsibilities between urban LGAs and WSSAs, making the role of the elected local government leadership unclear when it comes to providing water and sanitation services in urban areas.

***De facto* Urban Water Services.** In urban areas (cities, townships, and district headquarters), WSSAs are responsible (by law and in practice) for providing clean and safe water to residents within their

service areas. Within their service areas, WSSAs (with support from MOWI) take care of all aspects of water provision, including extraction; construction of the piped water distribution network; establishment of new user connections; operation and maintenance of the existing network; billing and collection of water tariffs; customer relations; and so on.

In practice, however, the service area of the WSSA often does not include the entire urban local government jurisdiction. Peri-urban areas and informally settled areas, for instance, are often not served by the WSSA.

A study conducted by GIZ in 2012 suggests that less than half (47%) of Tanzania's urban population receives drinking water from licensed providers.[16] Moreover, just 27% of households in "low-income areas" (LIAs) were shown to have domestic water connections served by a licensed public utility, though 29% of those connections were not providing water at the time of the survey. As a result, the majority of the urban poor rely on informal service providers (ISPs). The term ISP refers to all providers that supply water but have not been licensed by EWURA. As such, they do not provide services within the existing regulatory framework and are technically illegal providers. In addition, the quality of water provided by ISPs is usually unknown and untested (Pauschert et al., 2012).

Focus group discussions conducted in early 2016 confirm that there is a vibrant informal water market in Dar es Salaam, suggesting that the WSSAs under MOWI fall short of their functional mandate.[17] People who do not have water piped into their homes buy water from those with piped water. Others buy water from people who have dug wells on their property (without any clear authorization to do so) or from intermediaries who buy water from those who own pipes or wells and distribute it with *mikokoteni* (carts) to supply water.

Table 4.1 depicts variation in the extent to which poor urban residents rely on WSSAs versus ISPs. The table also shows the extent to which poor urban residents rely on neighborhood re-sellers – the predominant type of ISPs in Tanzania. Pauschert et al. (2012) note that public water utilities in the urban centers of Mwanza, Morogoro and Mbeya even promote neighborhood re-sellers as a means of increasing their service coverage, despite the fact that this form of water supply is prohibited by EWURA.

[16] The study examined the country's 20 largest urban centers.

[17] These focus group discussions were conducted on behalf of the Program on Governance and Local Development (GLD) at the University of Gothenburg, to inform the implementation of a survey to be conducted in Tanzania in 2018.

Table 4.1: Water Service Provision in Low-Income Areas by Urban Centers			
Survey area	% of LIA pop. w/ domestic WSSA connection	% of LIA pop. receiving water from ISP	% of LIA pop. receiving water from neighborhood re-sellers
Arusha	35%	56%	53%
Babati	16%	41%	30%
Bukoba	38%	16%	16%
Dar es Salaam	17%	88%	23%
Dodoma	32%	55%	48%
Irigna	50%	42%	41%
Kigoma	46%	61%	8%
Lindi	24%	45%	29%
Mbeya	49%	43%	42%
Morogoro	54%	41%	36%
Moshi	45%	38%	37%
Mtwara	35%	56%	50%
Musoma	33%	57%	56%
Mwanza	36%	50%	49%
Shinyanga	34%	44%	38%
Singida	20%	24%	8%
Songea	38%	33%	18%
Sumbawanga	14%	36%	28%
Tabora	41%	27%	20%
Tanga	47%	42%	42%
TOTAL	**27%**	**68%**	**32%**
Partial reproduction of Table 1 in Pauschert et al., 2012: p. 16			

It is not entirely clear who is responsible for effectively regulating and inspecting private wells and boreholes (and other private water providers). According to the 2009 Water and Sanitation Act, the Minister of Water is responsible for prescribing codes of workmanship with respect to the construction, operation and maintenance of private water supply or sanitation systems. The Water Supply and Sanitation (Private Boreholes Services) Rules, 2013 regulate the operations of private borehole services including the procedures for the registration and deregistration of private borehole operators in "licensed areas," areas "in which a licensee is authorized to provide water supply and sanitation services," where "licensee" refers to "a Water Supply and Sanitation Authority or any other entity licensed by the Authority to provide water supply and sanitation services." These rules give both EWURA and "licensees" the power to inspect private boreholes and deregister them should they fail to comply with the rules. Apart from obligations related to water quality, these rules do not apply to individuals with private boreholes for their own use.

The roles and responsibilities of urban local governments with respect to water provision are ambiguous and their *de facto* role varies between urban areas. In Dar es Salaam, particularly in more peripheral settlements lacking provision by the utility, municipal governments have taken an active role in developing water supply solutions that are subsequently managed by local communities (Allen et al. 2017).

***De facto* Urban Sanitation Services.**[18] Tanzania still in the establishing stages of urban sanitation service provision (AMCOW, 2010). According to WSDP II, responsibility for the operation of sanitation and hygiene facilities (cess pit emptiers, public latrines, solid waste collection, etc.) is delegated to parastatal organizations, the private sector, NGOs, and CBOs. Since sewer coverage is low, most urban sanitation takes the form of onsite sanitation (i.e., septic tanks or cess pits). In practice, many municipalities own cess pit emptiers that provide fee-based services to urban residents. Alternative, private providers provide this service to local residents.

Sewer coverage in Dar es Salaam is estimated at about 4.8 percent. There are flush toilets in a reported 10.3 percent of households, with septic tanks accounting for the difference. Some smaller cities in Tanzania have slightly greater coverage, as shown in Table 4.2.

Table 4.2: Sewerage Coverage in Select Tanzanian Cities

City	Sewerage
Dar es Salaam	4.8
Arusha	7.0
Moshi	5.8
Dodoma	11.6
Morogoro	1.6
Mwanza	3.1
Iringa	11.9
Mbeya	0.6
Songea	3.7
Tabora	1.3
Tanga	9.3
Reproduced from Thomas et al., 2013 (Table 2, p. 13)	

Dar es Salaam, like many other Tanzanian cities, is characterized by minimal treatment of sewage, and direct discharge into the Indian Ocean and the Msimbazi River. Smaller cities also have inadequate or no sewage treatment. In Tanga (a coastal city of almost 300,000 residents), for instance, there is no sewage treatment facility and 2164 m^3 of raw sewage is discharged directly into the Indian Ocean each day.

In order to reduce the impact of untreated sewage, Dar es Salaam has also been experimenting with co-produced sanitation. For example, the Bremen Overseas Research and Development Association has developed a decentralized waste water treatment solutions (DEWATS) implementation plan in co-operation with Dar es Salaam's local water authority DAWASA for implementation in at least two town wards. DEWATS are schemes run by small-scale businesses or CBOs that provide natural fecal sludge treatment through low maintenance, decentralized plants that do not require energy inputs (Allen et al., 2017).

Informal settlements (which typically make up the majority of urban areas) often have little or no access to formal sanitation services. A survey of informal settlements in 20 urban areas of Tanzania, including Dar es Salaam, reported that only 57 per cent of households had on-site sanitation – e.g., pit latrines, ventilated pit latrines, and composting latrines (Pauschert et al., 2012). Those households without their own sanitation reported using public or shared facilities (Pauschert et al., 2012). When looking at the quality of the sanitation it was found that in Dar es Salaam on average 92.4 per cent of informal settlements across 45 wards did not have access to improved sanitation (Penrose et al., 2010). In 2007 it was estimated that only 7.8 per cent of households in Dar es Salaam

[18] The discussion of urban sanitation services draws heavily from Thomas et al., 2013.

and 12.9 per cent in other urban areas used improved sanitation such as a ventilated improved pit latrine (Thomas et al., 2013).

The WSDP Phase II program document states that under the second phase of the program, "Greater emphasis will be to promote approaches that address market failures and promote availability of sanitation and hygiene products and services in rural and urban settings. This will entail engaging and working closely with finance institutions, artisans, businesses and entrepreneurs" (p. 39). Sanitation regulations do not appear to be effectively enforced. In addition, public bodies do not appear to expend much energy on demand creation and sanitation marketing.

4.3 The assignment of functions and responsibilities for local WSS in rural areas

De facto Rural Water Provision. In light of the decentralization reforms described above, LGAs are (*de jure* and *de facto*) responsible for investment in rural water supply infrastructure – which primarily takes the form of the construction of water points. Table 4.3 provides a tabulation of the most common water point types.

Table 4.3: Water Point Types

Waterpoint Type	Frequency	Percent
Communal standpipe	51,774	62%
Hand pump	22,839	27%
Improved spring	963	1.2%
Cattle trough	155	0.2%
Dam	8	0.01%
Other	7,876	9.4%
Total	83,615	100%

Author's analysis of WPMS data.

Funds for the construction of rural water points are supposed to be allocated annually by the central government to districts according to a formula that considers the level of need (proportion of district residents unserved by an improved water source), the difficulty of water extraction (proxied by dominant extraction technology), and a performance-based element based on the quality of financial management at the district level. However, there is evidence that the formula is not followed in many instances, and that the money that does come is often late.

Within-district allocations reflect the so-called 'demand-responsive approach' (DRA), which requires water users to demand, own, and maintain their water services and participate in their design. In Tanzania and a number of other countries (e.g., Nigeria and Mozambique), the DRA has been interpreted as mandatory cost-sharing, with the national water policy requiring communities to contribute a given percentage of the total project cost before construction can begin.[19] Additionally, Tanzanian communities have typically been required to open a bank account and deposit an initial contribution if they wish to receive a new water project (Jimenez & Perez-Foguet, 2011). The challenges associated with rural water infrastructure development are illustrated in Box 4.2, which describes flawed implementation of the '10-village schemes' initiative, part of the first phase of the WSDP. In addition, the way in which "demand" is interpreted has led to a regressive allocation of water infrastructure within districts (Carlitz, 2017).

[19] According to WSDP I program document, "Rural communities are expected to contribute an average of 5% to capital costs of the RWSSP" (p. xviii). This is not mentioned in the WSDP II program document, though communities are supposed to participate in construction (p. 37).

As is the case with urban water, it is not entirely clear who is responsible— by law and in practice — for effectively regulating and inspecting private wells and boreholes (and other private water providers). The 2009 Water and Sanitation Act makes the Minister for Water responsible for providing "guidelines for the establishment of the community organizations and for the conduct of their affairs including the *arrangements for entering into agreements with the private sector as service providers*" (Sec. 38, 1(a), emphasis added).

Box 4.2: Flawed Implementation of Ten-Village Schemes Initiative

During the first phase of the WSDP, rural districts were supposed to select the 10 neediest villages within their jurisdictions to receive new, WSDP-funded projects. Design and construction of the new projects was contracted out to private consultants who were to visit the 10 villages selected in each district and consult with community members in order to come up with suitable designs. Consultants were appointed centrally by the Ministry of Water and Irrigation, with each consultant given the task of designing an initial batch of ten village schemes per LGA. The consultants were not given clear guidance on the budget available for the schemes they were to design (OPM, 2013). Furthermore, communities chose (or were encouraged to choose) much costlier technologies than anticipated. The original cost estimates developed by the World Bank were based on the assumption that about half of all communities would select hand pumps (a relatively cheaper technology) for their new schemes, but at the end of the design phase hand pumps only constituted about 5 percent of all projects. It has been suggested that it was in the consultants' interest to design more expensive projects, which would ultimately increase their cut of the funding (Carlitz, 2016). As of 2013, only two to three WSDP projects per district had been built out of the 10 originally planned.

The responsibility for operating and maintaining rural water schemes has been assigned to communities via COWSOs, which are supposed to be established for each rural water scheme.

The Ministry of Water and Irrigation holds the responsibility for regulation of COWSOs, but in practice, the Ministry has delegated this responsibility to LGAs (United Republic of Tanzania, 2006). LGAs are also supposed to play a supervisory and backstopping role to strengthen and legitimize COWSOs. Finally, LGAs are supposed to provide technical support to COWSOs, and fund major repairs and rehabilitation when community-generated COWSO funds are insufficient. Specifically, the Water Supply and Sanitation Act No. 12 stipulates that local government authorities are responsible for "meeting part of the costs incurred by community owned water supply organizations in the major rehabilitation and expansions of water schemes and payment for costs of service rendered" (United Republic of Tanzania, 2009: Sec. 39,b). The Act does not, however, define "major" rehabilitation or make clear how it is distinct from minor repairs, leaving it up to districts to interpret the division of responsibilities.

The rural water sub-sector is also characterized by a number of overlapping responsibilities. These include a shared mandate for planning and budgeting between the center and local governments, as well as blurred lines of responsibility for operations and maintenance between water users and local government authorities. In general, COWSOs are tasked with a number of responsibilities for which they frequently lack the technical expertise or motivation to carry out effectively. Furthermore, COWSOs have been registered at a much lower rate than anticipated. As noted above, recent estimates suggest that just 10-20 percent of all villages in Tanzania have COWSOs.

Finally, it is worth noting that 27 percent of the 83,615 water points serving rural Tanzanians were

installed by "private" entities.[20] This reflects the not insignificant involvement of NGOs, religious organizations, and other non-state actors in rural water provision. Although some NGOs channel their funds through district budgets, others circumvent this process.[21]

Rural Sanitation Services. As noted above, the Tanzanian government does not subsidize rural household sanitation, but rather calls for government efforts to encourage households to invest in their own sanitation facilities (AMCOW 2010). As a result of this lack of emphasis on sanitation, as noted in Section 1, just 8 percent of rural residents have access to improved sanitation facilities, while 17 percent of residents practice open defecation.

A National Sanitation Campaign (NSC) was launched in 2012 for a three-year period, with the aim of ensuring that 1.3 million households improve their existing latrines or build new ones (i.e. an increase of 14% in national coverage) and improving the sanitation facilities of 700 schools all over the country by 2015. The approach adopted by the NSC draws from the Total Sanitation and Sanitation Marketing project in Tanzania (TSSM), implemented in 10 districts selected by the government between 2009 and 2011 as part of the Global Scaling Up Rural Sanitation Project of the Water and Sanitation Program of the World Bank (Jimenez et al., 2014). One recent evaluation of the NSC found its implementation in schools to be effective, though poor planning and coordination, inadequate funding, and low technical capacity were identified as barriers to achieve the intended objectives (Antwi-Agyei, 2017). Briceno et al. (2015) evaluated the impact of the TSSM, finding that the previous campaign was able to change behavior but not by enough to significantly influence the level of observed fecal matter. The evaluation also found that at-scale handwashing campaigns produced significantly lower effects on health outcomes than efficacy trials, likely resulting from the limited effectiveness of being able to change handwashing behaviors. In addition, combining handwashing and sanitation interventions did not produce clear health benefits.

A handful of NGOs have stepped in to fill the gaps with respect to demand creation and sanitation marketing. For instance, SNV's Sustainable Sanitation & Hygiene for All Results (SSH4A), a four-year project backed by the DFID Results Challenge Fund, is being implemented in rural areas across 13 districts in the country's Lake and Northern zones – Babati, Karatu, Hanang, Arusha Rural and Monduli (Northern Zone), and Chato, Geita, Kwimba, Misungwi, Maswa, Itilima, Shinyanga and Msalala/Kahama (Lake Zone). The project aims to enable access to sanitation facilities, to increase the uptake of handwashing with soap or ash at critical moments, and to improve awareness of safe sanitation and hygiene practices.[22] In Dodoma, Plan International is implementing 'Usafi wa Mazingira Tanzania' ('Sanitation and Hygiene Programme in Tanzania') in three districts, supporting the country's National Sanitation Campaign by helping communities improve their sanitation and adopt sustainable hygiene practices.[23]

4.4 Assessing the assignment of functions and responsibilities

The preceding discussion reveals a number of gaps in the assignment of functions and responsibilities in the delivery of water and sanitation services. First, the role of the public sector in Tanzania is extremely weak in rural sanitation, with few—if any—policy interventions in this area. Second, to the extent that the public sector plays a role in urban sanitation, the focus seems to be almost completely on collection of and transport of waste water, with virtually no attention paid to waste water treatment and discharge.

[20] Author's analysis of WPMS data.
[21] Conversation with Julia Bailey, Oct. 24, 2016
[22] http://www.snv.org/project/ssh4a-results-tanzania
[23] http://wsscc.org/2015/05/15/global-sanitation-fund-programme-in-tanzania/

The discussion in this section further reveals a number of overlapping functions and areas of responsibility for water and sanitation service provision, which have significant implications for efficiency and accountability. Local government authorities are frequently sidelined – particularly in urban areas, where authority for service provision is characterized by a contradiction between the Local Government Acts and Water and Sanitation Act. This reflects broader tensions between sector reforms and overarching decentralization reforms, as well as a centralizing tendency of the government, aimed in part at keeping the country's longstanding ruling political party in power. (This is discussed in further detail in the next section.)

As for whether WSS are provided in a manner that is in line with the **subsidiarity principle** (the notion that that services should be provided by the lowest level or tier of government that can do so efficiently), this principle seems to be violated in both urban are well as rural areas. Urban water and sanitation services are not provided in line with the subsidiarity principle since WSSAs are established and regulated centrally, rather than being under the jurisdiction of the local government. Central government-level management and oversight over urban and district WSSAs means that there are no effective mechanisms in place to guarantee responsive service delivery. In fact, in a number of cases, even the minimum basic condition for accountability—having a functional Board of Directors—is not in place. Likewise, in rural areas, villages or community jurisdictions are frequently too small (and too under-resourced) to efficiently operate and maintain local water schemes. It would be much more efficient if the operation and maintenance of local water schemes would be the responsibility of the local government (with the community in a supporting/monitoring role, rather than as the provider of local water services).

The Ministry of Water and Irrigation's monitoring role also presents some challenges. In 2011, the Ministry and about 300 implementing agencies underwent significant revisions to their institutional arrangements with the goal of enhancing implementation capacity and oversight. Specific innovations included the development of a water sector Management Information System (MIS) and a Water Point Mapping System (WPMS). While these systems have the potential to improve the efficiency and equity of water provision, their implementation suffers from a number of weaknesses. First, the MIS operates in parallel to two other systems for planning, accounting and financial management at the local level, EPICOR and Plan-Rep. In addition, the MIS is not well understood by a number of LGA staff, and a lack of regular Internet access in many LGAs prevents regular updating (OPM, 2013). Second, LGA staff do not appear to be using the WPMS to guide investment decisions within their jurisdictions, nor do they appear to use these data in order to strengthen operation and maintenance. This reflects in part the broader lack of LGA autonomy, discussed in further detail in Section 5.

5. Effective and responsive local political leadership

To the extent that local water and sanitation provision in Tanzania relies on devolution to local government authorities (LGAs), it is important that LGAs and their leaders operate in a responsive, effective, efficient and accountable manner. A well-designed approach to political decentralization requires that the vertical separation of power—between different government levels—prevents the "capture" of power and resources at any government level and ought to allow for additional checks and balances within the public sector. Such vertical separation of power is often undermined when local political leaders are more beholden to the central political parties than to their local electorate.

In addition, effective and responsive local political leadership requires that the roles and functions of locally elected leaders versus the appointed local administrative leaders are clearly identified and that local councilors are independently able to carry out the oversight function of the local executive bodies. In Tanzania, this means that the role of the local political leadership to promote effective and responsive service delivery is hampered by the fact that water supply and sanitation authorities (WSSAs) are under the direct administrative and political of the central government.

5.1 Overview of the role of the local political leadership for local water and sanitation services

Prior to discussing the role of the local political leadership in Tanzania, it is important to highlight certain aspects of the country's overall political system – in particular, the dominance of the ruling party. Most political scientists characterize Tanzania's political settlement as a "hegemonic party" or "electoral authoritarian" regime (Magaloni, 2008; Morse, 2014). The country's Chama Cha Mapinduzi (CCM) party has dominated politics since Tanzania achieved independence in 1961 – serving for decades as the country's sole legal party, and, since the transition to multi-party politics in 1995, as the dominant ruling party.[24] Elections are held regularly and are increasingly viewed to be free and fair, with candidates at all levels of government respecting term limits and transferring power peacefully. However, opposition political parties have remained fairly weak.

The CCM's dominance means that the lines between party and state are frequently indistinct. This is due in part to the party's control of the bureaucracy. Although central government employment declined substantially during the 1990s in response to structural adjustment policies, it has grown considerably since the end of that decade, largely due to donor funding to achieve the Millennium Development Goals (Therkildsen and Bourgouin, 2012). Furthermore, the President, who also serves as chair of the party, controls access to powerful positions in the bureaucracy, further entrenching the CCM's dominance (Makulilo, 2014). The blurred lines between state and party not only give ruling party officials disproportionate access to public resources, they also make it easier for the party to influence outcomes at the local level given the state's extensive reach.[25]

In terms of the local political structure in Tanzania, challenges arise because the roles and functions of elected and non-elected local government officials are not clearly identified. In rural areas, the WSDP established District Water and Sanitation Teams (DWSTs), comprised of the District Executive Director (DED), the District Water Engineer (DWE), the District Health Officer and the District

[24] Tanzania's ruling party at independence was called the Tanganyika African National Union (TANU); in 1977 TANU merged with the ruling party in Zanzibar to form the current CCM party.

[25] Indeed, close observers of the sector argue that a punishment regime may be in effect in at least some parts of Tanzania, with the Tanzanian government withholding resources in areas that vote for the opposition. In addition, water points are more likely to be constructed in wards that demonstrate a higher degree of support for the ruling party (Carlitz, 2016).

Education Officer to support overall input in planning, preparation of designs, studies, tender document preparation, supervision and advice to communities on matters pertaining to water supply, sanitation and hygiene services (Mmuya & Lemoyan, 2010). As DWSTs were not established by PMO-RALG, they do not have a formal place within local councils, though they are supposed to report to the DED (Tilley, 2013). Given that the local administrative apparatus (including key local administrators) are centrally appointed and subject to vertical sectoral controls and incentives (rather than being appointed by, and under the control of) the local council), local councilors are frequently unable to carry out the oversight function over local executives, such as the DWE and other key technical staff appointed by the central government – the District Executive Director, in particular. These technocrats tend to have higher levels of education and greater expertise than their elected counterparts (Ewald, 2011: p. 141). As a result, appointed technical staff tend to have more power and influence than councilors when it comes to preparing technical reports, planning and budgeting, and managing personnel. In addition, urban authorities do not have any mandated oversight role over WSSAs operating within their jurisdiction. Rather, the WSSA reports directly to the central government (through the Ministry of Water and Irrigations).

In terms of electoral arrangements, Tanzanian politicians at the local level are elected through first-past-the-post elections (single-member constituencies). Compared to proportional representation, such electoral arrangements are thought to give voters greater clarity about the people for whom they are voting, which can lead to better accountability. However, the nature of Tanzania's political party system undermines accountability given the dominance of the ruling party, and subsequent lack of competition between parties. The system of single-member constituencies also constrains competition *within* the ruling party, since voters cannot choose between multiple CCM candidates. Furthermore, all candidates for local government offices are required to have membership and sponsorship of a political party registered under the Political Parties Act.

Finally, participation and accountability are significantly constrained at the local level in Tanzania, particularly the participation of and accountability to women, who play an outsize role in water provision. Although there are "special seats" reserved for women on the district council, these appointments must be made by political parties and approved by the National Electoral Commission (Venugopal and Yilmaz, 2010). Women who occupy these unelected seats are viewed differently from their elected counterparts, since they lack clear constituencies. (Whereas elected councilors represent their wards on the district council, "special seats" councilors represent the district at large.) Compounding this, women are much less likely to seek election to the district council – i.e. for non-"special" seats. In 2005, just 6.2 percent of all candidates for ward councilor were women, whereas in 2010, the proportion was just 7.5 percent (Mutasingwa, 2015).

Table 5.1 (see Annex) provides additional details regarding the level and nature of political space available to local political leadership—and the dynamism and responsiveness displayed by local political leaders—in responding to the needs of residents and businesses.

5.2 The role of the local political leadership for local WSS in urban and rural areas

Despite the extensive *de jure* role of LGAs in water and sanitation provision, the role of the local political leadership in the provision of local WSS—both in urban and rural areas—is limited. Due to the nature of *de facto* water and sanitation systems—which largely run past LGAs, rather than through LGAs, especially in urban areas—locally elected leaders have little or no ability to improve sector services. Given that LGAs can "pass the buck" to the Ministry of Water or its delegated entities when it comes to weak sector performance, it is easy for locally elected leaders to avoid being held accountable for poor services, and focus their attention on other local priorities. For instances, when it comes to discretionary projects that urban LGAs have implemented under the

Urban Local Government Strengthening Program (ULGSP), most have focused on building or resurfacing roads or on market rehabilitations (UPIMAC, 2016).

To the extent that local councils have a role in local water provision—for instance, through the setting of local tariffs and fees—political involvement frequently frustrates cost recovery in both urban and rural water provision. In urban water, it has been observed that water tariffs are kept artificially low. Given the political salience of water, politicians – at the local and national level – sometimes avoid raising water tariffs for popularity reasons (Pauschert et al., 2012, p. 11).

Politicians in urban areas may also fail to discipline water users from accessing water through informal service providers (ISPs). As noted above in Section 4, public water utilities in the urban centers of Mwanza, Morogoro and Mbeya are in fact promoting neighborhood re-sellers as a means of increasing their service coverage.

There is also evidence of politicians campaigning in rural areas on the promise of free water (Carlitz 2016; Quinn & Tilley 2013). Local councilors and community leaders also point to the legacy of socialism as meaning that people are used to getting water for free.

5.3 Assessing the effectiveness and responsiveness of local political leadership

The nature of political competition, alongside the duplicative assignment of responsibility for water and sanitation services in Tanzania constrains the ability of water users to hold local politicians to account for inadequate provision of water and sanitation services. The ruling party's dominance means that many voters cannot express their discontent with the status quo at the ballot box. This is particularly true in rural areas. Nearly one-fifth (18 percent) of all elections for ward councilor were uncontested in 2005 or 2010, and 10 percent of all wards were located in constituencies with uncontested Parliamentary elections in either 2005 or 2010 or both. That said, the 2015 elections were markedly more competitive at both the local and national level. Although the number of seats won by opposition MPs did not increase significantly (opposition MPs won 188 out of 257 contested constituencies in 2015, compared with 186 out of 239 in 2010), many of these races were won by tighter margins – indicating a higher degree of competition. Opposition candidates also gained ground at the local level, winning 1,511 out of 4,492 races for ward councilor. In many wards where the CCM won, the margin of victory was fairly close.

The decline in support for the ruling party has been attributed in part to the government's poor performance with respect to service delivery, including its failure to deliver on promises to improve access to clean water. For instance, in a nationally representative public opinion survey conducted in September 2014, 64 percent of respondents said that their MPs had made campaign promises leading up to the 2010 elections to build or improve water points. However, just 11 percent of those respondents indicated that their MPs implemented these promises fully.[26] In a follow-up poll conducted two months prior to the 2015 election, 46 percent of all respondents indicated concerns with water supply as one of the three most serious problems facing Tanzania (Twaweza, 2015). Hence, one may infer that incumbent politicians' failures to address such concerns contributed to declines in support amongvoters.

That being said, Tanzanian society continues to be characterized by a fairly high degree of acquiescence and respect for authority, which can constrain the expression of voice in non-electoral settings. This can reflect fears of retribution and exclusion from patronage networks – fears that

[26] Author's analysis of Sauti za Wananchi data, Round 24, September 2014. Available for download at http://twaweza.org/go/sauti-baseline-data

tend to be greater among the poor. For instance, Afrobarometer survey respondents in Benin, Lesotho, Mozambique, South Africa, Tanzania, Uganda, and Zimbabwe who report going without food many times (an indicator of poverty) are significantly more likely to report fear of punishment or reprisals if they complain about poor quality of government services or misuse of government funds (Devarajan et al., 2011).

In addition, it is clear that the ruling party is aware of its eroding support, particularly in urban areas. The CCM's top leadership has broadly responded in two ways, neither of which is terribly promising in terms of achieving more constructive participation of local elected officials in the delivery of local services. First, President Magufuli has sought to make improved public sector effectiveness and improved local services by exerting more top-down control an important element of his presidency. For instance, in the health and education sectors, the central government is seeking to improve front-line services by bypassing LGAs, and funneling resources directly to clinics and schools. Second, the CCM seems intent on reversing some of its political losses—particularly in urban areas—by further reducing the political autonomy of local governments. For instance, in 2016, the national Tanzania Revenue Authority took over the duty of collecting property tax from the local government.[27]

[27] http://allafrica.com/stories/201607070724.html

6. Local control over administration and service delivery

This section considers the extent to which the local officials have adequate control over administration and service delivery for local water and sanitation services. In doing so, the discussion seeks to answer two questions. First, do LGAs have adequate administrative control over the administration and delivery of water and sanitation services that are under their remit in order to ensure that these services are delivered in an effective and responsive manner? And second, what is the extent to which local water and sanitation authorities have control over their own operations, as separate from control exerted over them by central (or potentially even local) authorities?

6.1 Overview of the local control over administration and service delivery for local water and sanitation services

Table 6.1 (see Annex) considers the extent to which local governments in urban and rural areas have administrative control over the key service delivery decisions. We see that in urban areas, local governments have very little local control, given that the Boards of WSSAs are centrally appointed, and that these bodies are also centrally regulated.

LGAs in rural areas also have very little effective local control, given that they do not have hiring and firing authority over the District Water Engineer and other technical staff. Although LGAs are technically empowered to plan and manage the procurement of capital investments and infrastructure required for water and sanitation services, their influence is severely constrained given their reliance on the central government for the bulk of their revenues (i.e., infrastructure development is funded in a directive, top-down manner). Despite central-level attempts to distribute sectoral resources fairly, there is a concern that LGAs with weaker administrative capacity (and thus, with weaker budget performance) receive fewer sectoral grants to expand access to drinking water in rural areas.

Furthermore, the influence of local officials over local service delivery is severely constrained by the fact that COWSOs are not a part of the LGA's own organizational structure: COWSOs are independent corporate bodies that elect their own leadership. LGAs are technically supposed to monitor and regulate COWSOs but it is unclear what this means in practice. Furthermore, it is not clear what is happening in villages where COWSOs have yet to be registered. These villages presumably make up the majority, but de facto arrangements are not well-documented.

6.2 The local control over administration and service delivery for local WSS in urban areas

Urban LGAs also have inadequate control over the administration and delivery of water and sanitation services within their jurisdictional boundaries. This stems primarily from the lack of clarity and overlapping responsibilities between local governments and water supply and sanitation authorities (WSSAs), particularly in district capitals and townships.

Given their independent, autonomous status, WSSAs have considerable control over their own operations. The Water and Sanitation Act gives WSSAs the power to "purchase, lease or otherwise acquire premises, plant, equipment and facilities" (Sec. 15(3)a). The Act also empowers the Boards of WSSAs to "appoint such number of staff on the basis of qualifications, experience and merit as may be necessary for the proper and efficient conduct of the business and activities of the water authority and upon such terms and conditions as it may determine" (Sec. 18). However, the 2016 EWURA report for District and Town WSSAs notes that, "DT WSSA still challenged in terms of

adequate number and relevant qualifications for operation of water utilities. In addition, most of the existing staff are not fully employed by the DT WSSAs and are performing other tasks given by the District Water Engineer's office" (p. 30).

WSSAs also have considerable leeway when it comes to planning. In fact, in order to obtain licenses to operate, WSSAs are legally obligated to formulate business plans setting out both proposed capital investments as well as strategies for meeting EWURA performance indicators (OPM, 2013). WSSAs are supposed to review their tariffs according to their business plans so as to ensure that the cost of operation matches with the revenue generated. The intention is to ensure that the full cost of providing water is borne by consumers. However, most district and town WSSAs rely on subsidies to finance their operations and investments. In addition, the trend of submission of tariff review applications from DT WSSAs has been unsatisfactory and the tariff levels as of 2016 do not reflect their actual costs (EWURA 2016b).

6.3 The local control over administration and service delivery for local WSS in rural areas

Understanding local control over administration and service delivery for local WSS in rural areas requires examining both Local Government Authorities (LGAs) and community-owned water supply organizations (COWSOs) in turn.

Local Control by Local Government Authorities. We may examine administrative control over rural water and sanitation provision in terms of LGAs' ability to procure works, supplies, and services; their ability to employ relevant staff; and their ability to plan their operations.

Although LGAs have the ability to procure, the first phase of the WSDP was characterized by protracted delays in procurement, related to a combination of irregular and sometimes inadequate fund releases from the central government, the need to obtain 'no objection' certificates from the World Bank, and problems with financial administration that led donors to temporarily stop releasing funds in advance, paying only against receipts for completed work (OPM, 2013). The WSDP Joint Mission Aide Memoire from June 2014 noted significant improvements in the procurement set-up and staffing in LGAs. The Aide Memoire notes uniformity in the organization structures of all 71 LGAs visited, with the Procurement Management Unit (PMU) reporting directly to the District Executive Director. In addition, most LGAs had an adequate number of procurement staff for their PMUs. However, most reportedly lacked adequate knowledge of procurement and records keeping (URT 2014, p. 20).

LGAs are also significantly constrained when it comes to local human resource administration. The Local Government Service Regulations of 2000 devolved recruitment, appointment, and management of staff to district councils but legislation passed in subsequent years reversed course. For instance, the 2002 Public Service Act made the centrally appointed District Executive Director (DED) responsible for appointing staff at a local level. Furthermore, staff salaries are almost entirely paid by central government transfers, and decisions on staff budgets and staff numbers are made by the President's Office for Public Service Management (PO-PSM), a central government ministry. Finally, district pay scales are centralized. Although LGAs are in theory allowed to establish local incentive schemes, in practice few can afford to do so (Tidemand and Msami, 2010).

Finally, planning represents a challenge given LGAs' overwhelming reliance on the central government for revenue to fund their operations. As discussed in previous sections, these funds are often disbursed late and tend to be less than the amounts for which LGAs have budgeted. Finally, central government directives – issued outside of the national budget process – have also forced

LGAs to reallocate funds away from their planned-for priorities. For instance, in late 2016, President Magufuli issued a directive for local governments and communities to build desks for primary and secondary school students, in response to a previous directive that considerably expanded enrollment. As a result, some LGAs had to shift around money to fulfill the directive, even if desks did not represent the most pressing need.

Local Control by COWSOs. We may also examine the degree to which community-owned water supply organizations (COWSOs) are able to exert administrative control over service provision. Given their status as independent, corporate bodies, they legally have the ability to procure works, supplies, and services; to employ relevant staff; and to plan for their operations. However, given weak guidance from the top-down, their limited capacity, and their near complete reliance on contributions from water users, most COWSOs face severe financial and capacity constraints when it comes to exercising such control. These financial constraints are discussed in greater detail in the next section.

6.4 Assessing local control over administration and service delivery

The preceding discussion suggests that a lack of local control over human resources, procurement, and other operational decisions may detract from efficient, equitable and sustainable access to water and sanitation services in both rural and urban areas. The lack of local control is particularly problematic in light of the fact that considerable responsibilities have been devolved to local bodies. However, these local bodies are not adequately empowered –or resourced – to fulfill their roles. Local capacity constraints are relevant here, but it is important to note that these constraints are often by design – resulting from the central government's unwillingness to fully devolve power and authority. Indeed, in this context, Boex and Simatupang (2015) refer to Tanzania as a local governance system that is "devolution in name only".

7. Local fiscal autonomy and local financial management

7.1 Overview of local fiscal autonomy and local financial management for local water and sanitation services

Following the institutional structure of the decentralized water and sanitation service delivery in Tanzania, the analysis of local fiscal decision-making and the effectiveness of local financial management ought to consider two main institutional (and therefore - funding) mechanisms: the funding of urban water and sanitation services through delegated WSSAs (under the control of the Ministry of Water), and the funding of rural water and sanitation services through Local Government Authorities (and partially, in turn, through COWSOs). The flow of funds for each of these two service delivery channels is completely different.

As is discussed further in Section 9, spending on urban water and sanitation provision exceeds the resources spent on rural water and sanitation by a considerable margin in Tanzania. This imbalance is even more pronounced when considered in per capita terms, as the majority of Tanzania's population still lives in rural areas. Relatively little is known, however, about the funding modalities used to fund water and sanitation services. This is especially true or urban water and sanitation services. To the extent that the systems are clear, Table 7.1 (see Annex) presents an overview of local fiscal autonomy and local financial management related to water and sanitation services in urban and rural areas. The points raised in the table are discussed in further detail in the sections below.

7.2 Local fiscal autonomy and local financial management for local WSS in urban areas

With regard to local fiscal autonomy and local financial management for urban water and sanitation services, it is useful to highlight aspects of the budget process as they relate to water supply and sanitation authorities (WSSAs). Even though WSSAs are "local" water and sanitation providers, in reality, these authorities fall under the control of the Ministry of Water and Irrigation. The management of each WSSA is required to prepare an annual budget and plan which is supposed to be approved by its Boards of Directors. The approved budget is then supposed to be submitted to the Ministry of Water and Irrigation and EWURA by 30th of September for every year. Funds allocation is supposed to follow the following priorities: (1) personal emoluments (salaries) and statutory payments; (2) utilities; (3) operations; (4) preventive maintenance; (5) water user fees and EWURA levy; (6) assets valuation -- both new and old as per International Financial Reporting Standards (IFRS); (7) repairs and replacement; and (8) development and investment (NAO, 2012, p. 8). A recent performance audit conducted by the National Audit Office documented large discrepancies between the budgets and actual expenditures of most UWSSAs (see Table 7.2).

The report further notes that for most WSSAs, repair and maintenance are combined as one component in the budget instead of being addressed as two separate and distinct components. Significantly, most WSSAs do not budget for preventive maintenance. As a result, maintenance is conducted on and ad hoc basis when there is system break down. In addition, UWSSAs do not produce maintenance evaluation reports and thus have insufficient information on maintenance that could guide them in making appropriate plans for the sustainability of their respective water networks. (NAO, 2012).

Table 7.2 Budgets vs. Expenditures of select UWSSAs						
	Morogoro	Lindi	Tanga	Moshi	Dodoma	Kigoma
Budget (millions TZS)						
2007/08	145	26.4	56.9	361.2	54	51
2008/09	117	14.3	79.1	315.6	67	65
2009/10	46	20.4	86.5	285.2	85	78
Actual expenditure (millions TZS)						
2007/08	145	52.8	99.1	126.4	31	48
2008/09	117	22.1	99.5	213.0	68	65
2009/10	75	11.0	193.2	206.4	46	76
Expenditure/budget						
2007/08	100%	200%	174%	35%	57%	94%
2008/09	100%	154%	125%	67%	101%	100%
2009/10	163%	54%	223%	72%	54%	90%
Reproduced from NAO (2012), Table 6.						

In order to further assess the local fiscal autonomy and local financial management for WSS in urban areas, we may examine the performance of the 33 regional and national project water supply and sanitation authorities (RNP WSSAs) and the 97 declared district and township water and sanitation authorities (DT WSSAs). In general, the performance of RNP WSSAs is superior to that of DT WSSAs. Table 7.3 depicts the breakdown of EWURA performance ratings for the two categories of WSSA. We see that there are many more highly performing RNP WSSAs than DTWSSAs

Table 7.3. WSSA Performance, 2015/2016		
Performance Category	#(%) of RNP WSSAs	#(%) of DT WSSAs
Excellent	1 (4%)	0 (0%)
Very Good	14 (56%)	4 (5%)
Good	5 (20%)	13 (16%)
Fair	1 (4%)	30 (36%)
Unsatisfactory	4 (16)	36 (43%)
Adapted from EWURA 2016a,b.		

WSSA performance reflects a number of factors. For instance, in FY 2015/2016, all but 5 out of 33 regional UWSSAs submitted their annual financial statements on time, while only 21 out of 97 DT WSSAs submitted draft financial statements in that year. In addition, the average water customer metering ratio (the number of connections that have operating meters as a percentage of the total number of connections) among RNP WSSAs was 99% in 2015/16, compared to 66% for DT WSSAs. Both RNP WSSAs and DT WSSAs have trouble with cost recovery. RNP WSSAs were able to cover 83% of their operating expenses in 2015/16, compared to 74% for DT WSSAs. In addition, both RNP WSSAs and DT WSSAs exhibited similarly high averages for non-revenue water (the amount of water produced or purchased less the amount sold to consumers, as a percentage of water produced) – 41% for DT WSSAs and 43% for RNP WSSAs.

The Controller and Auditor General's report on Public Authorities for FY 2014/15 also notes a number of costly irregularities with respect to the financial management practices of select WSSAs. For instance, Mwanza Urban Water and Sanitation Authority (MWAUWASA) is cited for making payments and awarding tenders without basis, and failing to follow procurement standards.

DAWASA, Njombe Urban Water Supply and Sanitation Authority, and Arusha Urban Water Supply Authority are also cited for costly delays. The CAG also notes considerable non-revenue water higher than the allowable normal losses for DAWASA, Njombe Urban, and Arusha Urban.

7.3 Local fiscal autonomy and local financial management for local WSS in rural areas

Before getting into the details of local fiscal autonomy and local financial management for local water and sanitation services, it is useful to describe the annual budget process in Tanzania. The annual budget process is in theory meant to reflect the principles of "decentralization-by-devolution," though as we see below this does not always happen in practice. The process begins each year with the Ministry of Finance issuing budget envelopes at the sectoral level – i.e., the total amounts available for education, health, water, etc. These sectoral allocations are guided by the Tanzania Five Year Development Plan and the ruling party manifesto; they are not formula- based. Line ministries then work with the Ministry of Finance to assign budget ceilings for LGAs, which define the maximum expenditure allowable for each district. For a number of sectors, the amounts allocated to LGAs for both recurrent and development spending are based on formulas that consider various criteria but generally aim at distributing resources based on need (Tidemand et al., 2014).

Within the bounds of their budget ceilings, LGAs are supposed to formulate detailed plans and budgets that respond to the needs of the local population. This process is supposed to follow a participatory framework called 'Opportunities and Obstacles to Development' (O&OD) that begins with an extensive participatory process to identify community priorities, and involves multiple levels of consultation at village, ward, and district level.

At district level, presentations of ward priorities are supposed to be made to sectoral standing committees. The respective standing committees are then supposed to forward the presentations to the heads of departments for assessment of budgetary implications. These sector plans are then compiled by the planning department into a comprehensive district development plan, and submitted to the full council for debate and approval (Venugopal and Yilmaz, 2010). LGA plans are then supposed to be revised by Regional Secretariats who forward them to the Prime Minister's Office for Regional Administration and Local Government (PMO-RALG).[28] LGA plans are then reviewed and consolidated into a single PMO-RALG plan and budget, for submission to Parliament. The PMO-RALG plan and budget is then debated and approved by Parliament during the annual budget session (typically concluded in June of each year as Tanzania's fiscal year begins July 1). LGA budgets are thus approved at the line item level by Parliament.

The final approved budgets are then communicated to LGAs, and then funds begin to be disbursed. Wards and villages are informed of the final plans and budgets, and then implementation of projects can begin (HakiElimu and Policy Forum, 2008).

In practice, this intricate, participatory process is often little more than a fiction. District plans frequently do not reflect local development needs. At almost every level of government, centrally appointed officials have considerable decision-making power, which they can use to undermine their elected counterparts (Venugopal and Yilmaz, 2010). The Ministry of Finance is supposed to disburse funds to LGAs on a monthly basis, though there are often delays – particularly for the disbursement of development funds. As a result, the projects that are ultimately implemented often differ from those that communities originally proposed (HakiElimu and Policy Forum, 2008).

[28] Since President Magufuli took office in late 2015, the functions of this ministry were transferred to the President's Office. However, the report refers to PMO-RALG rather than PO-RALG since the research cited reflects the previous institutional arrangement.

In rural areas, access to adequate financial resources presents a challenge to both LGAs and COWSOs. When it comes to LGA finances, budget allocations for maintenance activities have consistently been very low. The water sector budget is dominated by development funds, which accounted for 92 percent of the local-level budget in FY2013/14 (Water Sector RBA 2013-14). This reflects a similar pattern in previous years. In FY 2012/13, development expenditure accounted for 80 per cent of the total sector spending. Just under half of the central government development spending (TzS 82 billion) was budgeted to be spent on maintenance and rehabilitation of infrastructure and equipment in 2012/13. This likely includes spending on rehabilitation of building, vehicles, and other materials and does not solely relate to maintenance of water infrastructure (Quinn & Tilley, 2013).

Furthermore, LGAs have very little control over their budgets given the high proportion of fixed costs and their lack of own-source revenue. Table 7.4 shows that while own-source revenues have been increasing slightly in recent years, they still cover just over 10 percent of recurrent expenditure at the LGA level.

Table 7.4: LGA Own-Source Revenue vs. Recurrent Expenditure

Fiscal Year	Own-Source Rev. (Bns. TZS)	Recurrent Exp. (Bns. TZS)	OSR as % of Recurrent Exp.
2013/14	354	3,265	11%
2012/13	269	2,746	10%
2011/12	237	2,277	10%
2010/11	184	2,154	9%
2009/10	137	1,824	8%

Note: Partial reproduction of Table 18 in United Republic of Tanzania - National Audit Office (2015).

In addition, we observe challenges related to the fiscal autonomy and financial management of COWSOs.[29] A field study of 40 sites where water pumping systems are installed in rural Tanzania found that tariffs typically reflect users' ability to pay, and bear no relation to operating costs or system capacity (PwC, 2015). Another field study involving 40 villages spread over eight districts and four regions in Tanzania found that while most of the villages had economically sustainable water schemes (in terms of revenues from the sale of water surpassing the sum of the associated expenses), there were substantial differences between water schemes with motorized pumps and those that can rely on gravity (Nathan Associates Inc., 2016). Of the 11 schemes found not to be economically sustainable, 91 percent require a power source – either electricity from the grid or diesel-powered pumps (Nathan Associates Inc., 2016). For six of these schemes, energy costs comprised of over 50 percent of scheme expenses. This suggests a particular challenge for water users who rely on motorized schemes, which account for 15 percent of all 83,515 water points serving rural Tanzanians.[30]

Remuneration for COWSO members frequently depends on the fees they are able to collect. Given that such fees can be insufficient for cost recovery, this can leave little to cover stipends for COWSO members. Such low or non-existent stipends can reduce the motivation of those involved in managing water supply schemes (Fonseca et al., 2016). In addition, COWSOs tend to have limited

[29] It must be said that with respect to COWSOs there is very little documentation about their financial management practices and a lack of clarity regarding the situation in villages where COWSOs have yet to be established.

[30] Author's analysis of water point mapping data.

capacities for financial administration, operations management, and business planning – again reflecting the fact that they are made up of volunteers in rural communities (Nathan Associates Inc., 2016). Batley and Mcloughlin (2015) further note that services set up to rely on community maintenance through creation of consumer groups may suffer if the size of the territory over which groups preside exceeds their physical capacity to get out and monitor it.

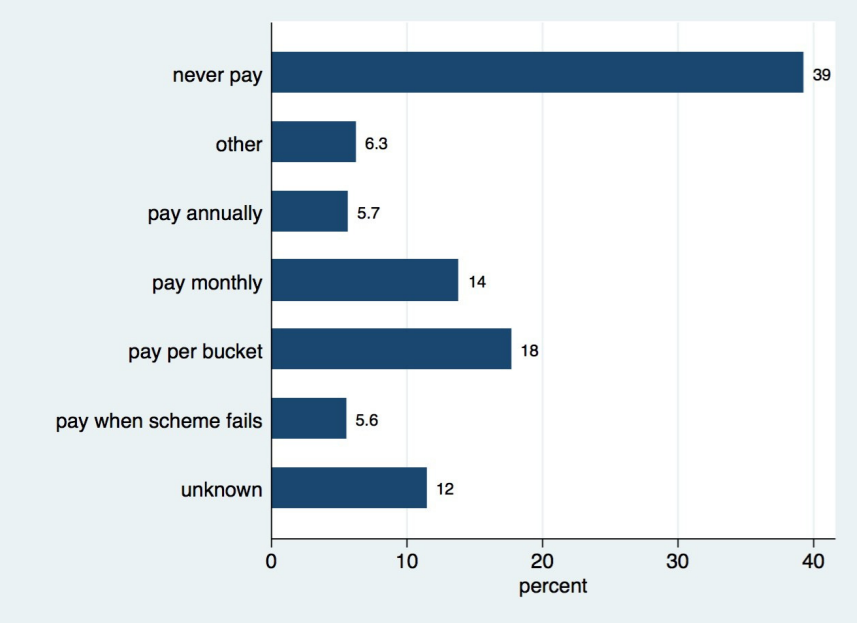
Finally, there are challenges with respect to the willingness and ability of water users to pay their agreed water charges. These are particularly relevant for diesel-pumped schemes as fuel costs inevitably arise. However, it is also a challenge for gravity piped schemes as intakes, reservoirs and pipelines age, and for hand-pumped schemes in the light of limited technical support and weak spare parts supply chains (Oxford Policy Management, 2013). Data from similar contexts suggests that in 2011 O&M costs ranged from $3-$6 for boreholes and handpumps, and from $3-$15 for piped schemes (WASHCost, 2012).[31] While such costs may seem manageable, it is important to remember that in many rural wards, the majority of residents survive on less than $1.25 per day. Furthermore, many Tanzanians regularly lack access to cash. According to the most recent (2014) Afrobarometer survey, over 70 percent of rural respondents reported that in the past year they had gone without a cash income several times or more during the past year. These respondents are significantly more likely to have gone without enough clean water as well.

For 18 out of the 39 schemes mentioned above, the cost of water represents a significant proportion of household income. Where available, poorest may resort to other sources of water or when there are no alternative sources, consumption may be rationed (Fonseca et al., 2016). The study by Nathan Associates Inc. (2016) found wide variation in terms of ability to pay. In order to buy enough water from water points to supply each family member with 20 liters per day, the average family in Nyamuswa Ward in Mara Region would need to spend 150% of their income on water, while water costs account for less than 5 percent of family income in several villages in Kilimanjaro Region, and in the Mpwapwa District of Dodoma.

Overall, the likelihood that users pay for water is quite low. Figure 7.1 depicts the prevalence of different payment modalities recorded as part of the water point mapping exercise. We see that the plurality of water points do not require any payment for accessing water. The next most common payment modality is payment per bucket, followed by monthly payments. A similar proportion of water points require annual payments or payments when the scheme fails.

[31] These figures are in 2011 nominal prices, based on the actual costs of water services and service delivery levels in rural communities and small towns in India (Andhra Pradesh), Burkina Faso, Ghana and Mozambique.

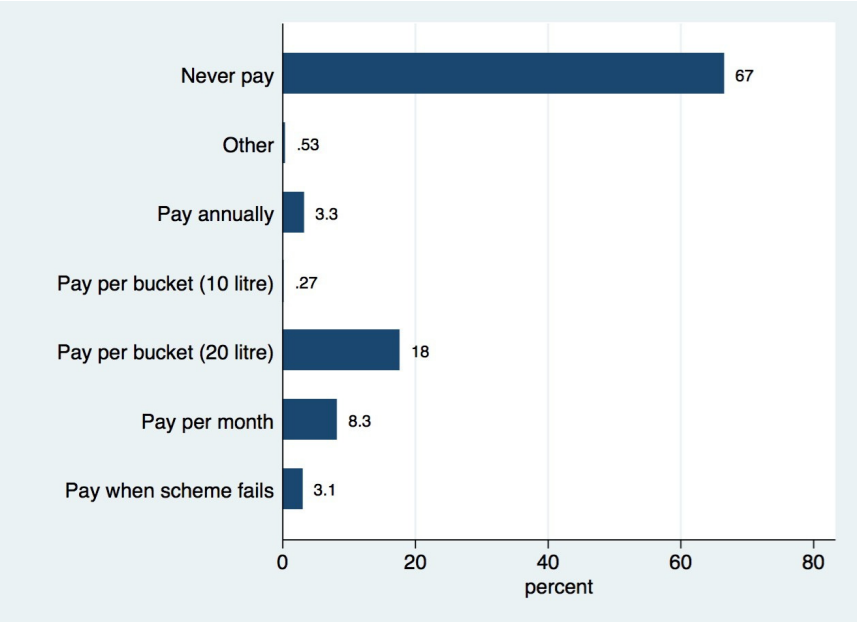
Figure 7.1: Prevalence of Different Payment Modalities, by Water Point



Author's analysis of water point mapping data.

Data from the 2014 Water and Sanitation Program (WSP) survey on WASH conditions in rural Tanzania suggests even lower rates of payment for water. Figure 7.2 depicts the prevalence of different payment modalities that water users reported during the dry season. (Payment rates are even lower during the rainy season.)

Figure 7.2: Prevalence of Different Payment Modalities, by Water User (Dry Season)



Author's analysis of Water and Sanitation Program (2014).

Unsurprisingly, functionality tends to be higher for schemes where users pay to access water (CQ4 report for Tanzania).

7.4 Assessing local fiscal autonomy and local financial management

The preceding discussion suggests that a lack of local fiscal autonomy and weak local financial management is likely to constrain the provision of effective water and sanitation services at the local level. In urban area, WSSAs theoretically have considerable autonomy over their operations, but in reality, they operate with limited (financial) support and oversight by their parent ministry. In addition, weak financial management by water supply and sanitation authorities – particularly in district capitals and townships – arguably constrains the ability of these bodies to meet local needs. As noted in Section 9 (below), the financial statements submitted by WSSAs to their regulator do not appear to clearly identify the amount of revenue collected from user fees.

Likewise, while LGAs are supposed to have a considerable degree of autonomy under "decentralization by devolution," in practice their financial autonomy is extremely limited.

As discussed in previous sections of this report, the lack of local-level financial autonomy in Tanzania is in part by design. The reliance of both WSSAs as well as local government authorities on the central government for the majority of their revenues serves to promote upward accountability, ultimately increasing the power and authority of the central state. However, this structure limits the ability and incentive of water authorities and local governments to be responsive to the needs and their customers and constituents.

8. Local participation and accountability

8.1 Overview of local participation and accountability for local water and sanitation services

The preceding discussion of the local government budget process—with LGAs generally lacking local fiscal autonomy and displaying weak local financial management—provides an important context for the challenges with respect to local participation and accountability for local water and sanitation services: if local governments only have limited control themselves, how can public participation lead to responsiveness and accountability?

In addition, despite the fact that water is a politically salient issue to Tanzanian voters, it can be difficult for citizens to express their concerns related to service delivery in a manner that generates responses from government officials. This is so for a variety of reasons. First, information asymmetries make it difficult for water users to know what they can reasonably demand from their local governments (or local WSSA) when it comes to improved service provision. In general, water users tend to be ill-informed about decision-making processes at the district level. For instance, in their analysis of the rural water component of the WSDP, Jiménez Fernández de Palencia and Pérez- Foguet (2011) observe that minutes of full council meetings or notices regarding project selection were not found in any of the 40 villages they visited. In addition, confusion over responsibility for "major" versus "minor" repairs makes it difficult for citizens to know when they have the right to demand improvements from LGA officials.

The high degree of foreign aid intensity in the rural water sub-sector also reduces the motivation of water users to make claims on the state. In interviews conducted in 2013, rural Tanzanians frequently referred to new water infrastructure as part of a "World Bank project," perhaps reflecting the fact that all new infrastructure projects prominently display their main funding sources during, and often after, construction (Carlitz, 2016). Figure 8.1 depicts a typical signboard associated with a new water infrastructure project. The sign does not make clear who exactly is responsible for the new project, as it lists a variety of government bodies. The project's funding source, however, is very clearly displayed. Many water users may thus see foreign aid donors as having the responsibility – or at least ability – to meet their needs.

Figure 8.1

Author's photo, 2013.

Gender represents another constraint on the ability of water users to demand accountability. The frequency and predictability of demand for drinking water, along with the fact that water consumers are defined territorially, creates scope for water users to coalesce around service issues. That said, it is important to note that only a subset of water users (women and girls) are typically involved in the daily collection of water, and thus aware of the particular service delivery challenges

affecting their communities. Various policy documents pay lip service to the importance of involving women in rural water provision. For instance, the 2006 National Water Sector Development Strategy outlines a strategy for increasing gender sensitivity in the sector, including the promotion of active participation by women in water affairs and the involvement of women and men equally in the provision of water, sewerage and sanitation services (United Republic of Tanzania, 2006). In some districts, water departments have provided villages with selection criteria for COWSO leaders that include the need for gender balance (Fierro et al., 2016). However, engrained social norms frequently prevent women from advocating individually or collectively for improved services, while other (adult, male) end-users may be insufficiently aware of problems related to water provision (Mason et al., 2013). Analysis of nationally representative public opinion data from Tanzania[32] shows that on average, Tanzanian women express a lower sense of both internal and external efficacy than Tanzanian men.[33] In addition, women in Tanzania are significantly less likely to take action to improve service delivery – in general, and to address problems related to water provision (Carlitz, 2016).

Table 8.1 (see Annex) assesses extent to which local government entities as well as water and sanitation providers are responsive to the needs of local constituents in urban and rural areas. The issues raised are discussed in further detail in the sections below.

8.2 Local participation and accountability for local WSS in urban areas

The provision of water and sanitation services in urban areas does not provide many opportunities for participation or facilitate accountable service provision. This is first and foremost a reflection of the fact that WSSAs are regulated by and accountable to central government bodies (the Ministry of Water and Irrigation and EWURA).

The composition of WSSA boards provides some scope for participation and accountability, though this is fairly limited in practice. Although the boards are centrally appointed (by the Minister responsible for water), the chairperson is legally obligated to be a resident of the municipality, township, or locality in question. In addition, WSSA boards are supposed to include the director of each district council in the area of jurisdiction of the authority, as well members appointed in consultation with local councilors and "a representative of women groups." In addition, at least one third of the members are supposed to be women (Water and Sanitation Act, Sec. 10(2), First Schedule). Information on WSSA Board composition is not readily available, but we can examine the proportion of female staff in WSSAs. We see that among regional and national project WSSAs, women account for about 26% of employees, while in district and township WSSAs women represent about 20% of all staff (EWURA 2016a,b).

Moreover, as has been discussed in previous sections of this report, elected local councils are largely sidelined when it comes to monitoring, regulating, or enforcing accountable water and sanitation provision in urban areas.

We may also consider the extent to which Tanzania's institutional arrangements facilitate top-down oversight and accountability for urban WSS. EWURA has been praised for its strength and

[32] The Amsterdam Institute for International Development (AIID) commissioned surveys in 2011 and 2015 to inform their evaluation of the East African NGO Twaweza.

[33] Internal efficacy is proxied by examining responses to the question, "How much influence do you think someone like you can have over local government decisions?" and external efficacy by looking at the question, "If you have some complaint about local government services (such as health or education) and took that complaint to a local official, do you think that he or she would pay a lot of attention to what you say, some attention, very little attention, or none at all?"

independence, with a 2013 evaluation of the first phase of the WSDP noting that: "EWURA has played a valuable role in utility monitoring in particular. There is some tension on pricing, with staff of the Ministry and utilities unhappy with EWURA's refusal to approve tariff increases, but as this only serves to demonstrate the value of having a strong, independent regulator, forcing utilities to strengthen their case for price increases and putting upward pressure on performance" (OPM 2013, p. 10). However, the dismal performance of WSSAs in district capitals and township authorities (see Table 7.3 above) suggests that such "upward pressure" is often insufficient to ensure responsive service provision. This is also reflected by the extent to which poor, urban residents tend to rely on informal service providers, as discussed in Section 4.

8.3 Local participation and accountability for local WSS in rural areas

As noted above in Section 4, COWSOs replaced village water committees (VWCs) as the main authority responsible for the community management of water in rural areas. Unlike COWSOs, VWCs were not independent from village governments and lacked clear mandates. Such a lack of independence was thought to leave VWCs open to political interference and a greater probability of corruption. This motivated the shift to independent legal entities (i.e., COWSOs) as the preferred management body.

However, the independence of COWSOs creates challenges for accountability. The fact that LGAs are responsible for regulating COWSOs represents another challenge. The district council includes both elected councilors and members of Parliament representing constituencies in the district,[34] opening the door for political interference. As noted above, politicians frequently campaign on promises of free water. Such promises can lead to a drop in collection rates, ranging from a 50 percent decline to being stopped altogether (Fonseca et al., 2016). In addition, there is limited awareness of both COWSOs and LGAs in terms of their roles. Some LGAs appear to have set up systems where they control COWSOs through the fact that the LGA approves COWSO Constitutions.[35]

Box 8.1: Water Point Mapping – Facilitating Accountability to Whom?

Water point mapping (WPM) is a survey tool originally designed and promoted by WaterAid in Malawi to collect data on water supply infrastructure. In Tanzania, thanks largely to WaterAid's initiative, WPM has been accepted as a useful monitoring tool by other NGOs and development partners, as well as the Ministry of Water and Irrigation (Welle, 2010). In February 2013, the Government of Tanzania completed an extensive water point mapping exercise with support from the World Bank and a handful of other donors. As of this writing, the data resulting from the mapping exercise includes observations of all 83,615 improved water points serving rural communities in mainland Tanzania, with information on their year of construction, source type, management scheme, functionality status and precise geographical location. WPM has been hailed as a tool to inform the planning of investments and highlight issues of equity and functionality at district level. Although LGAs have been trained on WPM, there is little evidence that they are using the system to inform their activities. Rather, the data generated by WPM in Tanzania, and activities to improve and update it, has tended to be the purview of donors – in order to better plan and monitor their investments. For instance, DFID is using WPM data to implement a Payment-by-Results initiative in the rural water sub-sector, which the World Bank's Development Impact Evaluation (DIME) team is evaluating.

[34] Each district contains one to three Parliamentary constituencies, which are contiguous with district boundaries.

[35] In Biharamulo district, the LGA allegedly approved local regulations that provide that bank withdrawals by COWSOs must be approved by the District Water Team.

There is also a large grey area in terms of ownership of water points. In theory, the LGA retains ownership until the VWC is registered as a COWSO. But in practice, the LGA says ownership is no longer their responsibility. In a context where a small minority of villages have a legal, registered COWSO, this implies that no one has official ownership.[36]

8.4 Assessing local participation and accountability mechanisms

The local participation and accountability mechanisms in place at the local level constrain the provision of efficient and equitable service provision – with respect to water and sanitation services and more broadly. In rural areas, COWSOs are simultaneously agents of the community and agents of the LGA. This makes it difficult to distinguish between "citizens/clients" and "service providers," and represents a constraint in itself: The fact that water users are responsible for operations and maintenance makes it difficult for them to express "client power" and make use of the "short route of accountability."

The ability of water users to express voice is constrained in a number of ways. Information asymmetries make it difficult for water users to know what they can reasonably demand from the state when it comes to improved service provision. The high degree of foreign aid intensity in the WASH sector also blurs lines of responsibility. Gender represents another constraint since women – who bear the primary responsibility for household water provision – are often less willing or able to express voice. The nature of political competition in Tanzania also limits the ability of water users to influence their elected representatives. Finally, Tanzanian society is characterized by a fairly high degree of acquiescence and respect for authority, constraining voice in non-electoral settings.

Furthermore, many rural Tanzanians have exit options at their disposal, given the availability of renewable surface water resources, and involvement of NGOs and other non-state actors in water provision. Reliance on such alternative sources can preclude taking action to demand accountability for public water provision. Finally, pervasive clientelism motivates politicians to focus on constructing new water points at the expense of maintaining existing infrastructure, targeting new construction in a manner that promotes support for the ruling party.

[36] Email correspondence with Jérôme Sansonetti, World Bank Development Impact Evaluation group.

9. The vertical composition of water and sanitation expenditures

9.1 Overview of water and sanitation expenditures

This section presents a first attempt to quantify the "vertical" composition of water and sanitation expenditures in Tanzania for FY 2015/2016,[37] the most recent year for which comprehensive data is available.

Table 9.1 provides an overview of the vertical expenditure profile for the WASH sector as a whole. It should be noted that this analysis of the vertical expenditure composition goes beyond traditional measures of decentralization, which exclusively focus on devolved (local government) expenditures. Instead, the overview of decentralized water and sanitation expenditures takes into account both devolved local expenditures (e.g., spending by LGAs, predominantly in rural areas) as well as spending by water and sanitation authorities (which are delegated entities under the Ministry of Water and Irrigation).

All of the data presented in this table comes from the Ministry of Water and Irrigation's Management Information System (MIS). Queries in the MIS were made to generate Interim Financial Reports, covering the period July 1, 2015 – June 30, 2016. As noted further below, the MIS system seems to be focused predominantly of the development side of the sector. For instance, collection and spending of user fees for water and sanitation does not appear to be included in the reports produced by the Ministry's MIS system.

Table 9.1 Vertical expenditure profile of water and sanitation services, FY 2015/16

		Amount (TzS billion)
C	Central (Non-Local) Expenditures	35
D	Direct & Delegated Expenditures (National Projects)	56
1	Regional Secretariats	0.9
2	Local Government Authorities	109
P	Water Supply and Sanitation Authorities	343
Total Expenditures		**544**
Source: MOWI MIS, accessed June 6, 2017		

The first line of the table—which represents central (non-local) expenditures on water and sanitation—is computed as the sum of spending by the Ministry of Water and Irrigation on "Rural Water Supply" and "Urban Water Supply and Sanitation," as well as spending by PO-RALG on rural water provision.[38] The next line of the table reflects the sum of direct and delegated expenditures made by the central government on front-line water and sanitation services– specifically spending on five national (urban) projects. These include: the Chalinze Water Supply Project, the Kahama Shinyanga Water Supply Authority (KASHWASA), Masasi Nachingwea Water Supply and Sanitation Authority, Maswa WSSA, and Wanging'ombe WSSA. The following line then depicts spending by Regional Secretariats on rural water, which is followed by spending on rural water by LGAs. Finally, the last line sums expenditures by Region and District Water Supply and Sanitation Authorities

[37] Tanzania's fiscal year begins on July 1 of a given calendar year and ends July 30 of the following calendar year.

[38] These are classifications from the MIS, corresponding to components of WSDP II.

(WSSAs).[39]

It is also instructive to compare actual spending by sub-sector with budgeted amounts, as shown in Table 9.2.[40]

Table 9.2 Budget vs. Expenditure, by WSDP Component, FY 2015/16			
Component Description	Approved Budget (Billions TZS)	Expenditure (Billions TZS)	Expenditure as % of Approved Budget
Water Resource Management	42	19	46%
Rural Water Supply	230	116	51%
Urban Water Supply and Sanitation	186	428	231%
Sanitation and Hygiene	12	0	0%
Programme Delivery Support	28	16	59%
Total	**497**	**580**	**117%**
Source: MOWI MIS, accessed June 6, 2017			

From this table we see that while the amounts budgeted for rural water supply were considerably higher than those for urban water and sanitation, actual spending on urban WSS dwarfed the rural sub-sector by nearly four-fold in FY 2015/16. As a consequence, all components except urban WSS had significant problems with budget execution, whereas urban WSS spent more than twice the budgeted amount. Reflecting on such apparent urban bias as it pertains to sanitation, Ekane et al. (2016: p. 19) note that in Tanzania, "resources are primarily allocated to urban areas for sewerage network expansion. This arrangement results in the wealthy being prioritized for service delivery".

In what follows, we discuss spending patterns for urban and rural WASH in greater detail.

9.2 Funding of local WSS in urban areas

Table 9.3 provides a breakdown of urban WASH spending by implementing agency, while Table 9.4 depicts the main funding sources for urban WSS.

Table 9.3 Expenditure on Urban Water Supply and Sanitation, by Implementing Agency, FY 2015/16	
Implementing Agency	Expenditure (billions TZS)
Ministry of Water (MOWI)	29
National Projects	56
Region Water Supply and Sanitation Authorities	341
District Water Supply and Sanitation Authorities	2
Total Urban WSS	**428**
Source: MOWI MIS, accessed June 6, 2017	

[39] It is not fully clear whether the Ministry of Water MIS system includes all sectoral spending on water and sanitation, as the system is disproportionately focused on development expenditures. For instance, it is not immediately clear whether LGA recurrent expenditures on water and sanitation are adequately captured by the system.

[40] The sub-sectors correspond to the five components of WSDP II. Note that this represents a slight reorganization from WSDP I, when rural water supply and sanitation were lumped together as one component. The new Sanitation and Hygiene component focuses primarily on the implementation of the National Sanitation Campaign (URT 2014a, p. 31).

Table 9.4 Expenditure on Urban WSS, by Funding Source, FY 2015/16	
Funding Sources	Expenditure (billions TZS)
Earmarked Fund	310
Government of Tanzania	47
WSDP-Basket Fund	71
Total Urban WSS	**428**
Source: MOWI MIS, accessed June 6, 2017	

We see that donor funding (earmarked funds plus WSDP funds) dwarf contributions by the Government of Tanzania, which accounted for just 10 percent of urban water and sanitation expenditures in FY 2015/16.

Note that the Region and District WSSA expenditure does not appear to include spending funded by user fees since the funding sources only include "Earmarked Fund," "GoT," and "WSDP-Basket Fund".S[41] This is even clearer when we compare WSSA spending as reported in the MIS with total expenditure in the EWURA annual reports from 2015/2016. For instance, Arusha WSSA's total expenditure in 2015/16 according to the MIS was 700 million TZS, whereas the utility's total expenditure according to the EWURA report is over 9 billion TZS. Similarly, Babati WSSA's total expenditure according to the MIS was 912 million TZS, whereas the utility's total expenditure according to EWURA was nearly 2 billion TZS for the same period. We may also note that spending by the Dar es Salaam Water & Sewerage Authority (DAWASA) accounts for the lion's share of WSSA expenditure – amounting to 214 billion TZS in 2015/16.

Table 9.5: Per Capita Spending, Select Regional WSSAs, FY 2015/16						
WSSA	**Total Annual Expenditure (Mns. TZS)**	**Total Pop.**	**Served Pop.**	**Exp. per capita (total, USD)**	**Exp. per capita (served, USD)**	**Performance Rating**
Arusha	9,154	463,272	325,217	$9	$13	Fair
Dodoma	13,694	480,760	330,360	$13	$19	Fair
Iringa	8,210	157,490	146,251	$23	$25	Good
Kahama	4,778	158,410	124,717	$14	$17	Good
Kigoma	2,407	236,899	164,664	$5	$7	Unsatisfactory
Mbeya	11,263	424,811	390,826	$12	$13	Fair
Mwanza	18,751	851,552	625,890	$10	$13	Good
Njombe	732	141,059	47,960	$2	$7	Very Good
Singida	2,417	168,487	109,517	$6	$10	Very Good
Sumbawanga	1,125	136,414	83,213	$4	$6	Unsatisfactory
Source: EWURA 2016a						

[41] Earmarked funds refer to funds provided by donors for particular projects or subsectors, rather than monies provided through the WSDP basket fund. In recent years, earmarked funding has been provided by the US-Millennium Challenge Account, JICA, French Government-AfDB, AFD, WSP, WaterAid, GEF, IUCN, WWF, Swiss Government-SECO, BADEA, and UN Habitat (URT, 2010, Table 1).

To paint a clearer picture of how spending by WSSAs corresponds to local need, Table 9.5 calculates per capita expenditure for select Regional WSSAs. This table is based on data from EWURA, and therefore captures expenditure funded by both local water tariffs and government grants. We see that overall, per capita expenditure is fairly low, and does not appear to be associated with WSSA performance ratings.

It is also important to note that public finance for urban sanitation and hygiene does not provide for construction of household latrines but is instead targeted at sewerage and sludge management infrastructure. User contributions of over 70 percent are assumed for urban sanitation overall, for on-site and networked sanitation combined (AMCOW 2010, p. 27).

9.3 Funding of local WSS in rural areas

Table 9.6 provides a breakdown of rural water spending, by implementing agency, while Table 9.7 indicates the main funding sources. We see that local government authorities account for the lion's share of spending on rural water, reflecting the extent of devolution in this subsector. This does not mean, however, that local governments fund water and sanitation from own source revenues. In fact, any user fees collected (e.g., by COWSOs) are not reflected by the sector's MIS system. We also see that as with urban WSS, funding from donors dwarfs that provided by the Government of Tanzania, which provided just 8 percent of total rural water expenditure in FY 2015/16.

Table 9.6 Expenditure on Rural Water Supply, by Implementing Agency, FY 2015/16

Implementing Agency Category	Expenditure (millions TZS)
Ministry of Water and Irrigation (MOWI)	6,204
PO-RALG	45
Regional Secretariats	913
LGA	108,767
Total Rural Water Supply	**115,929**
Source: MOWI MIS, accessed June 6, 2017	

Table 9.7 Expenditure on Rural WSS, by Funding Source, FY 2015/16

Funding Sources	Expenditure (millions TZS)
AfDB Basket Fund	3
Earmarked Fund	2,374
Government of Tanzania	9,093
Other Sources Funds	304
WSDP-Basket Fund	104,155
Total	**115,929**
Source: MOWI MIS, accessed June 6, 2017	

Data from PO-RALG also allows us to break LGA spending on rural water down by type, depicted in Table 9.8. As is typical in Tanzanian budget documents, LGA spending on rural water is broken down first by recurrent and development expenditures, and then recurrent expenditure is further disaggregated into "PE" (Personnel Emoluments, i.e. wages and salaries) and "OC" (Other Charges). OC can be classified as operations and maintenance (O&M) spending. That said it is possible that there is "O&M"-type spending in the category of development spending at the local level, given a

tendency for all donor-funded spending in Tanzania to be classified as development, though this tendency is much more pronounced at central level. Hence, the vast majority of development spending can likely be understood as spending on capital infrastructures. This table therefore indicates that in FY 2015/16, capital expenditures amounted to nearly 80 percent of all local rural water expenditure. This is in keeping with trends from previous years for the sector as a whole, noted above in Section 7 of this report.

Table 9.8 LGA Spending on Rural Water, by Type, FY 2015/16 (Billions of TZS)			
Pers. Exp.	O&M Exp.	Capital Exp.	**Total Exp.**
19	3	84	**107**
Source: PO-RALG			

Local budget execution and delays in intergovernmental transfers have also been a consistent problem. This is particularly so when it comes to rural sanitation. For instance, in a recent evaluation of the National Sanitation Campaign, Jimenez et al. (2014) visited six Tanzanian districts and found that for the 2012–2013 financial year, all districts visited had received a budget that was approximately half of the budget foreseen per household. They also note that in the first year of the NSC, funds were not ready to use until six months after the start of the financial year, due to delays in transfers from central level.

9.4 Assessing the vertical composition of water and sanitation expenditures

Table 9.1 indicates that in FY 2015/16, the vast majority of spending on water and sanitation services was comprised of devolved expenditures to local government authorities and expenditures by delegated WSS providers. Together, these two line items accounted for over 80 percent of all WASH spending. When it comes to LGA spending, the bulk of this is funded by intergovernmental transfers. The expenditure profiles also reveal the importance of donor funding to Tanzania's WASH sector. As noted above, such a high degree of aid intensity has the potential to cloud lines of responsibility and can create problems for accountability.

Although a breakdown of expenditure by type was not possible for urban WSS, the analysis presented in Section 9.3 reveals a heavy skew toward the development of new water and sanitation infrastructure when it comes to rural WSS. This focus on funding network infrastructure—without ensuring meaningful ownership and accountable operation and maintenance by the public sector at the local level—has resulted in what some have termed the "build-neglect-rebuild" paradigm. Indeed, Section 1 of this report noted that 25 percent of all water points built in Tanzania break down within two years of construction.

A final remark regarding the vertical composition of water and sanitation expenditures deals with the scope of the MOWI's MIS system itself: the management information system seems to be almost completely focused on tracking sectoral water infrastructure development, and does not even appear to provide any information on the collection of user fees—neither by water authorities, nor by rural LGAs or COWSOs. Given that we expect entities to "measure what you treasure", this suggests a major bias on the part of the ministry towards new (donor-funded) infrastructure development, rather than on the operation and maintenance of existing infrastructure. Unless there is a consistent focus on the demand side, customer-service orientation, providing value-for-money and a focus on operation and maintenance of existing infrastructure, we should not be surprised that the build-neglect-rebuild paradigm persists.

10. Concluding remarks

As noted in Section 1, the current assessment of decentralized delivery of water and sanitation services in Tanzania is based on the premise that the nature and quality of decentralized institutional arrangements have an important impact of the service delivery performance. It is recognized that public service provision in the context of a multi-level public sector is a complex and non-linear process, and that creating an enabling environment for effective, equitable and sustainable public service delivery is highly country- and context- specific, with the likelihood that there is more than one path to achieving improved public service delivery performance. Based on the review of the different vertical dimensions, systems and practices related to decentralized water and sanitation services in Tanzania, how does the Tanzanian system fare?

In this spirit, the different sections of this country case study have aimed to identify the functional problems associated with the lack of improved water and sanitation services in Tanzania, rather than present the service delivery challenge as resulting from the lack of a particular institutional form. Thus, rather than simply asking whether "devolution works better than delegation", the analysis has broken down water and sanitation services into its urban and rural service delivery component, and considered six key aspects of multi-level service delivery and governance by asking whether decentralized water and sanitation services have:

1. Clear and efficient organizational structure
2. Clear and efficient (de facto) functional assignments
3. Effective (local) political ownership over DWSS
4. Balance between functions and administrative discretion
5. Adequate (and an appropriate mix of) funding for water and sanitation services
6. Effective participation and accountability mechanisms

Pulling together the conclusions and lessons from the preceding sections suggests that there is considerable room for improvement in the institutional environment for decentralized water and sanitation services in Tanzania:

Clear and efficient organizational structure. The organizational structure of local water and sanitation services in Tanzania is rather unclear, duplicative and overly fragmented, with local governments and delegated water and sanitation authorities operating side-by-side. Many of the district-based water and sanitation authorities are too small to operate efficiently as autonomous water providers. Similarly, COWSOs are often too small and inadequately capacitated to function efficiently as a provider of local water and sanitation services. This structure is more the result of institutional competition between the ministry responsible for local government and the ministry responsible for water, rather than the result of a well-informed policy dialogue over the optimal sectoral structure.

Clear and efficient (de facto) functional assignments. The legal assignment of functional responsibilities regarding water and sanitation functions is duplicative and unclear, with the local government act assigning responsibility for water and sanitation services to local governments, while sectoral laws, policies and programs assign functional responsibility to the Ministry of Water and Irrigation, along with entities created by the ministry (including WSSAs and COWSOs). Despite (or perhaps due to) this overlap in functional assignments, key functions—particularly related to sanitation, such as urban waste water treatment and rural sanitation programs—are clearly under-provided.

Effective (local) political ownership over DWSS. The local political system in Tanzania is largely focused upwards, incentivizing local actors to prioritize the needs of the central ruling party over responsiveness to particular local priorities. Furthermore, the influence of locally elected officials is reduced by the fact that water and sanitation authorities are entities created by MOWI and report directly to the ministry, rather than being local government-owned utilities.

Balance between functions and administrative discretion. Since water and sanitation authorities are delegated entities of MOWI, the elected local governments have no administrative control over them. Even though the District Water Engineer's office is part of the LGA's organizational structure, in practice, this office looks to its mother ministry for technical guidance and for promotions, so that the local government only has limited administrative control over its functioning.

Adequate (or appropriate mix of) funding for water and sanitation services. The volume and composition of financing of water and sanitation services is inadequate in a number of ways. Tanzania is firmly stuck in the 'build-neglect-rebuild' paradigm, as the vast majority of water and sanitation infrastructure is funded in a top-down manner, with the vast majority of resources being contributed by development partners. Little attention is paid to the funding of operation and maintenance and collecting user fees on a cost-recovery basis, while the connection between infrastructure spending and operation and maintenance is virtually (if not completely) missing.

Effective participation and accountability mechanisms. With an unclear, inefficient, fragmented service delivery structure; unclear functional assignments; central political capture; limited local administrative control; and persistent under-funding, there is limited opportunity for the public to participate in an effective manner, or for them to hold serve providers accountable for their performance.

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Annex: Tables with Leading Questions

Table 3.2 Decentralized organizational structure of water services			
	Leading Questions	Urban	Rural
O1	Is there a public entity practically responsible for UW/RW within local jurisdictions? To what degree do residents rely on (regulated or unregulated) self-provision?	Yes; UWSSAs are public entities practically responsible for UW/US. However, one-third of the urban population do not have access to improved water services and two thirds to not have access to improved sanitation.	Yes; COWSOs are public entities practically responsible for RW. However, as noted in Section 1, over half of the rural population does not have access to an improved water source.
O2	Is the organizational status of the UW/RW provider local in nature? If so, does the provider cover a single local jurisdiction, or does a single SDU cover multiple local jurisdictions (or even a whole region or the nation as a whole)?	Most UWSSAs cover a single municipality (e.g. DAWASCO covers Dar es Salaam and two districts of Pwani region)	Yes. COWSOs are supposed to be established for each rural water scheme. These are typically within the boundaries of a village, but can sometimes comprise more than one village.
O3	Is the UW/RW provider a department of a local government? Alternatively, is the provider a corporate body? In the latter case, who legally owns the WASA?	WSSAs are corporate bodies, established by- and operating under the control of the Ministry of Water of Irrigation.	COWSOs—where they exist—are corporate bodies. Their legal status, and effective relationship to the LGA versus MOWI is unclear.
O4	In practice, is the UW/RW SDU executive (and/or board) appointed (and work under the guidance) of the LG?	WSSA boards are appointed by Minister of Water and Irrigation, not LGAs	Each COWSO has an elected Board or Committee as appropriate. The LG is to provide assistance in formulating the COWSO's Constitution or Memorandum of Agreement, but COWSOs are independent of the LG.
O5	Does the LG have authoritative decision-making authority over key aspects of the UW/RW SDU's operations, including staffing decisions (establishments, hiring/firing/promotion, pay)?	No; UWSSAs are corporate bodies. As such, they manage their own affairs, subject to the oversight authority of the Ministry.	No.
O6	Does the LG have authoritative decision-making authority over key aspects of the UW/RW provider's finances, including budgetary decisions and tariff-setting authority?	No; the Board of WSSAs maintain this authority, within guidelines of EWURA regulation.	Generally, no, though LGAs may provide financial assistance to COWSOs in the form of grants, loans, or subsidies.

Table 3.3 Decentralized organizational structure of sanitation services			
	Leading Questions		Summary
O1	Is there a public entity practically responsible for US/RS within local jurisdictions? To what degree do residents rely on (regulated or unregulated) self-provision?	Yes; UWSSAs are public entities practically responsible for UW/US. However, one-third of the urban population do not have access to improved water services and two thirds to not have access to improved sanitation.	Yes, though primarily for education and demand creation, not service provision. Sanitation services are entirely self-supplied.
O2	Is the organizational status of the US/RS provider local in nature? If so, does the provider cover a single local jurisdiction, or does a single SDU cover multiple local jurisdictions (or even a whole region or the nation as a whole)?	Most UWSSAs cover a single municipality (e.g. DAWASCO covers Dar es Salaam and two districts of Pwani region)	NA. There is no RS provider per se.
O3	Is the US/RS provider a department of a local government? Alternatively, is the provider a corporate body? In the latter case, who legally owns the WASA?	WSSAs are corporate bodies, established by- and operating under the control of the Ministry of Water of Irrigation.	NA
O4	In practice, is the US/RS SDU executive (and/or board) appointed (and work under the guidance) of the LG?	WSSA boards are appointed by Minister of Water and Irrigation, not LGAs	NA
O5	Does the LG have authoritative decision-making authority over key aspects of the US/RS SDU's operations, including staffing decisions (establishments, hiring/firing/promotion, pay)?	No; UWSSAs are corporate bodies. As such, they manage their own affairs, subject to the oversight authority of the Ministry.	NA
O6	Does the LG have authoritative decision-making authority over key aspects of the US/RS provider's finances, including budgetary decisions and tariff-setting authority?	No; the Board of WSSAs maintain this authority, within guidelines of EWURA regulation.	NA

Table 4.1 Assignment of functions for water and sanitation to the local level: Leading questions			
	Leading Question	Urban	Rural
A1	According to the legal framework, are WSS provided by local governments in line with the subsidiarity principle? If so, which specific responsibilities are assigned to local governments and/or other local entities by the policy/legal framework?	This is legally unclear (contradiction between Local Government Acts and Water and Sanitation Act.) No, urban WSSAs are under the jurisdiction of the central government.	Yes. Legal framework assigns provision function to LGAs. COWSOs are established by policy and are responsible for owning, managing, operating and maintaining water supply systems on behalf of the community. COWSOs are expected to meet all costs of operating and maintaining their water supply systems through charges levied on water consumers, and to contribute to the capital cost of their systems
A2	In practice, are local governments (or a WASA under the LG) responsible for the recurrent provision of WSS in line with the subsidiarity principle? If so, which services do they provide in practice?	In practice, UWSSAs—not LGAs—are primary provider of WSS in urban areas. De facto, urban LGAs are supposed to provide WSS in non-networked areas of jurisdiction, but with limited success.	No, COWSOs are community organizations, and local governments play more of a backstopping and regulatory role.
A3	In practice, are local governments (or a WASA under the LG) responsible for planning and procuring the capital infrastructure required for providing WSS in line with the subsidiarity principle?	No. The Ministry of Water is responsible for procuring and developing capital infrastructure for urban WSS.	Yes, though they rely on centrally provided block grants, which do not always reflect local needs. Formula to allocate funds to LGAs not heeded in many instances.
A4	Does the *de facto* assignment of functions (authority and responsibility) match *de jure* functions (authority and responsibility)?	No. Laws duplicative and contradictory. Especially in the large urban areas, LGAs should have sufficient capacity to manage their own WSS efficiently.	In many ways, no, given that so few villages actually have COWSOs registered and operating in accordance with the policy. LGAs are also constrained from playing their backstopping role by lack of timely and adequate funds (and flexibility over the use of those funds).

Table 5.1 Effective and responsive local political leadership: Leading questions		
	Leading Questions	Summary
B1	Does the local government level have meaningful "political" decision-making space (responsibility and authority), separate from higher-level governments?	In practice, no, given overwhelming reliance on central government for revenues, and other ways in which central government subsumes local government authority.
B2	Does the Local Government or Local Administration have the power recruit, appoint and hold human resource authority over the core local administration team?	No.
B3	What is the local power structure? Is the Local Government (LG) Executive directly (or indirectly) elected? Is the Local Government Council directly (or indirectly) elected?	LG Executives are centrally appointed, while Local Government Councils are for the most part directly elected (comprised of councilors elected from each of the 20-40 wards within the council). District councils also include members of parliament (MPs) representing constituencies within the council, and "special seats" (women) councilors appointed in proportion to their party's share of seats on the council.
B4	Are the LG election system and LG elections competitive?	Competition is fairly constrained, given the ruling CCM party's dominance, though an increasing number of local elections were characterized by close margins in the most recent (2015) election.
B5	Does the LG Executive have broad support from the LG legislative council and LG's administrative apparatus/staff?	This varies by district, and may also depend on whether opposition political parties hold a majority of seats on the council (as the executive is *de facto* a member of the ruling party). "Broad support" notwithstanding, LG executives may be empowered to force their will upon LG councils given executives' higher levels of education and direct political support.
B6	Is the LG effective in achieving results in the service delivery areas that constituents care about?	In many instances, no. As discussed in further detail, in Section 8, the decline in support for the ruling party in the 2015 election has been attributed in part to the government's poor performance with respect to service delivery, including its failure to deliver on promises to improve access to clean water.

Table 6.1 Local control over administration and service delivery: Leading questions			
	Leading Questions	Urban	Rural
C1	Does the LG/LA (Executive or Council) appoint the head of the SDU for WSS?	No, WSSA Board Chairpersons are centrally appointed by MOWI, as is the Managing Director.	No, COWSOs elect own leadership.
C2	Does the LG/LA approve the budget of the SDU for WSS?	No, the Board of the given WSSA approves the budget.	No, though the LGA may provide financial support if certain conditions are met. (See Sec. 73 of the 2009 Water and Sanitation Act.)
C3	Does the LG/LA determine its own organizational structure and determine the staff establishment for the WSS provider?	No, these are centrally determined.	No, these are centrally determined.
C4	Does the LG/LA have control over its human resource decisions with respect to WSS?	No.	District Water Engineer is centrally recruited, as are other members of the district water department.
C5	Does the LG/LA plan and manage the procurement of capital investments /infrastructure required for WSS?	No.	Yes, though the central government influences these decisions given LGAs' heavy reliance on the center for revenues.

Table 7.1 Local fiscal autonomy and local financial management: Leading questions			
	Leading Questions	Urban	Rural
D1	Does the WSS provider (and/or it parent government entity) have an orderly and participatory annual budget process?	In theory, yes, though in practice, key milestones in the budget process are frequently delayed and public participation is undermined.	In theory, yes, though in practice, key milestones in the budget process are frequently delayed and public participation is undermined.
D2	Are expenditure out-turns for local WSS providers consistent with the original approved budget?	No. There is considerable variance in many cases, with WSSAs significantly over- or under-budgeting.	No. Budget execution has been a consistent challenge for the water sector, in large part due to delayed disbursements from the central government to the district level.
D3	What is the quality and timeliness of annual financial statements for the WSS provider?	In FY 2015/2016, all but 5 out of 33 regional UWSSAs submitted their annual financial statements on time, while only 21 out of 97 DT WSSAs submitted draft financial statements in that year.	LGA financial statements are audited on an annual and timely basis. Audit reports are public. There is no functioning mechanism for the public release and external review/audit of financial statements of COWSOs.
D4	To the extent that LGs have functional responsibilities for WSS, are LGs free to define their own local revenue instruments (e.g., specify user fees, adopt new revenue instruments, or modify existing local revenue instruments)?	NA	No; these are centrally determined.
D5	To the extent that LGs have functional responsibilities for WSS , do LGs have the right to set the tax base or tax rate for all local revenue instruments?	NA	No; these are centrally determined.
D6	Does the WSS provider (or it parent government entity) take into account full-cost recovery (including user cost of capital) when setting W&S user fee rates?	In theory, yes, though water tariffs are insufficient to cover the operating costs of most utilities.	Available evidence suggests not. A recent study of 39 rural water supply schemes[42] found that COWSOs are not being guided on tariff setting, and that tariffs were not being monitored or regulated (Fonseca et al., 2016).
D7	Does the WSS provider (or it parent government entity) effectively and equitably collect water and sanitation user fees?	Likely not, given response to D6.	Available evidence suggests not. (See response to D6.)
D8	Does the WSS provider (or the LG, if owned and	According to the WSDP Aide Memoire from	In theory, yes. Both COWSOs and LGAs are

[42] All schemes in the study were functioning for more than two or three years. As such the conclusions drawn from this study may not be representative of the rural Tanzanian experience on the whole.

	controlled by the LG) have access to borrowing from financial institutions to fund local capital infrastructure expenses?	2010, only 6 utilities can possible borrow funds, based on their generation of positive operational cash flow.	independent corporate entities that can open bank accounts. That said, a recent analysis of 12 LGAs found that LGAs have negligible borrowings on their own (PwC, 2016).
D9	Does the WSS provider (or the LG, if owned and controlled by the LG) receive (conditional or unconditional) grants/transfers from a higher level government to support local government operations and to support water and sanitation services to the poor?	Some LGAs have entered into MOUs with WSSAs, where the LG is funding key operations and paying salaries of key staff. Unclear how common this practice is. Otherwise unclear how funds are allocated from MoWI to WSSAs.	Yes, see discussion in Section 4 regarding formula-based block grants for rural water provision. Not aware of grants/transfers to COWSOs.
D10	Does the WSS provider (or the LG, if owned and controlled by the LG) receive formula-based grants/transfers from the higher level government in a complete and timely manner, without unnecessary administrative impediments?	Unclear.	Yes, see discussion in Section 4 regarding formula-based block grants for rural water provision. Not aware of grants/transfers to COWSOs.

Table 8.1 Participation and accountability: Leading questions			
	Leading Questions	Urban	Rural
E1	Is a local performance framework in place and being applied for water and sanitation services? (E.g., Service Charter?) Is this performance framework adopted by the elected local government (or imposed by the national government)?	MOWI has a Client Service Charter, though not aware of same for WSSAs.	MOWI has a Client Service Charter, though not aware of same for COWSOs or LGAs.
E2	Who monitors the performance of the WSS provider? An elected local government? Central government?	Central government through EWURA monitors performance of WSSAs.	Central government through MOWI is responsible for monitoring the performance of COWSOs
E3	Are local budgets and finances (for WSS) managed in a participatory and transparent manner?		No. (See discussion of budget process in Section 7.)
E4	Does the local WSS provider have its own effective participatory planning / social accountability / oversight mechanisms (separate from its parent government entity)? What is the frequency of public interaction between the WSS provider and citizens?		Unclear. This is likely to vary considerably by COWSOs.
E5	Does the parent government (separate from WSS provider) have an effective mechanism in place to receive and resolve complaints about services?		Unclear.