

DECENTRALISED CLIMATE FINANCE PROJECT

District Councilors Training

Background

The Decentralised Climate Finance (DCF) project is funded by UKAID with technical support from the International Institute of Environment and Development (IIED) and United Nations Capital Development Fund (UNCDF). The Project is being implemented in Tanzania; coordinated by the Tanzanian President's Office – Regional Administration and Local Government (PO-RALG) and Hakikazi Catalyst in collaboration with the Vice President's Office, Ministry of Finance and Planning, Institute of Rural Development Planning (IRDP), Local Government Training Institute (LGTI), Tanzania Meteorological Agency (TMA) and Tanzania Natural Resources Forum (TNRF).

The objectives of the project are to provide technical and financial support to the Government of Tanzania to build its capacity to mainstream climate change into local government planning and financial systems and to prepare PO-RALG to be accredited as a National Implementing Entity (NIE) for the Green Climate Fund (GCF).

The project will achieve these objectives through:

- i. Establishment of functional decentralised district climate finance and planning mechanisms and monitoring in 15 districts from mainland Tanzania and 3 regions in Zanzibar to finance community-prioritized investments focusing on public goods that build climate resilience,
- ii. Development of institutional and financial competencies of PO-RALG to scale-up devolved climate finance in support of community-driven climate change adaptation across Tanzania,
- iii. Designing of financial management systems to deliver results based climate finance in Zanzibar,
- iv. Generation of evidence and learning on the effectiveness of devolved climate finance investments for improving community resilience, differentiated by gender and used to inform policy.

Rationale for District Councilors Training with the context of DCF Project

One of the aims of the DCF project is to build legitimacy and enhance effective Local Government Authority (LGAs) capacity in managing its resources which in turn reduces conflicts and build resilience of its people to climate change shocks. While it is important to enhance capacity of LGA officials through training and exposure (what the project did over the last two years) it is important to incorporate District Councilors in any process and projects that have bearing on community livelihoods. This is because, Councilors have an important oversight and policy setting role, and a wide range of responsibilities that include community leadership, representing citizens, and making decisions about the provision of services for the betterment of communities in their respective districts and also wards. Also, collectively, councilors are responsible for decisions that affect the lives and livelihoods of individuals, organizations and businesses. In this regard, it is therefore important to enhance their capacity through training, which in fact, will empower them to play a more significant and a much-expected leadership role.

Through this training, Councilors will be empowered to play key policy setting and oversight roles since they are the ones who are responsible for approving the annual plans and budget for the effective delivery of services to communities in their LGAs. Once these policies, procedures, budgets and service delivery plans are approved, Councilors exercise important oversight responsibilities for monitoring and evaluating the resulting outcomes.

So in real terms, Councilors are responsible for oversight and also managers (executives) responsible for managing and implementing. This principle is a key to effective service delivery at the council sphere of government. Officials are held accountable for their performance by regular and consistent reporting to Councilors through the formal structures within LGAs and municipalities. Councilors should use the regular in-year reports, reviews and annual reports as the tool to ensure effective oversight. The challenge is to improve the efficiency and effectiveness of LGAs through the best use of management practices which in part is the basis for this training.

Every decision-maker in local government authorities must take full ownership of the actions required to ensure successful and sustainable financial management that can only improve service delivery to the people they serve. Councilors make decisions about how funds from the government and other sources such as Decentralized Climate Fund (DCF) will be spent to progressively improve the lives of the citizens they serve. Furthermore, Councilors are required to account for how those funds have been used and they can only do that if they themselves have capacity and tools for monitoring and making informed decisions.

Councilors' role of overseeing the financial management and service delivery of their LGAs means that they will consult with their communities, set priorities and give direction, determine policies, approve budgets for development of the community investments and delivery of essential services. In addition, they monitor the outcomes of policy and budget implementation. The Councilors (elected and appointed) therefore, have a key role to play in linking the communities to the district councils.

They are responsible for strengthening the performance of village assemblies and village councils in voicing the communities' development concerns as well as do the following:

- Overseeing the Local Government Authority (LGAs) plans and budgets,
- Providing feedback to village governments via the Ward Development Committees (WDCs) on decisions made.
- Checking whether services have been delivered effectively and whether the quality of the services has been met.
- Consult communities and help them to raise their voice when the actual promises/Investments have not been done to their satisfaction.

It is clear that Councilors, in order to play those roles, need to be equipped with proper understanding of their roles, responsibilities, regulations and standing orders. Thus, this forms the basis for this training of Councilors from Longido, Monduli and Ngorongoro Districts.

Aim of the Training:

The general aim of the training is to build the capacity of Councilors of Longido, Monduli and Ngorongoro districts to better understand and appreciate their role in order to better participate in local and district level planning processes in their district. The training will focus on the following:

- to Introduce Councillors to the Science of Climate Change including the key concepts/tools,
- to explore the key concepts on participatory planning and use of key tools such as Participatory Mapping, Resilience Assessments and O&OD,
- to familiarise Councillors with planning and budgeting cycle at district and sub district levels,

- to enable Councillors to understand and appreciate the roles and responsibilities of various players in the planning and budgeting process,
- introduction to budgetary control techniques,
- understand their role in enhancing accountability at various levels of the LGAs, and
- use the knowledge and skills so acquired in their day to day financial management oversight

Training methodology:

A combination of training methods and techniques that stress active participation and open dialogue among participants will be used extensively. These include;

- **Buzz groups and group discussions:** which will be used to discuss specific issues and also for the participants to share their experiences in small groups.
- **Brainstorming:** which will be used throughout the training in order to discover new ideas and get responses very quickly.
- **Relevant case studies:** which will involve presentations and analysis of an incidence or scenario
- **Selected handouts:** with key concepts and principles related to Governance, leadership, the DCF project, Science of Climate Change, PO-RALG policies and laws, all will be given to the participants for further reading.
- **Selected Inputs by facilitators:** The role of the facilitators throughout the training is to provide learning experiences and information, and to encourage an environment in which Councillors and LGA leaders learn from one another as well as from themselves.
- **Real case study sharing** will be continued through reflections, workshop discussions and in small group activities, making a significant contribution to the learning.

A word about Trainers:

There will be five trainers. Two trainers are officials of PO-RALG headquarters, one two trainers from the Arusha Regional Secretariat and one trainer from Haki Kazi and IIED. This is the team which will deliver the Councilors training in Arusha.

Training Theme I: Welcome, Introductions and Official opening of the training

- Official opening of the training by the Arusha Regional Secretariat Official
- Introduction to participants and trainer
- Participants expectations and logistics

Training Theme 2: Introductions & Training Objectives

- Objectives of the Councillors training
- The Journey of the DCF project so far
- Achievements & Challenges of the project
- Looking forward together as a team

Training Them 3: Introduction to the Science of Climate Change

- Introduction to climate change with a focus on the National Climate change strategy
- Deepening understanding on key climate change concepts such as weather, climate variability, greenhouse gases and effects, as well as global warming
- International instruments & institutions – UNFCCC, IPCC, COPs
- The Kyoto & Paris agreement, Bonn COP 23

- Concepts of Vulnerability, Mitigation & Adaptation
- Concept of loss and damage, adaptive capacity and resilience
- Transformational adaptation
- Green climate funds, adaptation funds, global environmental facility

Training theme 4: Consolidate structure of CAF, methods and tools

- Introduction to the CAF method and approach with a focus on people participation in their own development process
- Resource mapping, Resilient Assessments & bottom up participatory planning
- O&OD and the government planning cycle
- Space of Councillors in the planning cycle
- Issues related to O&OD (GoT Improved O&OD in Figure 1 below)

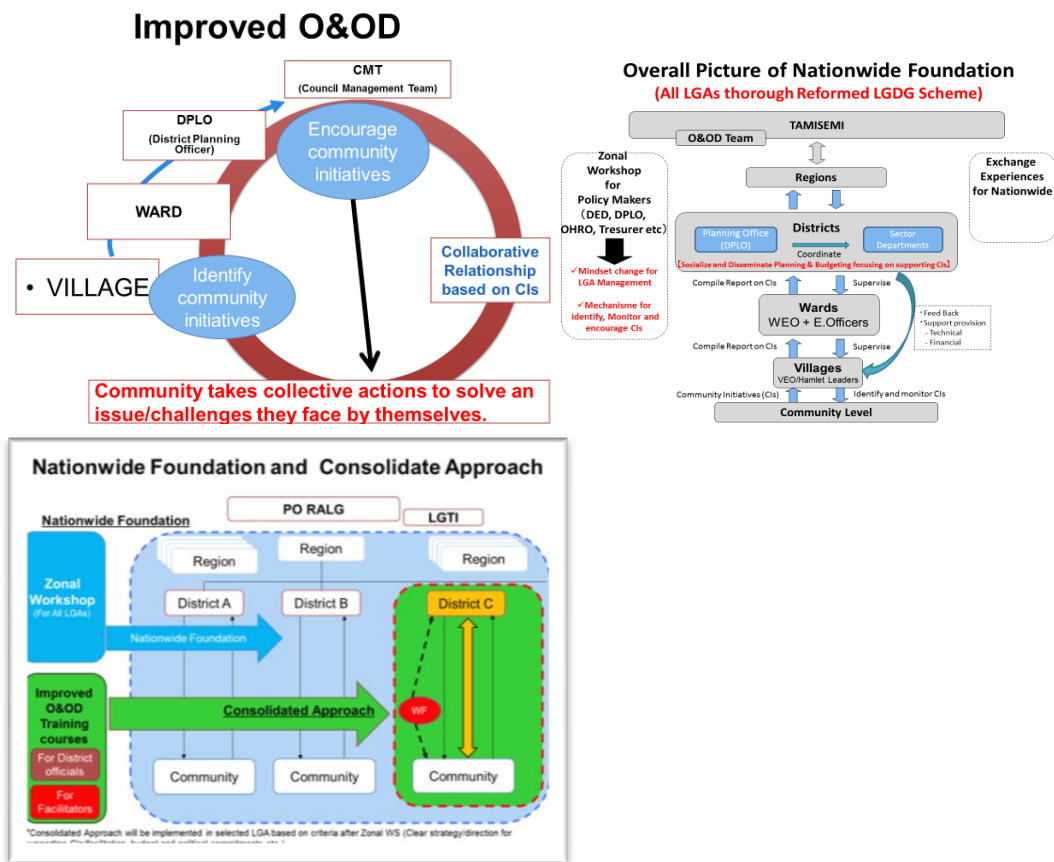


Figure 1.

Training Theme 5: The Local Government Planning Cycle – How it works & space of Councillors in the planning Process

Figure 2: Summary Budget Cycle

DATE	MAIN ACTIVITIES
1 July	Beginning of Fiscal Year T
Aug-Oct	Starts planning for FY T+1, Drafting Annual Development Plan Framework and Budget Guidelines
Nov-Dec	Approval of Annual Plan and Budget Guidelines and distribution to MDAs, RSs and LGAs for budgeting Computerize budget Data (SBAS Data Entry)
Jan	Finalization of Budget Preparation or MTEFs by MDAs, RSs and LGAs
Feb	Approval of Budget Frame and Expenditure by IMTC and the Cabinet and then finalize budget preparation
March	Scrutiny of Sectoral MTEFs Proposals Approval of Budget Policy Paper by Cabinet
April	Parliamentary Sectoral Committees scrutinize MTEFs and approve
May	Approval of final Budget Estimates adjustments by Cabinet Printing Budget Books and submit to Parliament
June	Budget Authorization by Legislature
1 July-30 June	Beginning of Fiscal Year T Budget Execution & Auditing for Fiscal Year T
July 1	Beginning of Fiscal Year T+1 Financial auditing for Fiscal Year T+1

Training Theme 6: Introduction to Local Government Authorities in Tanzania

This session will introduce the history of Local Governments in Tanzania to enable the new Councillors not only to appreciate the long history of Local Government Authorities in Tanzania but also the policy legal frameworks of these LG in Tanzania. In particular, the session will interrogate the Local Government Authorities in Tanzania - Its roots and its historical landmarks. This will include the following:

- History of the Local Government Authorities in Tanzania
- Policy and Legal Framework of Local Government Authorities in Tanzania (Articles 145 and 146 of the Constitution of the URT).
- Composition of Local Government Authorities
- Composition of District Councils
- Composition of Divisions and Wards
- Composition of Village Councils
- District Council Committees and Full Council
- Legal Powers, Functions and Duties of Local Government Authorities including policy and law making, supportive and facilitative roles, monitoring and quality assurance of investments in the LGAs and controlling functions
- Administration and Management of Local Authorities
- Local Government Reforms Programme 1998-2008
- The Local Government Shared Vision and its characteristics
- The Local Government Reforms Implementation Strategy
- Role of Association of Local Authorities in Tanzania (ALAT) in influencing and guiding policies to ensure that they are in line with the principles of decentralisation by devolution.

The functions of the Full Council and its standing committees

i) The functions of the Full Council & Finance Committee

It will be important to spend time on the function of a full council because this is where decisions are made at the LGA level. A full council is composed of all elected and appointed members of the authority and responsible for all decisions of the authority including:-

- Approval of development plans
- Approval of budgets
- Approval of supplementary estimated and reallocations
- Approval of budget method and budgeting process
- Approval of the administrative and political structure
- Review of the quarterly financial statements and progress reports
- Review of reports produced by Internal Audit Section, OCAG and LAAC
- Any other action deemed necessary to implement the budget and to achieve the political objective behind the budget.

ii) The Functions of the Finance Committee

The Finance Committee is composed of all chairpersons of the councils standing committees and responsible for the following duties:

- To control and supervise the finance of the council
- To review all changes proposed to financial management procedures
- To consider and recommend changes to the rates of all taxes, fees and charges
- Review the estimates of all committees and present them to the council
- Consider variances of income and expenditure from their budgeted totals
- Review all capital expenditure proposals prior to council approval
- Receive the annual final accounts and ensure their submission to the OCAG

iii) The Functions of the Standing Committees

Although not elaborated in the financial memorandum, it should preferably include:

- Provision of policy input to the council
- Review of work plans
- Approval of work plans
- Decide on resource allocation among programmes and within the budget
- Monitor performance of their departments
- Ensure that accountability prevails and expenditure is maintained within the budget estimate.

iv) Why Financial Management for Councilors?

Financial management is the processes and actions by which managers ensure that resources are obtained and used efficiently and effectively in the accomplishment of the organizations objectives; **OR** Financial management are processes and actions taken by political and administrative leaders of a LGA in analyzing financial performance, identifying ways to use resources efficiently, and finding creative ways to use resources to generate additional resources with a view to achieving the goals and objectives of the LGA. Thus, Financial Management is concerned with three broad elements:

- **Allocation of Finance:** What do we spend the money on (or invest the money in)
This will involve the budget process in an LGA [Sec. 43 of the LGF Act 1982].
- **Controlling resources:** mainly elimination of waste and fraud or theft

- **Financing decisions:** Where will the money come from? Example Produce Cess, abattoir fees, property tax, government grants, loans, etc.

Thus, it is obvious that in order for Councilors to effectively discharge their responsibilities in manning the LGAs' activities, proper understanding of financial management principles and techniques if of a paramount importance.

v) What is financial governance and why is it important?

Financial governance framework is a structure in which a local authority takes decisions, strengthens accountability and manages its affairs in relation to the collection, distribution, allocation, utilization, control and monitoring of resources. This means establishing a comprehensive system of checks and balances that fosters sufficient oversight and accountability to ensure that government carries out its responsibilities effectively.

This means developing a comprehensive financial governance system that clarifies (and separates) the responsibilities of Councilors and officials. The framework must be built around responsibilities of accountability and oversight, which are in turn, possible only if there is a culture of transparency and regular reporting in that Local Authority.

vi) Frequent and regular reporting

In order for financial governance to effectively operate, the council management must submit monthly and quarterly budget progress reports to the finance committee. These reports are to include the information relating to financial and non-financial performance. The Finance Committee must table the quarterly reports in the council meeting. Each of these reports must follow prescribed formats and set out actual spending against budget as well as the projection for the remainder of the year.

Councilors must have or develop the ability to review and comprehend the in-year reports and be alert to trends that, if left unchecked, will lead to deteriorating financial stability that will manifest itself in reduced service delivery. Councilors must be able to ascertain that the implementation of the budget is going according to plan (this means according to the budget approved by council).

vii) Financial reports: councilors' tools for oversight

Regular in-year financial and performance reports, annual financial statements, the audit report and the annual report are all useful oversight documents that will assist councilors in performing their oversight role. Councilors will be required to use, understand and review in-year reports, annual financial statements, audit reports and annual reports in discharging their oversight over Local Government Authorities.

Improved financial reporting and a system of performance measurement is expected to increase service delivery capacity by ensuring that LGA's programs and services are achieving their intended results – in terms of outcomes, outputs and timing – at a reasonable cost to the taxpayer and service user.

REPORTS: What reports should councilors use in their oversight role?

In-year Budget and performance reports of the LGA include;

- Annual performance agreements for the Council Heads of Department
- All service delivery agreements
- All long-term borrowing contracts

- Ward committee information on service delivery
- Public-private partnership agreements(if any)
- Reports from internal audit and the audit committee
- Annual financial statements of the LGA
- The Auditor-General's report for the LGA
- Annual report for the council and any council entity under its control
- The annual budget of the LGA
- Other reports and reportable matter

Key policies to be discussed

The experts from TAMISEMI will lead Councillors during the training to interrogate the policies and laws. The most important reference document to all these policies is the Constitution of the United Republic of Tanzania - URT (1977), which is supported by various Acts including:

- The Local Government (District Authorities) Act, 1982, No. 7 of 1982;
- Government (Urban Authorities) Act, 1982
- Local Government Finance Act, 1982
- Urban Authorities (Rating) Act, 1983
- Regional Administration Act, 1997
- Local Government Laws (Miscellaneous Amendments) Act, 1999
- The Local Authorities Provident Fund Act (Act No. 6 of 2000)
- The Local Government Authorities (Decoration of Buildings) Act (Act No. 9 of 1968)
- The Regions and Districts (Establishment Procedure) Act (Act No. 12 of 1994)

Training Theme 7: Workshop Evaluation and Closure

A written and an oral evaluation of the two days workshop or training will be carried out. Councillors will be able to evaluate the training in terms of its content, relevance, training approaches used, group discussions, hand-outs, the quality of the trainers and the venue in terms of meals and services. Participants will first fill the forms, then followed by a discussion which will provide suggestions and recommendations to the trainers. Eventually, the official closure of the training will be done by the Arusha Regional Secretariat.