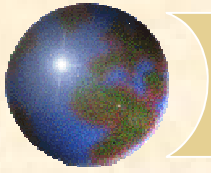
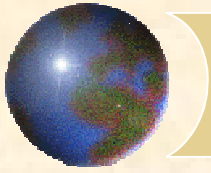


*Concept for Local  
Government  
Services Basket*



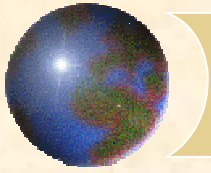
## *Rationale*

- ❖ As a result of D by D, it is clear that progress in direct service delivery and resulting quality of life (including MDG) improvements is going to take place primarily at the LGA level
- ❖ Services at the local level in Tanzania are under considerable stress, with issues of human resources, flows of funds, and management capacity
- ❖ Sector-specific approaches have limited ability to address underlying cross-cutting management and fiduciary issues



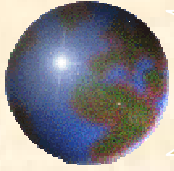
## *Rationale (cont'd)*

- ❖ Level of engagement between DP's and LGA's/PMO-RALG needs improvement
- ❖ Current support to LGA's is fragmented across a number of sectors
  - ❑ WB currently support 8 different basket funds of various types
- ❖ Transaction costs of current approaches are high
- ❖ Other options need to be explored

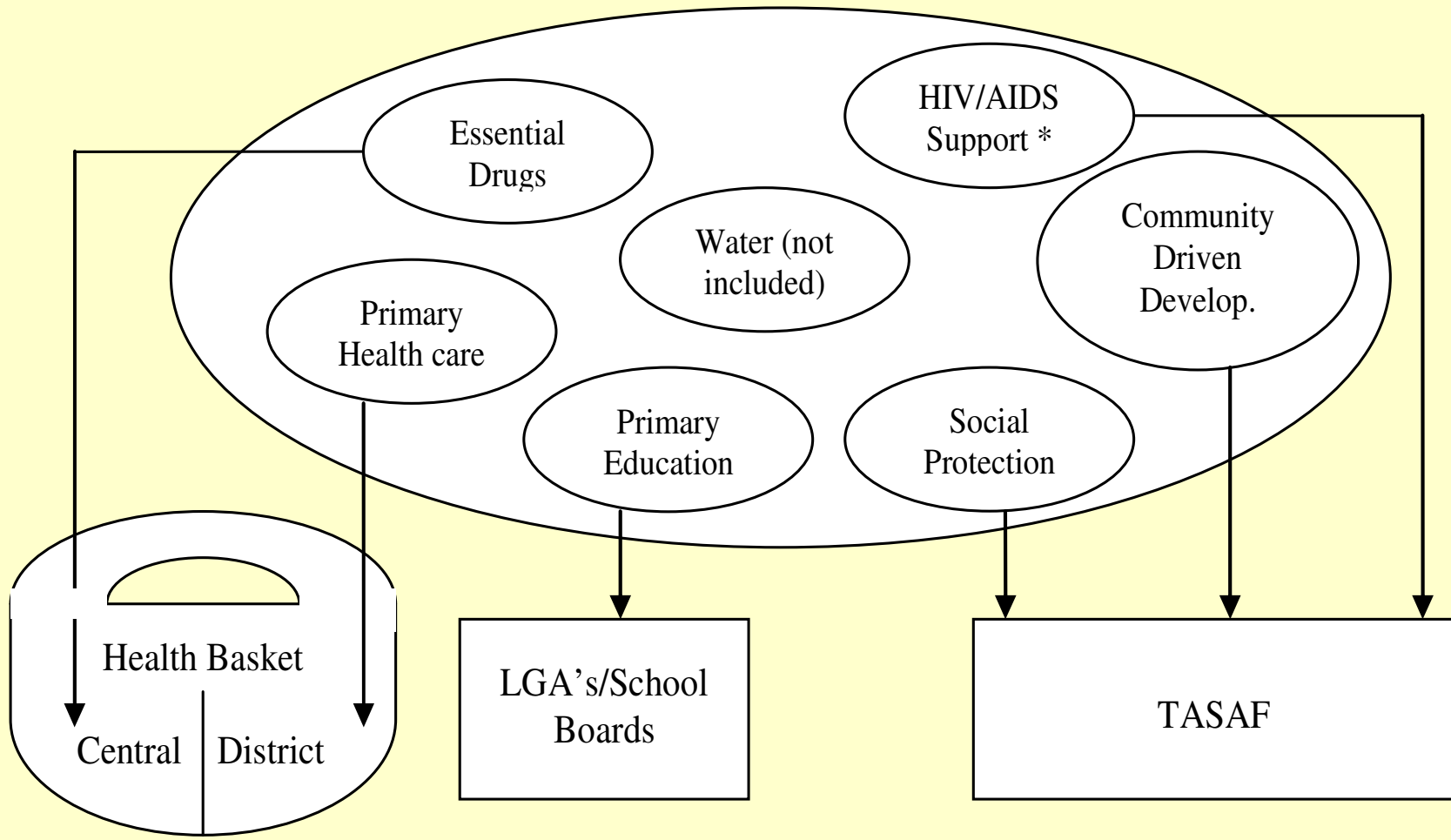


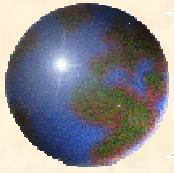
## *Possible Approach*

- ❖ Funding across a number of sectors would be funneled to LGA's using a common "Local Government Basket"
- ❖ Would start with existing mechanisms and migrate to performance-based grants over time
- ❖ Need to address sector-specific issues (including dialogue issues) as part of the transition

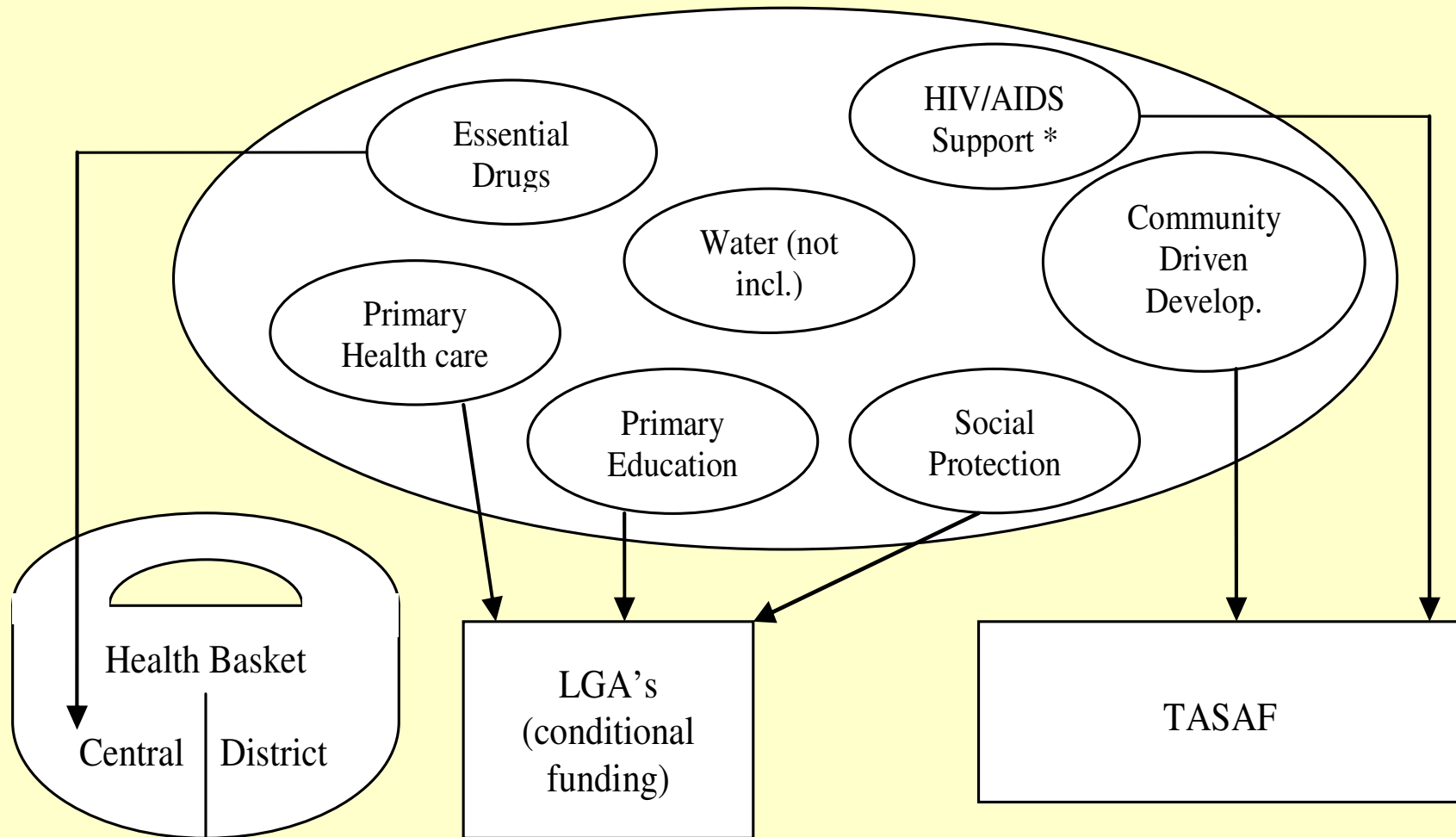


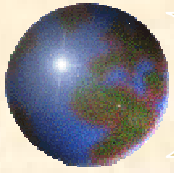
## Phase 1 – Use Existing Mechanisms



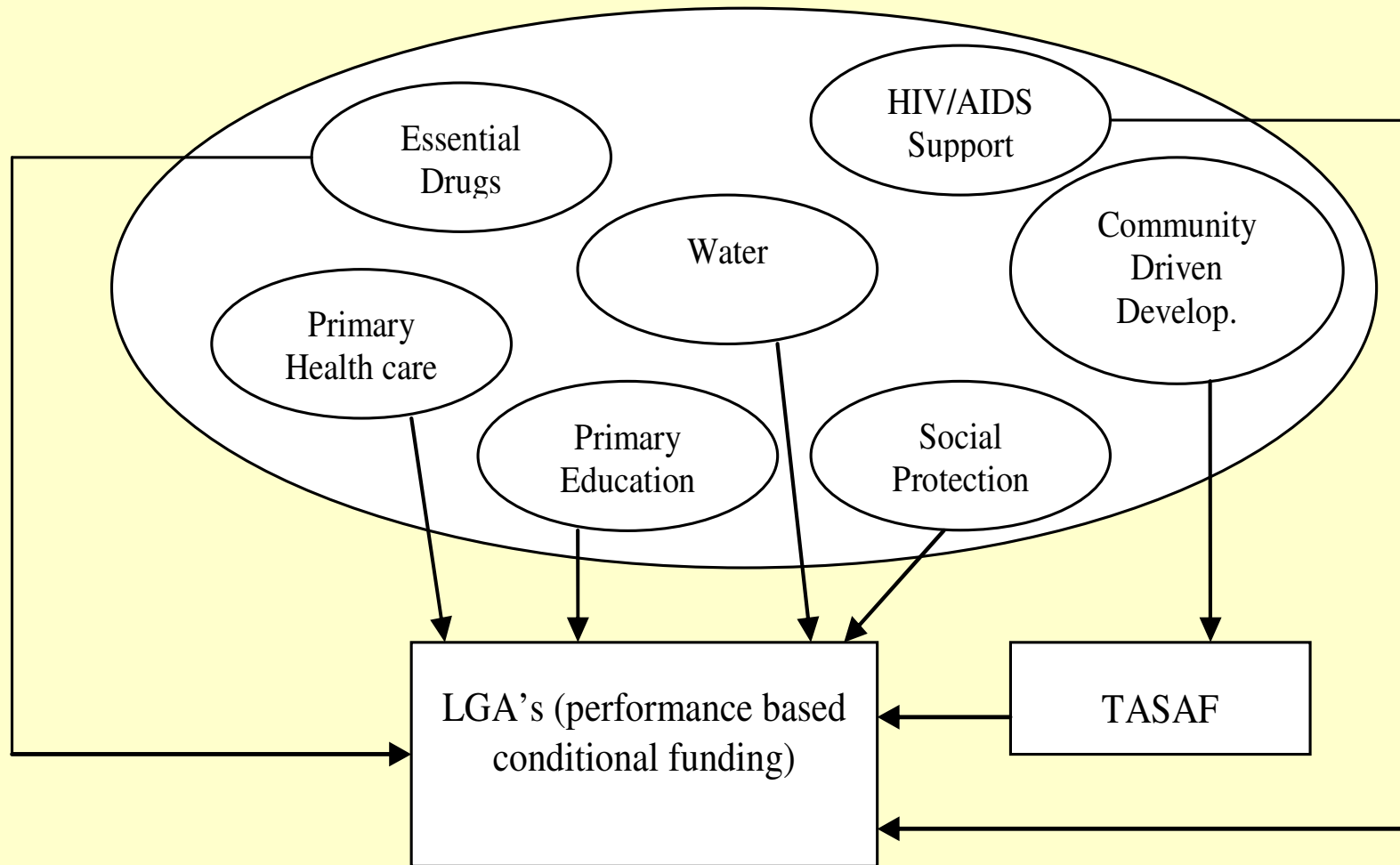


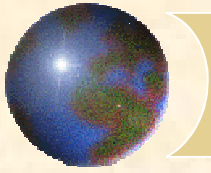
## Phase 2 – Initial Migration to LGA Mechanisms





### Phase 3 – Complete Migration to LGA Mechanisms



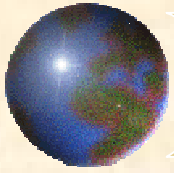


## *Potential Components*

### A. Grants to LGA's for Basic Services (e.g.,)

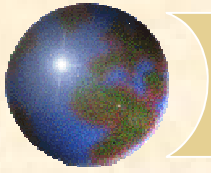
- ✓ Per capita grants to districts for primary health care and district hospital services
- ✓ Financing for community infrastructure through TASAF or LGDG
- ✓ Pooled funding for community support and/or CSOs for HIV/AIDS via TASAF
- ✓ Per pupil (capitation) grants to support primary education using LGDG or other existing arrangements





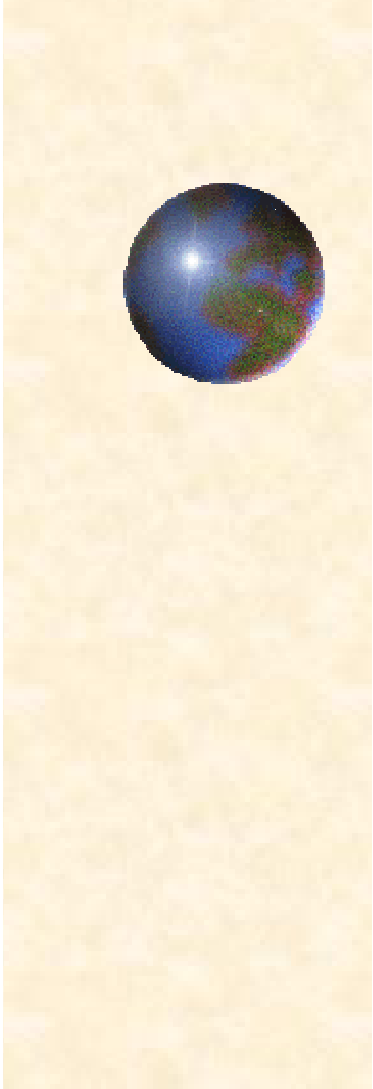
## *Potential Components (cont'd)*

- B. Funding to National Government (MDAs) for centrally provided services (e.g.,)
  - ✓ Essential medicines and medical supplies
  - ✓ Text-books?
- C. Strengthening Governance Systems with a focus on Financial Transparency and Accountability
- D. Social Accountability to strengthen voice and client power of citizens/CSO's



## *Potential Issues*

- ❖ Level of DP/GOT interest in this approach? Other related approaches?
- ❖ How to stay engaged with sector ministries/sectoral issues outside LGA's?
- ❖ How to organize DP input into the process and its evolution (especially towards performance-based grants)?
- ❖ How to ensure that transaction costs are actually reduced?



*Thank you for your  
attention ...*

*Discussion?*