



Institute of
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Advisory Service

In support of local governance
An analysis of processes and issues
in Zimbabwe

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List of Acronyms

AAG	Affirmative Action Group
ARDC	Association of Rural District Councils
BESA	Business Advisory and Extension Services
CAMPFIRE	Communal Area Management Programme For Indigenous Resources
CASS	Centre for Applied Socioal Sciences (University of Zimbabwe)
CBP	Capacity Building Plan
CBPIDP	Capacity Building Plan Institutional Development Programme
CC	Christian Care
CEO	Chief Executive Officer
CFU	Commercial Farmers Union
CG	Central Government
CP	Community Participation
CZI	Confederation of Zimbabwe Industries
DA	District Administrator
DC	District Commissioner
DCs	District Councils
DDF	District Development Fund
DGIS	Directorate General Internationale Samenwerking
DPP	Department of Physical Planning
ESAP	Economic Structural Adjustment Programme
EU	European Union
GoZ	Government of Zimbabwe
GMB	Grain Marketing Board
IBDC	Indigenous Business Development Centre
IBWO	Indigenous Business Women Organization
IMF	International Monetary Fund
HRD	Human Resources Development
KAF	Konrad Adenauer Foundation
LG	Local Government
LWF	Lutheran World Federation
MLGRUD	Ministry of Local Government Rural & Urban Development
MoT	Ministry of Transport
NGO	Non-Governmental Organization
ODA	Overseas Development Agency
PER	Public Expenditures Review
PM	Prime Minister
PS	Permanent Secretary
RC	Rural Council
RDC	Rural District Council
RDCCBP	Rural District Council Capacity Building Plan
SEDCO	Small Enterprise Development Corporation
SIDA	Swedish International Development Agency
USAID	United States Agency for International Development
VIDCO	Village Development Committee
VIP	Ventilated Improved Pit latrine
WADCO	Ward Development Committee
WB	World Bank
WWF	World Wildlife Foundation
ZANU(PF)	Zimbabwe African National Union (Patriotic Front)
ZWB	Zimbabwe Women's Bank
ZFU	Zimbabwe Farmers Union
ZNCC	Zimbabwe National Chamber of Commerce

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1. Introduction

Decentralisation and the strengthening of local governance in Zimbabwe is taken place from a very different perspective and in very distinct historical circumstances than in Uganda. Decentralisation quite abruptly is taking precedence over a long drawn period (1980-1993) of efforts to establish post-Independence local government structures that are extending to cover all different post- and pre-independence forms of local government.

If anything characterises the decentralisation process at this very moment then it is its disjointedness, the absence of a clear vision where the process is leading to. The process itself is unclear as to who the stakeholders are. For much of the 1980s the Ministry of Local Government Rural & Urban Development was considered to be the principal stakeholder and sponsor of the reorganisation of the local government system in Zimbabwe. This came in the wake of the Lancaster House Agreement which determined that rural councils governing the commercial farming areas were to be left on their own, till the moment that the initial power sharing would cease and the Government of Zimbabwe would get greater powers as regards land and land acquisition and amalgamation of different forms of rural local government. Up to that moment, GoZ and in particular the MLGRUD concentrated on re-organising local government in the former tribal trust lands, now known as the communal areas. The (220+) former African Councils which were fragmented, very small authorities of mixed administration (in which the former District Commissioner was the central figure) were recombined into 55 larger units. It continued to be a mixed administration in which the District Administrator, representative of MLGRUD, was the CEO of the Council. Much in accordance with the then state socialist development orientation of government, a PM directive on decentralisation created a bottom up system of planning in which Village and Ward Development Committees were created as substructures of the District Councils. These cte's served a mobilisation and planning purpose only and were never really integrated within the LG system (although each ward elects a councillor in the District Council). Given the weakness of these councils and the expectation that development would come from national government, justified the development of a mixed system of local government in which sector ministries took major responsibilities and extended their field administrations into every communal area district of the country. District development Planning was largely a central government affair, based on sectors and orchestrated by MLGRUD both at district and provincial levels. The inputs and influence of substructures (vidco's and wadco's) were marginal in most instances. The experiences with 2 rounds of five year planning and the setting up at district and provincial annual planning and budgeting cycles had lead to considerable disillusionment on the part of many who had given their best efforts in making the system work.

The rural councils were in fact net beneficiaries of the process. Their local decision making structures remained intact (farmworkers could still not vote) and they were recipients of important CG grants in education, health and roads to improve basic services in their areas. The amalgamation of rural and district councils faced with considerable opposition from the commercial farmers who were afraid of becoming outvoted and of loosing much of revenues raised in their areas to spending in communal areas. The process of amalgamation via the formulation of a Rural District Councils act was a long drawn and protracted process which, up to this very day, has not been fully completed. The 1987 act passed in 1988 but implementation started only in 1991/2. A long and difficult process was the drawing of the boundaries of the new RDCs which were to absorb whole or parts of rural councils and existing district council areas (some large districts were subdivided along the way, e.g. Gokwe). The main attention was on getting a good part of the fiscal base of rural councils and their assets, notably equipment. This delayed considerably the actual integration of the two systems which had different budgeting and accounting systems, different personnel policies and of course different priorities. The formal establishment of all new RDCs was completed only by 1993 and still to this very day there are some RDCs that

still run parallel budgets for former RC and DC areas and there continue to be problems and conflicts between councillors and administrative staff from both sides. A lot of effort has been put in defining capacity building on the basis of some perceived ideal LG model but little attention has been given to the actual integration problems on the ground!

In 1991 two important issues were recognised. Firstly, the RDC act was patterned on the Urban Councils Act, and it brought new responsibilities into the realm of rural local governments which hitherto had not existed. These responsibilities were carried out thusfar by sector ministries (e.g. roads, health, public sanitation, planning, urban management etc.). Sector ministries (incl. Departments within MLGRUD, like DPP and DDF) objected to the implied transfer of responsibilities. In fact, in 1989, the ministry of education had taken away in a quite unexpected manner, responsibilities of the district councils in primary education and decentralised it under their own field administration and school management committees. A dialogue was necessary on the division of responsibilities between central government and the rural district councils. Secondly in that dialogue (Forum for Rural Development) it was realised that amalgamation needed to be supported by a considerable capacity building effort to ensure that the RDC were capable of handling their responsibilities. The experiences with the district councils had shown that there was a strong need for this. This later developed into the Capacity building Programme (CBP). These activities had sofar been primarily managed by the MLGRUD.

With the coming of ESAP, in 1991, and the rapidly growing fiscal pressure at national level, especially after 1993, the tide began to change. Sector ministries began to feel the fiscal pinch and started seeking ways and means to address priorities and safeguard their principal interests. In some sectors this happened in quite an orderly manner. e.g. in roads. In other ministries this process has been more haphazard. e.g. in health and education. These examples serve to show how conditions were changing, and capacity building for amalgamation became replaced by capacity problems in relation to decentralisation. As part of the ongoing dialogue between WB and IMF and GoZ a public expenditure review (PER) was undertaken which included the issue of decentralisation of responsibilities to local government. This study has been completed a few months ago and is now awaiting implementation.

As other ministries now began to reverse their attitude towards decentralisation of responsibilities, it became increasingly apparent that there was a need for a clear cabinet policy on decentralisation. An inter-ministerial committee was formed in 1995 and in mid-1996 a first attempt to define principles of a decentralisation policy was made and were set out in a press statement (a policy paper has still not been produced, and WB is pressuring GoZ to come up with one).

It is in this rapidly changing context that this one-week study visit took place.

After this short overview of the main highlights in the decentralisation process, this report will concentrate on the main findings, by presenting particular features of emerging local governance in Zimbabwe (section 2) and discussing the main problems, current and expected (section 3), their implications for capacity building (Section 4) and identifying potential challenges for SNV (section 5).

As stated in the Terms of Reference, decentralisation is seen as a process of building institutions of local governance, involving new organisations, structures and relationships. Decentralisation is therefore not merely seen as a political administrative process of creating a new system of local government. While the latter is a dominant part of it, decentralisation has important economic and political dimensions, and involves other actors, in particular, the local polity and political leaders, the civil service administering the system, communities, both participants in and beneficiaries of services, NGOs and producers and

private sector organisations. The purpose of this study is to examine the interconnections between these 3 dimensions of decentralisation processes and the interactions between the various actors.

Before presenting our analysis, the mission would like to acknowledge the assistance rendered by the SNV-Zimbabwe Office and in particular its Director. On short notice a programme of activities was defined, including visits to two RDCs in which SNV is active. This together with logistical support made it possible for us to concentrate fully on the subject matter. Mr Wilbert Sakomba, private consultant, provided research backstopping services.

2. Main features of the decentralisation process

2.1 Introduction

We will describe the decentralisation process by examining the various dimensions and actors in the process, notably, as regards local government, communities, NGOs and the private sector.

2.2 Establishment of the new local government system

The current system of local government that grew out of the amalgamation process and culminated in the 1988 Rural District Councils Act, has the following important features:

- Decentralisation was *initially* framed in the context of amalgamation and only very recently is it beginning to acquire wider significance, especially in the *current* context of serious budgetary constraints to which all sector ministries are subjected and the public expenditure review at national level (which is part of the programme of adjustment and reform)
- The transfer of functions from the central government sector ministries and their field staff in service delivery capacity is concentrated at RDC level but most is as yet to take place..
- It is a single local government system, roles and responsibilities of substructures are only partly recognised for planning purposes and for election of councillors
- Formally RDC have on paper considerable autonomy in decision making. But considerable anomalies of the past continue to exist.
- Local level decision making is centralised at the district government level, substructures have very limited influence on actual decision making within RDC and the selection of district investment projects.

Amalgamation and decentralisation policy

As stated in the introduction, the strengthening of local governance in Zimbabwe was in the late 80s and early 90s primarily a matter of amalgamating two very different systems of local government and to transfer certain sector ministerial responsibilities that initially had been initiated by nationally in the communal areas, notable in relation to resettlement and rural centre development. The new RDCs came into existence in July 1993. Elections based on the new law, were held in 1993. The actual integration processes, in terms of budgets, staffing and decision making, are yet to be completed.

Decentralisation under amalgamation had to do with the fact that certain functions were already carried out by the former rural councils while those same functions were done by sector ministries (incl. DDF) in the former district councils. Especially as regards water & sanitation, roads, health care. Furthermore rural centres and small towns in the former rural councils were undertaken locally, but the same centres and towns which were expanding at times quite rapidly in the former district council/communal areas continued to be under the responsibility of the Ministry of Local Government. Resettlement schemes which are scattered throughout the country fall under the responsibility of a resident Resettlement Officer of the Ministry of Lands/Agriculture, including (scarce) basic services. A *clarification* of functions and responsibilities at national level was needed to sort out this archaic and chaotic structure. The Forum for Rural Development, funded by SIDA, was the prime vehicle and the forum was organised and led by MLGRUD. There was as yet little talk of *transfer* of responsibilities

New impetus came from ESAP and the subsequent rising budgetary pressures which pushed ministries to reconsidered their expenditures. The Public Expenditure Review is giving additional inputs into this process. In reaction to sudden proposals of the Ministry of Health in early 1996 to make RDCs responsible for financing primary health care services, caused a similar outcry from councils as the 1987 sudden decision, by ministerial circular, of the MinEducation to withdraw education from RDCs. RDCs *refused* to accept the proposals

in absence of clear financing for these added responsibilities. The important difference with 1987 was however that now donors were getting involved in the Capacity Building Programme. They now pushed GoZ to formulate a policy of decentralisation.

A skeleton of decentralisation policy was announced in July 1996 in the form of a press statement by the Hon Minister of MLGRUD, John Nkomo. The statement covers 13 principles on decentralisation. The document is a set of complex compromises between sector ministries and the MLGRUD. It is beyond the scope of this report to make a detailed commentary and explanation of each of these 13 principles, except one important observation, namely that the 13 principles repeatedly make reference to provisions that state that if and when a function is transferred, the sector ministry concerned would make appropriate funds available, directly to the RDCs. This points to specific grants administered by each sector ministry. This reduces the discretion RDCs may have to manage these resources. In other words no block grants are foreseen.

For the remainder suffice to state here that the interministerial co-ordination mechanisms that had been set up, notably the committee of Permanent secretaries and the Capacity Building Co-ordination Cte were now subsumed under a new inter-Ministerial Committee on Decentralisation which will oversee both the transfer of new responsibilities to RDC and the RDC capacity building efforts. The CBP has become also of interest to sector ministries as the District Development Grants to RDC, financed by DGIS, will be spend on projects identified by the District Development Committee, of which they are also a part.

The World Bank has in principle agreed to set up a loan facility for RDC but it has made its financing of this fund dependent on a further elaboration of the decentralisation policy by GoZ.

Intergovernmental relations and the transfer of functions to RDC

As stated earlier, the initial debate concerned a clarification of functions, taking into account the historical differences between rural and district councils. The Decentralisation Policy Press Statement is still largely a reflection of this (it is based on a memorandum of the PS of MLGRUD on the clarification of responsibilities as achieved by the Permanent Secretaries one year earlier).

After the withdrawal of education by a Ministerial decision in 1987, RDC received grants from the MinHealth, a small grant from MLGRUD to finance a skeleton staff of RDCs, and a small grant from the MinNatural Resources & Tourism. As a result of mounting inflation, most grants have lost real value. Transfer of functions is currently being proposed by several sector ministries and is in large measure been initiated so as to reduce sector ministry budget problems. The most important advocate of shedding responsibilities in MinHealth which in the space of one year has drafted three different proposals, all seeking to reorganise district and subdistrict health services and proposing to make the RDC responsible for financing district health care.

The Ministry of Transport, MLGRUD (incl. DDF) and the RDCs have come to an agreement to redefine responsibilities for all roads. A new fuel levy has been proposed to finance road maintenance expenditures. The various stakeholders (MoT, DDF and MLGRUD/RDCs) have agreed on a reclassification of roads and defined road authorities. The fuel levy will be put in a national fund to be allocated to the various road authorities (MoT, DDF and RDCs) on the basis of technical criteria and lengths of roads. Within MLGRUD however there has been no agreement on the reorganisation of DDF and the Road Levy fund has as yet not been created.

In 1995 the MinHealth suddenly announced proposals to transfer responsibilities for health services to the RDCs including the responsibility to financing these. This quite surprising

move was objected by the RDCs on the grounds that they didn't have the finance nor the technical capacity to take over these responsibilities.

The Ministry of education is currently studying the issues and an educational reform is in preparation.

In other key sectors, such as water & sanitation, there have been co-ordinating efforts already for quite some time. The National Action Cte for Water & Sanitation, with strong donor support, has been standardising practices, technologies for the construction of new (drinking) water points. This refers however primarily to investment. As regards maintenance little transfer to RDC has been achieved. The DDF continues to play a role here as part of a 3 tier maintenance structure.

As regards irrigation (dams) several sector ministries have been vying for control over (parts of) the sector. Effectively no concrete decentralisation of particular investments has taken place.

A critical missing factor in the current decentralisation discussion is the Ministry of Finance and the National Economic Planning Commission to work out future financing proposals in the recurrent and investment spheres respectively.

RDC system

The RDCs constitute a single local government system, although the act also caters for the establishment of town boards for urban wards. Roles and responsibilities of ward and village substructures are only partly recognised for planning purposes and for election of councillors (wards). The RDC may have different types of wards (communal area, commercial and small scale commercial farming areas, resettlement areas and urban wards).

The powers of taxation for each type of ward varies, making the system rather complex. In the commercial farming areas a unit tax on land is levied, in communal areas a development fee (flat income tax) and there is a property tax on urban private land and improvements.

In terms of its organisation, the RDC resembles conventional functional departments and a corresponding system of committees of council. The most important functions (in terms of expenditures) are health services, roads and urban services. Most councils have a projects or economic affairs department which is responsible for running council (economic) enterprises and (RDC) income generating projects.

The planning and development function is shared with the Rural District Development Committee in which sector ministries continue to sit, and which responsible for the district development plans (annual and 5-year). This committee is still chaired by the District Administrator (of MLGRUD). Council must approve any plan before it can come into effect.

Given the historic patterns of development and the fact that amalgamation did not benefit all former district councils with RC additions with their perceived associated benefits such as tax base, equipment and other assets, there continue to be considerable inter-district socio economic and fiscal inequalities (see Helmsing, 1990).

Local autonomy

Formally RDC have considerable autonomy in decision making. The RDC has a range of powers to make bye laws (see 2nd schedule of the RDC Act)

Considerable limitations and anomalies of the past continue to exist. The most serious limitation concerns availability of funds. The RDC act did not lead to any substantial improvements. New tax basis remained outside the realm of councils (esp. property taxation in district service centres and growth points). Licences and leases provide new opportunities.

Central government transfers are all specific grants (general administration, health, natural resources) and have been rapidly eroded by inflation.

The increased availability of tax revenue was widely seen as one of the chief benefits of amalgamation. The crucial issue was cross-subsidization. That is to say that taxes generated for one purpose in one type of ward could be transferred and spent for other purposes in other wards. The opposite of cross-subsidization is earmarking taxes for designated purposes (in designated areas). The district councils had set hopes on cross-subsidisation, while the commercial farmers resisted and pushed for earmarking. The final compromise agreement on this was that funds generated under the roads account could not be transferred to other accounts (e.g. education, general administration) but could be spent on all types of RDC roads, incl. those outside the commercial farming areas, in particular the communal areas. Currently, however, the CFU is pushing the GoZ to privatise road maintenance in rural areas and to allow commercial farmers to contract their own road maintenance in exchange for tax reductions.

Although the RDC act has been a significant step forward in comparison with the District Councils Act, the act has a large number of provisions which are subject to ministerial regulation and approval by the minister of MLGRUD. In addition, and as a practice from the past, both sector ministries and MLGRUD have the tendency to issue regulations which often conflict with the provisions of the act or make these de-facto inoperable.

Limited roles for substructures

Local level decision making is centralised at the district government level, substructures have very limited influence on actual decision making within RDC and the selection of district investment projects.

In the early 80s and under the PM directive on decentralisation and the subsequent Provincials Councils and Administration Act (1985) a multi-level planning system was created aiming to start from the grassroots (village level) and culminating into national plans. This system never really (could have) worked but it did lead to the establishment of village and ward development committees which in spite of all their shortcomings introduced some form of community based planning which nowadays is only adhered to in a limited number of districts.

Recently the Commission of Inquiry into Lands & Agriculture recommended a re-appreciation of traditional authorities, not only as regards land allocation but also in wider community development matters. It proposed the creation of village and ward assemblies which would be chaired by Kraalheads and Chiefs. VIDCOs and WADCOs would become subcommittees of the executives of these assemblies. The report has not yet been accepted by GoZ nor made public.

2.2 Community participation

Community participation takes a variety of forms in Zimbabwe:

1) traditionally, there is community exchange of labour in agriculture and collective action in burial societies;

ii) the early 80s saw an impressive community drive to construct schools in the communal areas. More than 3000 schools were built by communities (often with some government or donor assistance in the form of materials (esp. roofing);

iii) in water and sanitation sector a similar extensive participation by communities can be observed. Most wells and VIPs have been constructed by communities with outside technical assistance while communities make important contributions in the form of labour and bricks for boreholes. Programmes have been mostly initiated by NGOs and donors, who co-ordinated their activities with government through the National Action Committee of Water & Sanitation;

iv) food for work and drought relief programmes have often been implemented with community participation, constructing roads, dams and land use re-organisation projects;

v) the EU micro-projects programme has over the years sponsored a wide variety of community based projects, notably in construction of basic services facilities (clinics, schools, teacher houses, water & sanitation)

vi) as indicated above, GoZ introduced participatory planning structures, VIDCOs and WADCOs which culminated in long shopping lists of basic services facilities. With some notable exceptions little of these efforts can to fruition.

vii) finally, at subgroup level, there is a wide spread existence of women's savings clubs and income generating projects. As regards the latter there has been some notable decline after GoZ dropped its insistence on formation of co-operatives, a practice which led to a large number of artificially created and unviable co-operatives.

Community participation in the above instances is undertaken in a variety of institutional forms. Some are ad-hoc, come and go, as and when need arises. Some rely strongly on external agents (like community facilitators and social or community workers), others depend on traditional authorities or elected village committees.

On the whole community participation is widely adopted, especially in the construction of basic services infrastructure. As government is increasingly short of funds, CP is likely to continue to remain an important mode of service facility generation.

However, there is little community (co-)management of services and CP does not take place in an explicit legal framework of rights and responsibilities. The notable exception is the school management committee which is responsible for and oversees the school infrastructure and facilities.

2.3 Outcontracting, privatisation and local private sector development

Zimbabwe has very little experiences with outcontracting and privatisation of local public services.

With respect to privatisation, there have been important developments at national level, some parastatals were successfully privatised (e.g. Dairyboard). However, GoZ places more emphasis on commercialisation of parastatals as it considers relinquishing public ownership would further reduce the already marginal national control over the economy. Given this climate there is little initiative at local levels to privatise.

Outcontracting had been done quite extensively by rural councils in the area of road maintenance. District Councils and the current RDC have, however, little experience with outcontracting.

The Urban Councils have recently begun to look at outcontracting as a means to improve efficiency in service delivery, especially in areas of refuse removal and office and hospital cleaning. Liquor undertakings and other income generating ventures are being commercialised.

Small enterprise outcontracting is a virtually unexplored area in Zimbabwe.

Private sector development, either through outcontracting or as a goal per se, has not been high on the local development agenda. In a number of instances, RDCs have undertaken real estate development building offices, shops and developed industrial stands, and public markets. Primarily in an effort to raise revenue and often quite opportunistically making use of loan finance facilities.

Most districts are agricultural. About half of the districts have commercial farming wards, which especially in the north west, northern and north-eastern part of the country are thriving (irrigation) farming areas. These wards contain a large farm worker population. The larger part of its black population are subsistence farmers who sell their crop (maize) only in good agricultural seasons. There are some communal farming districts that have become important cash crop areas (esp. In cotton, tobacco, and maize). Non-farm activities (small manufacture of consumer goods, and personal services, incl. repairs) are wide spread among rural households, though mostly on a part time basis. Within the RDC a substantial number of district service centers and growth points have become small towns with a sizeable informal and small business sector.

2.4 NGOs and local governance

Few NGOs have taken an interest in issues of local governance. In quite some instances NGOs continue to create their own parallel local development and community structure (development associations, LWF structures, ad-hoc community arrangements, etc.). Most NGOs don't work directly with local government. Partly this is caused by the fact that LG is weak at substructure level, where many NGOs are active. On the other hand, NGOs are reluctant for the same reason that they hesitate to work too closely with central government agencies (with possible exception such as individual agritex extension officers): distancing from target group, pressure on spending scarce resources etc.

The recent Voluntary Associations Act (popularly known as the NGO act) gives GoZ powers to intervene in the boards of NGOs if these are deemed not to work in the interest of their members. The same act requires NGOs to be registered. So far the act has not been implemented. The act is regarded as posing a threat to the political space of NGOs.

2.5 Decentralisation and democracy

Frequently reference is made to the notion that decentralisation would contribute to strengthening the democratic character of government institutions. While such argument would hold at a very general level, fact remains that Zimbabwe is de-facto a one-party state. This also applies to local government, though perhaps with more significant margins of non-party oppositions (by independents more than by opposition parties).

It would seem that the predominant view in the GoZ is that local government is seen as another government level through which basic services are to be provided, ideally in a more efficient and effective manner than done by the sector ministries. Democratic or participatory public decision making, accountability and transparency do not frequently appear in decentralisation discourse.

3. Problems arising in the ongoing decentralisation processes: issues and actors

3.1 Issues

Decentralisation in Zimbabwe is a complex mixture of de-colonisation, re-alignment of central-local relationships in the context of a relatively stable but one-party political system, liberalisation of the economy and the restructuring of the public sector. In particular in relation to its largest political base, the rural population, the GoZ is still maintaining the view that the government is responsible for and in control of the delivery of basic services. The latter poses important constraints on the development of local governance in Zimbabwe. At the same time, the current period offers important new challenges and opportunities. These challenges or problems will be reviewed for each of the main groups of actors: i) local governments, ii) communities, iii) NGOs and iv) business and producer groups..

3.2 Local government system

A number of issues affect the strengthening of the RDCs. These will be summarised under the following headings:

- i) decentralisation policy and institutional framework
- ii) political legitimacy and accountability
- iii) technical capacity
- iv) financial resources mobilisation
- v) human resource capacity
- vi) physical facilities & equipment

Decentralisation policy and institutional framework

Perhaps the greatest problem at this stage is a lack of clear political direction as to where and how far the decentralisation policy would involve delegation of responsibilities and where it actually implies devolution of powers & responsibilities.

Decentralisation to local government may increasingly be examined in the context of decentralisation to the market (commercialisation, outcontracting and privatisation, something which the PER is indicating), while there are several, though very modest efforts, to decentralise to community (co-)management.

As indicated earlier, the current decentralisation policy press statement is primarily focusing on decentralisation along sectoral lines, using specific grants (and hence sectoral controls), with little scope for raising local autonomy at RDC level, esp. via block grants and tax sharing.

Thus far the debate has been orchestrated by MLGRUD but, as more sectoral ministries become involved, higher level direction and co-ordination would be critical. The new inter-ministerial committee, in its role of presiding over inter-ministerial tug-of-wars about responsibilities, may need technical backup to give direction. For obvious reasons the MLGRUD is a key ministry in co-ordinating decentralisation and has its own responsibility for giving policy direction and monitoring RDCs, but sector ministries resent MLGRUD efforts to control the process. A stronger role of the MinFinance and of the President's Office would be important to ensure more balanced and speedier processes.

The institutional framework of local government still carries the heavy weight of pre-independence imbalances and post-independence multiplicity's of often highly centralised intergovernmental structures and overlapping competencies (e.g. roads, water), etc. Decentralisation presents an important opportunity to streamline government structures as a

whole. This idea seems to have caught on in Uganda but its importance is yet to be appreciated in Zimbabwe.

The RDCs in Zimbabwe are politically *and* administratively centralised local institutions. Administrative machinery is concentrated in the district centre, although some RDCs have administrative suboffices. The councillors are elected representing a ward but there is in practice very limited inputs from the wards in decision making, such depending on the personality of the councillor involved.

Political and civic capacity and accountability

There is relatively little research on the functioning of the RDCs. As indicated earlier the integration processes of amalgamation have not been properly examined. The generally held opinion appears to be that RDC political decision making is lacking transparency and councillors themselves are often not well equipped to handle their public office. Much of the debate on decentralisation is dominated by administrators, rather than local politicians. On the other hand the experiences of the PSDS project showed that, when given the opportunity, resources and the right kind of (facilitating) technical administrative support, the quality of public decision making can improve considerably.

Internal accountability (of administration towards councillors) continues to be a matter of personalities and attitudes rather than structures. Zimbabwe has a tradition of bureaucratic authoritarianism (the former DCs, then DAs who were part of an equally framed MLGRUD). Accountability is towards the ministry rather than to locally. Many RDCs do not have effective internal audit offices.

External accountability towards taxpayers, users of public services and to the communities at large is less developed. These groups are also not well equipped to exercise their rights, except the commercial farmers and their respective councillors. Local public accounts committees do not exist, as yet, though there are discussions in this direction.

External accountability is primarily directed to the MLGRUD. RDCs are required to send minutes of the council meetings, their budgets and their audited accounts to this ministry (Dept of Local Authorities Administration). This ministry can intervene in council affairs in many areas.

Equipping councillors and communities and user groups would seem to be an important challenge as well as changing the role of MLGRUD towards stimulating local external accountability.

Technical organisational capacity

The amalgamation of rural councils into the District Councils to form the RDCs has not produced the expected improvement of RDC technical capacity for several reasons: a) many RCs had been reducing their assets and equipment; b) quite some RC staff, senior and technical left the council before and during integration; c) resistance on part of RC councillors

The technical capacity of RDCs generally is weak, though with very considerable variation across the country. Weakness are in the areas of overall management, financial and personnel management, strategic management and planning, and in the area of engineering and execution of works. The RDC Capacity Building Programme (RDCCBP) which has recently been launched is meant to address these weaknesses.

Financial resources mobilisation

The RDC act has not given the RDCs much opportunity to improve their resource base. Important fiscal bases, such as the small towns remain outside their powers (are managed

by Central Rates Fund of MLGRUD), while agricultural produce and land tax proposals have been rejected by GoZ. In fact, the Land Commission is proposing a land tax to be levied by Central Government. It should be added though that some RDC have gone ahead and have imposed marketing levies (e.g. Gokwe on cotton).

Central government grants are tied to specific purposes and have been eroded by inflation.

Cost recovery in particular basic services areas, is practiced on a limited scale but doesn't accrue to the RDCs but to either the schools directly or to MinHealth (in case of district hospitals).

In fiscal terms RDC have become more autonomous but based on shrinking resources. Most councils don't have any significant investment resources, few can borrow (which is mostly limited to housing) and not to construct infrastructure..

Thanks to the CAMPFIRE programme quite a number of councils, and particularly communities within council areas, have been able to mobilise significant resources from wild life. The programme is currently diversifying into other natural resource management areas such as road side tourism and eco-tourism (incl. culture). The RDCs receive a small proportion of these funds, but most is retained by the communities themselves.

Human resource capacity

This area has been well documented by the MLGRUD Forum for Rural Development and the studies commissioned by the Forum in the period 1991-1994. There are significant problems with regard to both councillors and administrative staff. There are considerable inter-district inequalities in terms of size of council staff establishment and the qualifications of the local staff. Particular senior management staff is relatively well qualified and has been gaining considerable experiences over the years. Planning, finance and works departments are less well staffed or are even non-existent. Technical expertise is clearly lacking in many councils.

SIDA has some years ago started a scheme whereby it would subsidise the cost of employment of polytechnic engineering graduates in the councils (the proportion of subsidy would be reduced to zero in a period of three years). While there was initially considerable interest, the lack of financial resources and investment activities to occupy contracted staff posed considerable constraints.

While several sector ministries have poorly defined missions and are said to be overstaffed, RDCs are not. It is quite likely that sector ministries would like to "dump" their 'redundant' staff onto the RDCs. The ARDC is aware of this problem and has been pushing for a rational process of staff transfers under the responsibility of the Public Service Commission. This has become important enough to be included as one of the 13 principles of the policy of decentralisation (of July 1996).

Physical facilities & equipment

With the creation of the district councils, immediately after Independence, quite some councils were equipped with new buildings and other equipment. However, the amalgamation has in a number of districts requires expansion of office and housing, at times at other locations. Facilities of many councils have to be rehabilitated, expanded and/or renewed. Under the ODA supported CBPIDP an equipment grant is foreseen to provide the all RDCs with vehicles and office equipment.

3.2 Strengthening the roles of communities

Zimbabwe knows several forms of community organisation as we have briefly described above. Leaving for a moment aside the sector based user group organisations, there are 3 multi-purpose forms of community organisation. Firstly, the one around traditional authorities (kraalheads and chiefs). This institutional form had been deliberately underplayed immediately after independence as it constituted a rival political force for ZANU (PF) which still had to consolidate still its local power bases. Land allocation and community courts were removed from traditional authorities. The former going to the district councils and the latter to the Ministry of Justice. To fill the intended vacuum, GoZ promoted VIDCOs and WADCOs, which as we have seen above were meant to be the principal institutions for grassroots participation. These constituted the second main form. The third refers to ad-hoc community organisational forms set up by NGOs, especially in the late 80s and 90s, as part of their programmes of integrated rural development (LWF, CC, CARD, Novib, CAMPFIRE).

Due to lack of funds VIDCOs and WADCOs have had a relatively short life, if any (Brand, 1991). At the same time resistance on the part of sections of the rural population (with important regional variations) grew against these bodies as they favoured restoration of the powers of the traditional authorities. GoZ began slowly to change its position. Already in the RDC act provisions are made for so-called appointed councillors. These seats were reserved for special interest groups, including Chiefs.

The Land Commission report of 1996 has made proposals to reinstate the land allocation powers to the traditional authorities. The Commission expects better land management as these authorities are considered to have greater and more effective authority as regards land, land use and conservation. They propose a system of village and ward assemblies. The Association of RDCs is against these proposals. Quite naturally it would undercut the powers of elected councillors. Furthermore, they argue that restoration of male traditional leaders would be a step backwards from a gender point of view. The latter point is a sensitive one with donors.

GoZ has so far however not made its position public. The proposed Headmen & Chiefs bill has been withdrawn.

Whether the arguments of the ARDC would hold depend very much on the manner in which these village and ward assemblies are constituted. The RDC act itself is a compromise of elected and appointed councillors and a similar system could be reproduced at substructure levels (as in Uganda).

A key challenge however is for GoZ to define a position and establish the relationships between the RDCs and the substructures.

Lastly, various sectors have community based co-management structures. With the exception of education, these are not legally recognised.

3.3 Roles of NGOs

The NGOs in Zimbabwe have an impressive record in the creation of basic services facilities in Zimbabwe as well as in social welfare (drought relief, ex-combatants).

There are a number of international NGOs (LWF, CC, etc), and the number of Zimbabwean NGOs is growing (e.g. ORAP, ZWB etc). Since the second half of the 80s, development associations have been established in many districts of the country. The role of the latter is primarily to raise local and international funds for public investment projects.

Many NGOs work at the local level. However they are primarily oriented towards their members or target communities and contacts with government institutions is usually minimal and restricted to required (trans)actions. At national level there is co-ordination in some sectors, notable the water sector, where GoZ, Donors and NGOs co-ordinate their plans, so as to reduce overlap and improve overall distributional impact. Some of the bigger international NGOs, like LWF have been contracted by GoZ to execute water projects (incl. dams) and have in the recent past also been contracted by GoZ for the distribution of drought relief.

Few NGOs have taken a direct interest in local governance and except SNV, and foreign volunteer services, there are few that work directly with local government. Within the districts NGOs do not practice much openness as to their activities. Usually they consult with Councils when they enter a district, but what they intend to do and how is not a matter for public debate or decision making (except for technical ministries and departments such as Agritex for siting of dams and water points). Many councils have complained about this lack of transparency on the part of the NGOs. Proposals have been launched (in early 90s) for NGOs to inform councils of their investment projects and that such projects be included in the district development plans. No systematic progress can be recorded. Only isolated ad-hoc cases. NGOs are usually not member of the RDDC.

Many NGOs have an ambivalent attitude towards government (NGO study, Moyo et al, 1991). Government is seen as fundamental stakeholder but mostly in a negative way. The Private Voluntary Associations Act has not changed that view, on the contrary.

It can be argued that the Capacity Building Programme constitutes an important opportunity to increase the interest of NGOs in local governance and make strengthen their roles in governance processes, particularly if also use is made of their services.

3.4 Local economic development & business groups

Up to the early 90s, GoZ played a crucial role in providing agricultural services to the communal farmers (esp. agricultural extension, credit, and marketing). In times of drought, GoZ provided drought relief and seed packages. There is broad agreement that these services have been crucial in providing some measure of food security and in improving the livelihood in communal areas. However there are clear signs that GoZ is unable to ensure access of farmers to these service and to maintain cq. improve them. Agritex (the extension office) is subject to severe budget cuts such that its officers are unable to travel and visit farmers for a growing part of the year. GoZ has liberalised the trade in grains in order to reduce the pressure on GMB. Farmers are not required anymore to market their surplus to GMB. Unfortunately GMB is now considering to drop its uniform depot prices for differential prices taking into account marketing and transport costs and is reducing the number of depots in an effort to cut costs. Both measures imply that communal farmers in remote areas will be negatively affected.

Small enterprise development is mostly limited to national institutions (SEDCO) and programmes. In spite of a lot of rhetoric, actual and concrete initiatives are far and few. Most significant has been the gradual shift in practices of commercial banks (esp. ZimBank) and the creation of IBDC and its advisory branch BESA.

There is likely to be a growing need for direct income and employment generation in the districts. As farmers are getting less access to government extension services, new modalities may be considered that raise the effectiveness of extension officers by greater self organisation of communal farmers. Strengthening of their marketing capacity is another area of importance. In this context it is interest to refer to the observations made by the senior executives of the Rusape Co-operative Union (marketing and procurement) who

claimed that their membership had grown in recent years thanks to liberalisation. (Many other co-operatives had failed because too great dependence on government causing them to collapse after government withdrawal.)

In the small rural towns there are sizeable numbers of informal and small businesses and consequently there is likely to be a potential for small business assistance, esp. in areas of management, entrepreneurship, product and production development, marketing and finance. The failure of many direct support projects should however caution in favour of demand led and flexible approaches.

The degree of self organisation of farmers and business men and woman is not very high. The ZFU is found in many districts but membership varies. In the past there were many efforts, especially on the part of GoZ to promote production co-operatives. However few production coops are thriving. Service coops are doing better. Among informal sector and small businesses there is little organisation and co-operation. IBDC and IBWO do have membership but many small entrepreneurs consider these organisations primarily in terms of efforts to get access to (free..) official government credit.

IBDC has since 2 years a business and advisory service, called BESA. It operates in the four major towns of Zimbabwe but has no outreach into rural areas.

4. Strengthening local governance: issues in capacity building

4.1 Issues

Local governance is likely to become a major issue in the socio-economic development of Zimbabwe. There will be a number of limitations and difficulties ahead but at the same time, Zimbabwe offers good prospects. First of all, there is a growing education base in the population and an expanding professional class that has the potential to take part in and benefit from strengthening local governance. Secondly, there is a strong private sector and a small but highly articulate indigenous business group. Thirdly, the country has an existing local government system that, as yet, is not overstaffed nor corrupted. Fourthly, the country has, relatively speaking, a good communication and transport infrastructure. Fifthly, liberalisation is firmly rooted, in spite of considerable policy unclarity. The country has a diversified economic base in which there are several sectors that are showing considerable growth (tourism, mining, horticulture and established export crops and parts of manufacturing). Thus, while there is considerable reason for concern about the distribution about the burdens/gains of adjustment and liberalisation, it is important to stress that there are significant net gains to be distributed. Last but not least, a number of key donors are now clearly committed to local governance.

As indicated in the previous section, there are a number of challenges to strengthen local governance. Below, we will consider the implications for capacity building in terms of the following aspects: i) local government system; ii) local communities; iii) NGOs, and, iv) private sector development.

4.2 Local government

Capacity building in this area, is to a very large extent taken care of by the RDC Capacity Building Programme (RDCCBP). This programme has three main components, which are to be implemented simultaneously, something which is critical to the overall result and impacts. It is based on a "learning by doing" approach:

a) an institutional development programme

Funded by ODA, it will run for a period of 6 years. It is primarily aiming at strengthening the RDC as LG institutions, improving internal procedures of administration, planning and service delivery, their management systems and the work attitudes. Apart from the capacity building unit and programme design at MLGRUD, it provides for provincial support teams that provide backup to all 57 districts, and has a consultancy budget to address issues as they arise in the process. This programme also provides some basic equipment support and funds for baseline studies.

b) Human resource development programme

This is funded by SIDA, and will run for 5 years. Starting from a basic training needs assessment in all 57 RDC a training programmes are prepared to ensure that by the end of the programme all RDCs will be on the same footing in terms of HRD. Of the total budget of Z\$ 28 mln, 68% is expected to be spent on RDC training, 23% at provincial level and 9% at national level. The district level component would also include some subdistrict level training in area of local governance, esp towards vidco's and wadco's. There is no particular blueprint as regards what training will be offered. An explanatory note, provided at the request of SIDA, indicates that MLGRUD has no direct responsibility for local communities, outside the ones just listed (responsible ministry: MinNatAffairs& ComDev). Beneficiary associations or user groups for particular infrastructure are not mentioned. Much would depend on how these system of service delivery evolve.

c) Capital development programme component. This component has two main parts. The first is the District Development Grants programme, which is funded by DGIS. It is critical for

the CBP as a whole as it provided the resource base on which to generate learning processes. Each RDC will receive approx Z\$ 1 mln for projects. (10% of these funds must be allocated to community based projects). The second component is a RDC loan facility to be provided by the World Bank.

In all, the CBP provides a very strong capacity building initiative, dealing with the principal weaknesses in the local government system. Participating donors comment favourably about the strong direction which this CBP has from the Zimbabwean Government side. They consider it a clearly government driven (i.e. MLGRUD) programme (...though some LG top executives complain that the influence of donors too strong...)

In addition to this programme, SIDA provides support to the Association of RDC. This association formed out of the previous two associations, has improved its capacity notably, thanks also to assistance from KAF for policy advocacy.

4.3 Communities

Substructures and direct empowerment of communities is not high on the government agenda for strengthening local governance. The impression is that donors have insisted that the CBP be extended to benefit communities directly.

There is current uncertainty about the direction of government policy. Quite a number of elected politicians (what about ZANU (PF)?) as well as the ARDC, resist the creation of village and ward assemblies, chaired by Kraalheads and Chiefs respectively, who would assume powers with regard to land, natural resource management and water. For any capacity building effort that would focus on the interface between communities and RDCs this matter is crucial.

The advantages of community based *construction* of basic services facilities (incl. schools, clinics, water points, small dams, land use conservation etc.) are clearly recognised in Zimbabwe and quite often realised. However, operation and maintenance and co-management of such facilities is relatively new. It is only practised in relation to primary schools. Its potential is yet to be recognised by GoZ and by the RDCs. Some initiatives have been undertaken by sectoral ministries, esp. as regards community based water management. There would seem to be considerable scope for capacity building in this area.

It should be recognised though that for all community based construction and maintenance there are uncertainties about (legal) ownership. There is virtually no regulation in this respect. Capacity building in this area is extremely limited.

The CAMPFIRE programme has taken an drive of its own with the creation of the CAMPFIRE Association, which is an association of districts that have been granted "Appropriate Authority" to issue licences for wildlife exploitation (issued to safari operators and for sport hunting). Currently some 27 districts have such authority, granted by the Min of Natural Resources, Environment & Tourism. The process of wildlife management is strongly community based, where communities have to organise themselves to manage wildlife in their wards (Wildlife Management Cte's) and have to organise themselves against poaching. Proceeds from licences are for the larger part returned to the communities, after deducting management overhead (2% to the Association), handling fees for National Department of Parks and RDCs. Communities can decide to distribute these revenues to all households as dividends or to invest the resources in community projects. In drought years the former is more prevalent. Over time, community projects have become more important and these are basic services infrastructure facilities (schools building, teacher houses, clinics, water points, community halls, tractor tillage units, etc.). The CAMPFIRE

programme has supported by the so-called Collaborative Group which includes among others Zimbabwe Trust (training), Dept of Parks & Wildlife, CASS(UZ), WWF and MLGRUD.

The Association, which has received considerable support from donors (USAID, ODA and DGIS) has been widening the concept from wildlife conservation to natural resources management, and is developing eco-tourism, indigenous safari tourism, and small scale mining etc. The Association appears to be the most important source for capacity building at community level in this area of natural resources management.

4.4 NGOs

It is useful to make a distinction between local membership NGOs, such as local development associations and NGOs as intermediary and/or service organisations. The former are gradually extending over a number of districts, as may be judged from reports in the press (*Chronicle*, 29/1/97). Also international NGOs stimulate them. LWF, for example, supports the formation of such associations as part of its Integrated Rural Development Programme (LWF, 1996).

There is little information available about the strengths and weaknesses of such organisations, especially in the context of a government that is reducing its economic involvement's and is therefore less capable of controlling development at local levels. It is difficult to judge their potential and eventual capacity building needs of these development associations.

There aren't many local intermediary NGOs, outside Harare and the main cities, except established welfare organisations. The question which could not be answered by the study is to what extent these NGOs could become agents in enhancing local governance.

4.5 Indigenous private sector development

In agriculture, the degree of self organisation is relatively high, but the strongest organisations represent few members and mostly in the commercial farming sector (the CFU, the product producer associations). In the communal areas, there are few product associations and the ZFU is the principal general farmers organisation. The latter is most effective at local levels.

The development of the indigenous private sector received a strong boost with the creation of the Indigenous Business Development Centre (IBDC), which contrary to its name is an membership association of indigenous businessmen (and few women) which was established in the late 80s. Later the Affirmative Action Group (AAG) was formed and more recently the Indigenous Women Business Organisation (IBWO). All are national associations and have local and regional branches. All are primarily collective interest advocacy groups. IBDC is the only one that has gone beyond this and has formed BESA, its business advisory unit.

Initially these associations emphasised: a) improving access of indigenous businessmen to foreign exchange; b) getting access to structural adjustment loan facilities for industry; c) getting access to new small enterprise loan funds; d) for improving access of indigenous firms to government purchases (*esp. in construction contracts*); and, e) local government deregulation

Apart from the last one, which is slowly taking effect, the benefits appear to have been disproportional with large indigenous firms. Small enterprises in the districts and small towns have seen little immediate results.

Membership of indigenous firms in sector associations (e.g. clothing, leather, shoe, furniture, chemical etc) and in CZI is generally low. The former are gaining more importance as firms slowly begin to increase inter-firm co-operation (export markets) while CZI is loosing membership.

In trade, the Chamber of Commerce traditionally plays a role and the indigenous membership is considerable. In many towns small vendors are organising themselves.

There are many professional associations in Zimbabwe but it is not known how representative these are in their respective trades.

It would seem that there is considerable scope for capacity building for Business Interest Associations in the small enterprise sector, and there are few other development organisations active. In agriculture one could consider schemes which would link up indigenous farmers to commercial associations. Institutional development would however require considerable preparatory work before capacity building would become effective.

5. Challenges for SNV

5.1 Issues

In the previous chapters we have examined the ongoing process of and trends in decentralisation and local governance. The strengthening of local governance will, according to our analysis meet a variety of bottlenecks and challenges. These were identified in chapter 3. Subsequently we have examined the capacity building demands. The question yet to be answered is to identify strategic options and choices for SNV in relation to these demands for capacity building. This analysis is again informed by three sources. The first is based on our own (limited) knowledge as to the strengths and weaknesses of SNV and its distinctive competencies. A second source is our own accumulated experiences in researching and advising on local governance in the Region and the third source is a direct question posed to main stakeholders in Uganda as to what they thought would be issues they thought SNV could address based on their own analysis of what the main capacity problems are and on their own knowledge of SNV. It should be added immediately that this study is not one aiming to identify and/or quantify the demand for the services of SNV. It is an explorative study only and serves to assist SNV in making strategic choices. More detailed demand studies could very well be a sequel to this report.

The framework adopted in this study has identified a set of actual and potential clients of SNV, namely, i) government (central government, sectoral ministries, MLG, and local councils); ii) communities (territorial, subgroups) iii) indigenous business sector; and iv) NGOs.

The challenges for SNV are discussed in two stages. First, we try to determine the relative importance of the various client groups. Then, secondly, we will identify choices in terms of technical assistance and capacity building for each of these clients.

- Currently the SNV programme in Zimbabwe is primarily oriented towards Rural District Councils. The programme is strongly centred around four rural districts, Makoni, Buhera, Insiza and Beitbridge. The RDCs of each of these districts are supported with 2 or more SNV/DAs. In addition there are other unrelated TA projects in these districts in the income and employment generation e.g. farm workers support, ZFU and craft industries. Apart from general planning support rendered to the RDC in these selected districts, SNV seeks to undertake participatory bottom up planning in selected ward areas.
- On the basis of the analysis above, the SNV programme in capacity building may become overwhelmed by the large and nation wide CBP which as indicated above has training, institutional development and capital development (investment grants) components. While one could emphasise and seek complementarities, there is a real danger that bureaucratic rivalries will take over and undo potential benefits of the SNV projects. It would be important for the SNV-Zimbabwe office to discuss with MLGRUD how to restructure SNV assistance.
- A case could be made for SNV to become less of a generalist support to RDCs (along the lines of the CBP) and develop into a provider of **specialist services to local government** to a larger number of RDCs.
- As regards **communities** the assistance rendered by SNV is greatly hampered by uncertainties as regards local government substructures. This renders any technical assistance ineffective except in those (artificial) instances in which donor funding for investment projects is available. However there are several areas in which SNV could seek to develop expertise.
- In particular reference is made here to SNV experiences in the water sector. It would be important for SNV to develop relationships with relevant **sector ministries** to ensure national replication of its own contributions.
- Development oriented NGOs in Zimbabwe are as yet playing a minor role in local governance. In practice of course NGOs (like LWF, CC etc.) do affect local governance processes, by their setting up of parallel community structures, but as such

strengthening of local governance is not a priority area. However as decentralisation in Zimbabwe is likely to move into higher gear, it is not unlikely that NGOs may become more important players in the near future. For the time being there would seem to be insufficient demand for SNV TA services in this area.

- **Private sector development and business interest associations** in particular receive some support from SNV in Zimbabwe. Especially ZFU and some more isolated craft and other projects. The Mission could not ascertain whether these projects are managed as social development actions or on sound business development principles. In Zimbabwe there is more scope to support BIAs in urban areas as well as in the small towns in the rural districts.

5.2 Capacity building for Local Government

As indicated earlier, Zimbabwe is a complex case of strengthening of local government, originally in the context of the building of new post-Independence institutions but increasingly in a changing context of government re-structuring and decentralisation. The large Capacity Building Plan is likely to become the main agent to strengthen local governments in Zimbabwe. Donors are unlikely to support other initiatives in the same area outside the CBP. SNV could consider to restructure its assistance to center on generation of specialist services to local government. The current districts could well become the pilots in which such specialist services are tested and modified to suit local zimbabwean circumstances.

The following capacity building issues have been identified during interviews and in the analysis:

- *community based management of selected basic services, especially developing the institutional and organisational modalities of community - local (and central) government partnerships, regulation and finance.*
- *local government outsourcing of basic service construction and maintenance. Urban local authorities have begun a programme of review to outcontract services. However there has been little attention aiming at developing a (small scale) private contractor industry.*
- *local economic development promotion, especially focusing on small towns. Several emphases may be identified: i) locality development designed to improve town based facilities and services; ii) local business development aiming at direct strengthening of small enterprises and their associations, and iii) community development aiming at employment and income generation for the urban poor and informal sector via general basic services (e.g. training) and via specific interventions esp. credit.*
- *local government financial management, esp tax administration and tax assessment methods (although also here there are some uncertainties as regards Government of Zimbabwe position concerning land taxes).*

5.3 Communities

As indicated earlier there are considerable uncertainties concerning community substructures in the local government system. This may constitute an argument to reduce efforts in general grass roots participatory planning.

SNV could however develop community based management of particular services in a complementary fashion to local government assistance in the same area. Especially in the water sector SNV appears to have accumulated considerable experience, e.g. drinking

water and small dams. Also several NGOs have been active in this area but for all the maintenance and conservation are critical areas of concern.

It should be emphasised that with regard to community based management of basic services, SNV should develop an approach that is multi-level and multi-actor in orientation. That is to say that institutional innovations are examined in terms of their implementability within existing regulatory, administrative and financial frameworks in order to ensure implementability, sustainability and nation wide replication.

SNV is seen by outsiders as an advocacy agent in favour of community based planning and community empowerment. Little is known about the methods SNV employs and their effectiveness. It might therefore be worthwhile for SNV staff to respond to this by examining its own experiences and consolidating these (in what may be denominated *the SNV approach*) in various types of documentation (manuals, videos, training manuals, didactic materials, incl. case studies)

5.4 NGOs

Although SNV support different types of NGOs in the country, it has yet to make to develop a more systemic approach to NGO support, focusing on enhancing their management capacity (general and financial management, personnel, costing and contracts). It would be desirable for SNV to continue exploring ways and means to strengthen NGO capacity. It would be of interest to see what may be learned from SNV Uganda experiences.

As regards local governance, the Mission has doubts about the effective demand for SNV TA services in this area of expertise. More study may be needed to assess demand. Since many NGOs work with communities, SNV might be able to play a role as trainer of trainer in bottom up participatory planning so as to convince and enable other NGOs undertake their community work in the context of enhancing local governance.

5.5 Business development & producer groups

Three areas of concern have been raised in this report with regard to indigenous private sector development. the first is employment and income generation. The second is supporting the formation of business interest associations, and the third is promoting local economic development.

One of the main contentions of the Mission is that efforts to alleviate poverty must be complemented by employment and income generation if poverty alleviation is to become sustainable. In Zimbabwe this is effectively happening. In the various districts SNV is supporting income generation activities.

It should also be recognised, however, that efforts of employment and income generation should not be addressed to general territorially defined community based organisations. After all, employment and income generation is directed towards private asset formation (financial, human, institutional). Although there may be some collective action to produce collective goods/services, these are generally quite distinct from basic service facilities such as water supplies, primary education, primary health etc., which are to benefit the community at large. Thus, employment and income generation cannot be easily subsumed under projects which aim at the construction of the latter type. In Zimbabwe this distinction is adopted but the Mission is under the impression that most targeted support has a social welfare rather than a business orientation.

In contrast to the other countries in the Region, Zimbabwe has a number of new indigenous business interest associations. Some of these are nationally operating while in some instances new local associations have been formed, either as general or as sectoral associations. The rapid diffusion of these experiences may improve the scope for more localised forms of associations and collective action. In other words, there is scope to pursue this line more vigorously in Zimbabwe.

As indicated above, one possibility would be to launch a small town development programme which would alongside a local government, have a component targeted to private sector firms in these towns.

Such a programme could develop different types of business support services. Given the investment and development costs for SNV, it would be necessary to develop such a programme on a scale larger than the current districts.

The last one, local economic development has already been referred to under section 5.2.

Finally and as a corollary to strengthening the capacity of local governments in outcontracting, SNV could consider a programme to develop the (small scale) private sector contractor industry (esp. business training, roads construction and road maintenance, building construction, solid waste removal and recycling).

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