

Discussion Paper on Metropolitan Governance Model

Dar es Salaam: Investment Resource Mobilization for
Metropolitan Development

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Metropolitan Governance Models

*Common Institutional Approaches
of Potential Relevance for Dar es Salaam*

Discussion Paper

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Executive Summary

Cities are finding that early jurisdictional boundaries do not respond fully to the needs as urban growth has changed the character of the areas. Many large cities have over time become more economically interdependent with their surrounding local governments and hinterland, constituting a single economy and labour market (a metropolitan area). For some local functions, such as transportation, solid waste disposal and economic development, integrated planning and service delivery is often needed for efficient and equitable service provision and sharing of costs, as opposed to initiatives within each individual local government only.

These needs call for coordination among local governments, sometimes pooling their technical and financial resources, and an effective structure of the local governance (formal or informal). Various models for addressing this problem have been applied internationally, ranging from voluntary joint initiatives, to amalgamation of local governments into larger entities at the other extreme.

This paper describes the characteristics of a number of institutional models with examples of their application in cities around the world. It comments on their potential (or not) for the evolution of the metropolitan management of Dar es Salaam.¹

- 1. Horizontal Cooperation among Local Governments**
 - (i) Case-by-case Joint Initiative by Local Governments*
 - (ii) Contracting among Local Governments*

- 2. Regional Authorities (sometimes called Special Purpose Districts)**
 - (i) Metropolitan Council of Governments (COG)*
 - (ii) Regional Planning Authority (with or without authority to enforce the plans)*
 - (iii) Regional Service Delivery Authority (as public agency or corporation)*
 - (iv) Regional Planning & Service Delivery Authority ((ii) & (iii) combined)*

- 3. Metropolitan Level Local Authority in a One Tier System**
(without substantial authority over the area's local governments)

- 4. Metropolitan Level Government in a Two Tier System**
(with substantial authority over the area's local governments)

- 5. Annexation or Amalgamation of Local Governments**

- 6. Structures Established by Higher Level Government**

There is no “one size fits all” approach however. The most appropriate arrangement for a particular area depends on both the national and local context. Factors to consider are, for example: (i) the constitution of the country; (ii) the responsibilities (functions) of the different government levels; (iii) the potential for efficiency gains through economies of scale of coordinated service delivery; (iv) the degree of externalities (impacts across municipal boundaries), and (v) the current degree of service inequalities or unequal cost sharing within the metropolitan area. In addition, the accessibility, responsiveness, and accountability of the

¹ The comments are the views of the author of this paper, provided for the purpose of discussion only.

government entities may differ in different models. As the urban needs change, flexibility of the governance arrangements over time and across jurisdictions is advisable.

For coordination mechanisms to be effective stakeholders need to be involved in the process and a balance found based on the mentioned factors. However, often political considerations, rather than efficiency and equity, determine a chosen structure. For effective application of any model though, a certain degree of trust is required in the joint processes, and adequate representation of each local government ensured to achieve true “win-win” situations for all involved. The benefits to the involved local authorities need also be compared with the possible transaction costs involved of meeting the metropolitan-wide coordination needs.

The Dar es Salaam Metropolitan Area has an advantage of being composed of few (three), large local authorities (LAs), which are reasonably homogeneous in their development needs and size. Since year 2000 the city has an institutional structure designed to address some of its coordination needs, with the Dar es Salaam District Council (DCC) promoting cooperation among the three municipalities, and coordinating infrastructure and other cross-cutting subjects. However, DCC does not have authority over the municipal councils, limiting its ability to respond to all needs of metropolitan-wide character. With the expected continued urbanization of the city and its hinterland, institutional mechanisms need to evolve.

This leaves room for the city and the national government to explore new or refined approaches for the future metropolitan governance and management. Short-term, **case-by-case joint initiatives** (e.g. for selective bulk purchasing, service contracting, and area promotion) and **some contracting among the LAs** (e.g. a service for which one of the LAs may be more specialized and has acquired more advanced equipment) may have some concrete potential. In addition, a **Regional Transport Authority** for Dar es Salaam, as proposed by a recent Transport Master Plan Study, would have significant potential due to the need for urgent improvements of this sector for the city.

The applicability of further metropolitan-level planning and/or service delivery mechanisms would require thorough study, particularly in light of the existence of the DCC and that such services as water supply and traffic management are managed by national government entities at present. As alternative to establishing any new entity (ies), enhancement of the DCC should be considered. The approach of a representative Council of Governments (COG), with each member LA having to endorse a decision or proposal of the COG to take effect, may offer a useful mechanism for Dar es Salaam to consider.

1. Introduction

The purpose of this paper is to provide material for discussion related to the evolution of the metropolitan governance of Dar es Salaam. It describes examples of institutional models applied internationally for reference and their respective characteristics, and briefly comments on the potential (or not) to Dar es Salaam of these models.

Significance of Dar es Salaam Dar es Salaam is Tanzania's largest and most important industrial and commercial centre with an estimated population of about 4 million in 2010 which is approximately ten percent of the country's total population.² It is almost eight times larger than Arusha which is the next largest city in the country. With a population growth of 4.3 percent per year, Dar es Salaam has become the third fastest growing city in Africa and among the tenth fastest growing cities in the world. The population of Dar es Salaam is expected to reach more than 5 million by 2020.

Dar es Salaam accounts for 83 percent of the national government domestic revenues (70 percent of all taxes), collects 33 percent of all own-source revenues by Local Authorities (LAs) in the country, produces about 40 percent of the national GDP, and is home to a growing and active informal sector. About half of the country's manufacturing employment is located in the city. The land locked countries of Malawi, Zambia, Burundi, Rwanda and Uganda as well as large parts of Eastern Democratic Republic of Congo depend on the port of Dar es Salaam for their import and export. This makes the city of strategic importance not just for Tanzania but for large parts of Sub-Saharan Africa as well.

Most settlement areas in Dar es Salaam are unplanned, with insecure tenure, and poorly endowed with basic infrastructure services. These areas (where over 70% of the residents live) are irregularly developed with high densities (overcrowding), with little or no land for roads, drains, schools, health centers, or open spaces. The main infrastructure development needs across the city are: (i) alleviation of traffic congestion; (ii) drainage systems; (iii) improved solid waste collection and disposal system; and (iv) integrated community upgrading.

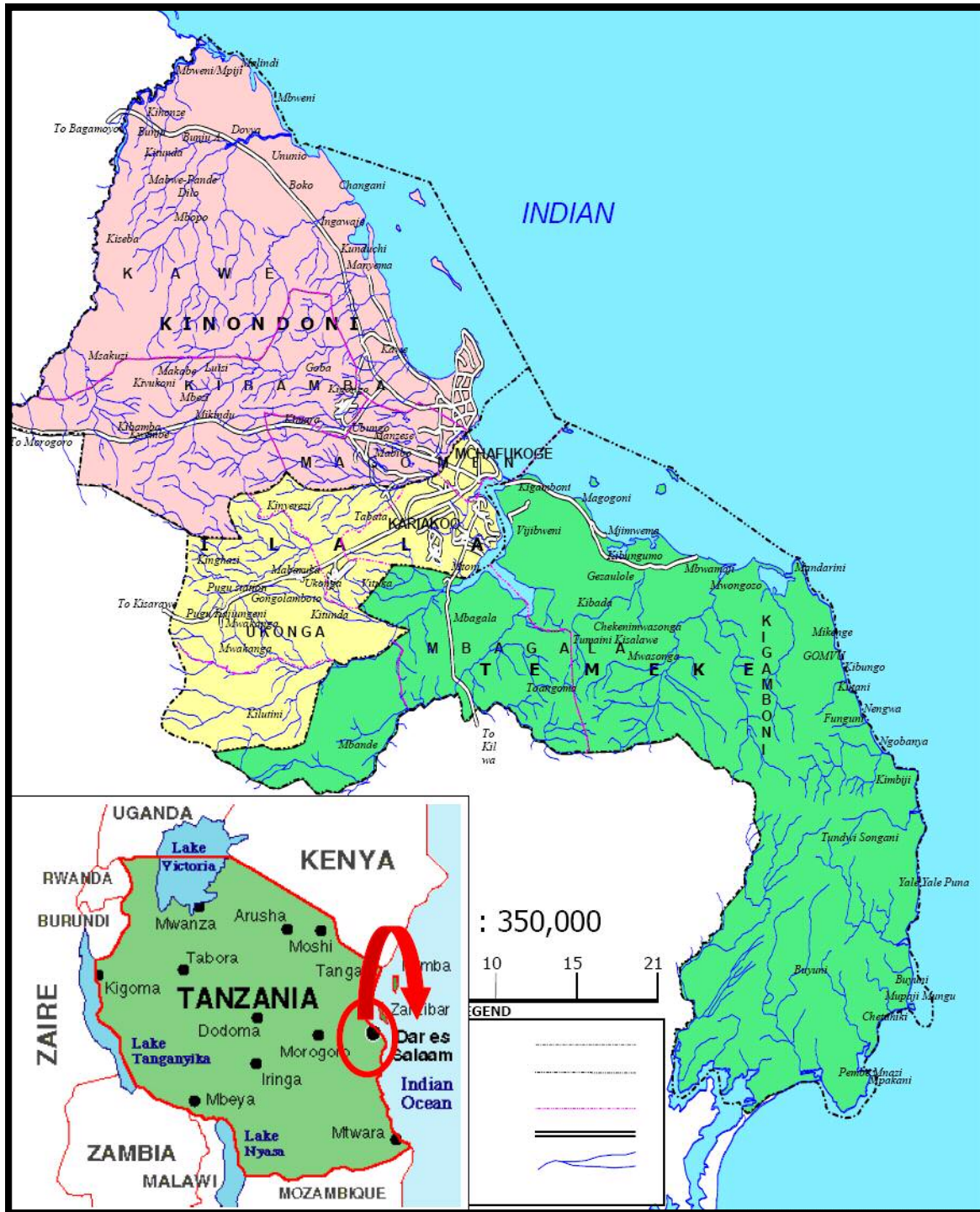
Current Governance Structure. Dar es Salaam, is an administrative Region of the country³ and is composed of a coordinating Dar es Salaam City Council (DCC) and three Municipal Councils, namely: Kinondoni (KMC) to the north, Ilala (IMC) in the center of the region, and Temeke (TMC) to the south. Together, they are commonly referred to as the Dar es Salaam Local Authorities (DLAs). Details on the governance structure are included as Annex A.

Municipal Finances. The financial position of the local authorities (LA) in Dar es Salaam is improving, manifested in low levels of indebtedness and improved own source revenues. However, significant further improvements are needed. For example, revenue collection of property taxes in particular is still suffering seriously from lack of valuation data. Details on the city's finances are included in Annex B, and are available on www.logintanzania.net.

² Total land area is about 1,500sq.kms. In 2002 population density was 1,786 persons per sq.km.

³ The regional tier is a de-concentrated arm of the national government and is led by the Regional Commissioner.

Dar es Salaam



2. Rationale and Approaches for Metropolitan Governance

Many large cities have over time become more economically interdependent with their surrounding local governments and hinterland, constituting a single economy and labour market, a “*Functional Urban Area*” (sometimes called a city-region, metropolitan area, or extended urban region). Such areas need integrated urban development on some functions for efficiency and equitable service provision and sharing of costs, as opposed to initiatives within each individual local government only. While the jurisdictional boundaries of local governments in most countries tend to have a long history, years of urban growth has often changed the character of the area.

Metropolitan areas (metro areas) can be functionally defined based on their labour market (people living in one part of the area and working in another), the catchment area for amenities and education institutions, the accessibility of key infrastructure, and/or as an area based on which a firm would decide on its location, its “economic environment”. The radius of such an area is often in the order of 40 km²⁴. International experience has shown that in successful metro areas, the economic links between the core and the periphery become so close, that one part cannot succeed without the other, and that significant economies of scale exist for certain service functions. For example, in Paris and London the administrations address areas that have twice the population of their “inner city”.

Metro areas are often characterized by rapid changes in density and landscape, evolving mixed land use, speculative real estate markets, a lack of spatial integration of the local economy and infrastructure, and disparities in service provision and administrative capacities. For example, while activities to retain existing businesses should normally be left to the lowest level of government serving the business community, attracting new firms (for job creation) and related efforts for economic development is normally best pursued at a broader regional level. The same applies for solid waste collection versus its disposal, and various environmental challenges (e.g. air and water quality) which impacts transcend jurisdictional boundaries. With respect to police services, crime does not respect jurisdictional boundaries so coordination is needed. Strong interdependences tend also to exist in tourism promotion and management, and storm water drainage for which significant spill-over effects exist. E.g. inadequate maintenance of storm drains in one place can cause flooding in other communities, or less desirable recreational facilities in one LA can lead to overloaded facilities in other places. Such “extra-local spill-over” tend to provide incentive for intergovernmental dialogue and arrangements.

This calls for an effective structure of local governance (formal or informal), and horizontal coordination among a number of local governments, sometimes pooling their technical and financial resources. Various models for addressing these needs have been applied internationally, ranging from voluntary local arrangements for cooperation and joint initiatives at one end of a spectrum, through regional planning and/or service delivery agencies, to amalgamation of local governments into larger government entities or annexation of surrounding jurisdictions by the main city at the other extreme. For any such institutional arrangement, the benefits to the involved local authorities (LAs) need to be compared with the transaction costs involved of meeting the metropolitan-wide coordination needs, and related objectives of economic efficiency, equity, and responsiveness.

⁴ For the purpose of this paper, the Dar metropolitan area is defined as the area of the three municipalities (see map).

The system of local administration has a significant impact on the efficiency and equity of a regional economy. While there is no one perfect arrangement for local governance - each one has advantages and disadvantages – the system of political accountability and responsibility ought ideally to coincide with authority and a matching revenue base.⁵ The mentioned trend towards larger metro areas indicates a need for fairly large jurisdictional areas, but at the same time consistent with the principle that “*authority should coincide with representation and communities with a common interest*”, i.e. any entity to coordinate sub-ordinate localities and service delivery functions should ideally be representative of, and accountable to, the entire jurisdiction and receive corresponding resources and authority.

The governance structure has an impact on the access that citizens have to their local governments and the related decision-making, and how accountable and responsive these governments are to their constituents. The evolving size of a functional urban area, with related potential for economies of scale, and how to ensure easy and sufficient contacts between the local government officials and the people they serve, are considerations determining the specific designs. Studies have concluded that there is no “one size fits all”. The most appropriate model for a particular area depends on both the national and local context. Factors to take into consideration are outlined in Box 1. For the outcome to be effective, the stakeholders need to be involved in the process and a balance found among the mentioned factors. Politics rather than efficiency and equity however, often determine the chosen structure. Flexibility of the governance arrangements over time and across jurisdictions is advisable.

Potential for larger government units tend to exist if the following factors are significant:

- Potential for Economies of Scale⁶
- Externalities (positive or negative)⁷
- Inequality (in service coverage or quality, and/or unfair sharing of benefits and costs)⁸

Potential for smaller government units tend to exist when the following is particularly important:

- Need for improved accessibility, responsiveness, and accountability (clear link between expenditures and revenues; to ensure efficient resource allocation; etc.)
- Competition among LAs (as incentive for efficiencies)

Table 1 summarizes the main conceptual institutional approaches applied internationally and their characteristics, with a few examples of cities where they are (or have been) applied. These approaches are then described in some detail, and variations of them illustrated by the city examples. Comments are made regarding their potential for the Dar es Salaam metropolitan area (these are the views of the author of this paper only, for the purpose of discussion). Some examples also illustrate how the institutional arrangements have evolved over time in some cities.

⁵ “Finance to follow function”, i.e. first assign functions and expenditure responsibilities and then assign the revenue responsibilities.

⁶ Diseconomies of scale may sometimes also occur in cases of a jurisdiction being too large.

⁷ Inter-governmental transfers can sometimes address this as well.

⁸ Inter-governmental transfers can sometimes address this as well.

The described approaches are structured as follows.

1. **Horizontal Cooperation among Local Governments**
 - (iii) **Case-by-case Joint Initiative by Local Governments**
 - (iv) **Contracting among Local Governments**
2. **Regional Authorities** *(sometimes called Special Purpose Districts)*
 - (iii) **Metropolitan Council of Governments (COG)**
 - (iv) **Regional Planning Authority** (with or without authority to enforce the plans)
 - (v) **Regional Service Delivery Authority** (as public agency or corporation)
 - (vi) **Regional Planning & Service Delivery Authority** ((ii) & (iii) combined)
3. **Metropolitan Level Local Authority in a One Tier System**
*(At the same level as the area's local governments,
without substantial authority over the area's local governments)*
4. **Metropolitan Level Government in a Two Tier System**
(With substantial authority over the area's local governments)
5. **Annexation or Amalgamation of Local Governments**
6. **Structures Established by Higher Level Government**

Box 1

Factors to consider when determining a metropolitan governance structure

- Efficiency in service delivery (e.g. economy of scale, coordination of service delivery)
- Equality of service delivery (across the area)
- Equality of cost sharing (considering externalities, i.e. impacts across jurisdictions)

- Accessibility by citizens to the government
- Responsiveness by government
- Accountability of government

- National context:
 - Constitution
 - Relations with higher level government(s) / inter-governmental systems
 - Division of responsibilities (functions) between the government levels

- Local context:
 - Revenue sources available to the local governments
 - History and culture of the area (e.g. strong tradition of local autonomy or not)
 - Ability to reduce (or determine) negative spillovers (positive or negative) across jurisdictions

- Available financial resources for new structure (as pre-requisite for any success)

Table 1: Institutional Approaches to Metropolitan Management

Conceptual Model	Characteristics	City Examples
1. HORIZONTAL COOPERATION AMONG LAs		
<i>(i) Case-by-case joint initiatives</i> (inter-municipal agreements among local authorities (LAs))	When joint action puts the LAs in a position to achieve economies of scale, (e.g. bulk purchasing, contracting, fire fighting, some road maintenance), or in a stronger negotiation position (e.g. loan collateralization, attract firms or events)	
<i>(ii) Contracting among local governments</i>	A local government engaging another local (or higher level) government for the delivery of a service.	<ul style="list-style-type: none"> . Los Angeles County, USA . The US Association of Contract Cities (frequently used in California)
2. REGIONAL AUTHORITY (also called <i>Special Purpose Districts</i>)	<u>Voluntary cooperation among LAs (see variations below)</u> Representation of the member LAs on council / board.	
<i>(i) Metropolitan Council of Governments (COG)</i>	<ul style="list-style-type: none"> . Forum for coordinated efforts by the member LAs. . Decisions need endorsement of the respective LA Council. 	<ul style="list-style-type: none"> . Numerous examples in all areas of the US; Metro Washington is described in this paper. . Sao Paulo ABC Region, Brazil . Bologna, Italy
<i>(ii) Regional Planning Authority</i> (with or without authority to enforce or implement the plans)	Responsibility for planning or solving a specific issue; for broad regional planning, or for specific function.	<ul style="list-style-type: none"> . Numerous examples of advisory/guiding entities exist, but few with decision power. . New York City, USA . Portland, USA (in past, with decision power)
<i>(iii) Regional Service Delivery Authority</i> (as public entity or corporation)	<ul style="list-style-type: none"> . Responsibility for service delivery of one or more services. . Service agency, or corporation (or cooperative) with the member LAs as shareholders (or coop members). . Can usually levy user fees to pay for services and/or levy taxes or collect contributions from the LAs. 	<ul style="list-style-type: none"> . Vancouver, Canada (now a public sector corporation)
<i>(iv) Regional Planning & Service Delivery Authority</i>	<ul style="list-style-type: none"> . Combination of (a) & (b), i.e. planning and delivery of one or more services (e.g. Regional Transport Authority). . Public agency or corporation (or coop) 	<ul style="list-style-type: none"> . Lyon, France . Marseilles, France (cooperatives / ‘syndicat’)

3. METROPOLITAN LEVEL LOCAL AUTHORITY IN A ONE TIER SYSTEM	. As 2(iv) above, at <u>same</u> hierarchical level as the area's local governments (i.e. without substantial authority over the area's local governments)	. Twin Cities. USA . Portland, USA . Dar es Salaam, Tanzania
4. METROPOLITAN LEVEL GOVERNMENT IN A TWO TIER SYSTEM	. Separate level of local government, through direct election or indirectly elected through the area LAs. . Has substantial authority over the area's local governments . Responsible for selective functions, which may include service delivery.	. Toronto, Canada (in 1954-1998) . London, UK (directly elected) . Madrid, Spain . Cape Town (until 2000) . Abidjan (until 2001)
5. ANNEXATION OR AMALGAMATION OF LAs	Merging / incorporating neighbouring local governments to a larger municipality.	. Toronto, Canada . Pittsburgh, USA . Anchorage, USA . National LA reforms in EU countries in past.
6. STRUCTURE ESTABLISHED BY HIGHER LEVEL GOVERNMENT	Numerous approaches (elected or appointed) ranging from a directly elected institution (as in Stuttgart and London), appointed (as for Nairobi) to an entity established with strong LA representation and only the chair being indirectly elected or appointed by the higher level government (Manila).	. London, UK ?? (directly elected Mayor) . Stuttgart, Germany . Manila, Philippines . Madrid, Spain . Nairobi, Kenya (with a Ministry of Nairobi Metropolitan Development)

3. Horizontal Coordination among Local Governments

Sometimes special efforts need to be made for local coordination and at the same time preserve the autonomy of the local governments at the lowest level. Such coordination can sometimes be achieved through a hierarchy of governments, but also through various more ad hoc, voluntary arrangements among the local governments. Examples of such horizontal coordination approaches are:

1. Case-by-case joint initiatives
2. Contracting among local governments

3.1 Case-by-case Joint Initiative by Local Governments⁹

The LAs in an area may sometimes have a strong interest to join forces as a group when it is clearly benefitting all of them compared with acting independently. Common examples are bulk purchasing of goods or services, and joint outsourcing of service delivery (contracting) to one firm for the whole metropolitan area (or the area of the participating LAs), with sharing of costs and benefits proportionally. Less common, but equally possible situations, are when “pooling” of assets or credibility of the LAs would make them together obtain a bank loan on slightly better terms, be more attractive to a firm considering location for a plant or office, compete for an international event, etc.

I.e. such case-by-case coordination should be considered whenever a joint action would put the LAs as a group in a position to save money or realize a common interest, either by achieving economies of scale (e.g. in purchasing, contracting), or by being in a stronger negotiation position (e.g. loan collateral, attracting firms or events to the area).

Pros and Cons for Dar es Salaam:

This does likely have potential for Dar since the Dar Metropolitan Area is composed of few LAs, the municipalities are reasonably homogeneous in their development needs, of fairly similar size, and with a DCC with capacity to facilitate, as required. It could, for example, be applied for selective bulk purchasing, service contracting, and area promotion for events.

It can achieve concrete benefits to all, with reasonable certainty of “fairness” across the LAs, and with limited long-term commitments from the respective Council. However, for effective application, it will require a certain degree of trust in the process and representation of each LA in the final decision-making (e.g. award of contract).

3.2 Contracting among Local Governments

Having the responsibility to provide a public service does not necessarily mean that a local government has to deliver that service themselves. A government engaging another government for the delivery of a service can take various forms: (a) a contract between two governments at the same level (one LA performing another LA’s service responsibility for a fee (or for other compensation, e.g. a counter-service); (b) a LA performing a higher level

⁹ This represents more formal cooperation than case-by-case coordination to solve a particular temporary problem, e.g. managing a flood across the metro area, or coordinating traffic related to a large event in the area.

unit's service responsibility for a fee; or (c) a higher level government performing the responsibility of a LA for a fee.

Examples

The US Association of Contract Cities. Service delivery contracts between LAs can be organized individually between two or more LAs or through an association of local governments. For example, the US Association of Contract Cities – whose members are mostly in the state of California – provides a market-based solution. These local governments perform few of the functions that they are responsible for by themselves. Instead they buy and sell services among themselves based on specialization, and in addition often involve private firms in a highly competitive environment.¹⁰ Although the savings from such contracting or cooperative provision of services must be balanced against the costs of coordinating the actions, this alternative provides organizational flexibility in provision of local services, particularly for small LAs who may not have the skills or capacity to carry out certain functions by themselves.

Los Angeles, USA. Los Angeles County provides a variety of services on behalf of municipalities in the Los Angeles metropolitan area on a contract basis. It is an example of an inter-municipal agreement.

Pros and cons for Dar es Salaam:

If one of the DLAs would over time build a significantly stronger capacity than the other DLAs for a certain function or service, this could possibly evolve into contracting between them. It could hypothetically be a function or service for which specialized equipment would have been acquired by one (but not all) DLAs, e.g. for park management or street cleaning.

The DLAs are however of reasonably similar size and capacity, which limits the potential for this approach, unless it would be jointly agreed and planned to over time build some different specialization in the respective DLA. The potential is likely limited though since in a case of significant economy of scale or capital investment being required, an option would be to establish a Regional Authority instead or contract DCC to carry out the function across the region for a fee (or for other compensation, e.g. a counter-service).

4. *Regional Authorities (also called “Special Purpose Districts”)*

This is a voluntary organization established by the member local governments for planning and/or service delivery to make better use of public resources. Such city-to-city arrangements are sometimes also called “Special Purpose Associations” or “Special Purpose Districts”. For example, two or more local governments creating an Association for waste management (garbage disposal and/or landfill operation), school transportation, etc., to achieve economies of scale. Some countries (e.g. France and Poland) have established a separate legal base for such arrangements. Such voluntary cooperation represent administrative and/or political integration in that there is some form of representation on the boards or councils from the member LAs. These entities

¹⁰ Direct privatization of service delivery (e.g. by a group of local governments as per 3.1 above) may also be an option to consider in some cases. A LA (or group of LAs) may arrange for management contracts, concessions, Build-Operate-Transfer (BOT), Transfer-Operate-Transfer (TOT) agreements, or full divestiture of assets to private sector entities.

can usually levy taxes or collect contributions from the member LAs or they can levy user fees to pay for the services.

Particularly in North America, metropolitan areas have frequently established special purpose bodies for certain services. For example, school boards, police boards, library boards, conservation authorities, recreation commissions, health boards, utility commissions (e.g. for a lake or a river basin/watershed), and transit authorities. For services with more externalities such as roads for which full user charges are not feasible or efficient, special authorities with special taxing powers are sometimes established. Such mechanisms created by a group of LAs for service consolidation can generate efficiency gains, particularly for small local governments to remain independent yet efficient. Service delivery contracts are signed between the Authority and the participating (member) user governments.

The establishment of regional authorities, and their effectiveness, has sometimes been encouraged by incentives from higher level governments. For example, in the US it was for many years a pre-requisite for obtaining grant funding from the US federal government by a LA, e.g. for road and transit infrastructure, by a LA to present approval of the needs and solutions from a regional level entity.¹¹

Various variations on the theme exist. The important common element of these authorities is that it is the participating local governments who are in charge of these organizations (as opposed to a separate elected or appointed metropolitan government, initiated by a higher level government) and directing their operations through representation on their council or board. Types of organizations are:

1. Metropolitan Council of Governments (COG)
2. Regional Planning Authority (with or without authority to enforce the plans)
3. Regional Service Delivery Authority (as public agency or corporation)
4. Regional Planning & Service Delivery Authority (combination of 2. and 3.)

Table 2 shows various dimensions by which a Regional Authority can be characterized. An example of one combination of characteristics of an authority is shown in **bold** in the table (this could for example be for public transport of street cleaning only in a metropolitan area).

Table 2: Characteristics of Regional Authorities

<i>Dimension</i>	<i>“Less Ambitious”</i>	<i>“More Ambitious”</i>
<i>Function</i>	Planning	Planning and Service Delivery
<i>Scope</i>	Single Function	Multiple Functions
<i>Degree of Authority</i>	Advising/guiding the function(s)	Directing (in charge of) the function(s)
<i>Legal status</i>	Public Sector Agency	Public Sector Corporation
<i>Operational approach</i>	Non-profit	For profit
<i>Accountability of the Council/Board</i>	Appointed or elected by the LAs in the Area	Elected by the Residents in the Area

¹¹ When such requirements ended, the effectiveness of many regional bodies tended to diminish though.

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4.1 Metropolitan Council of Governments (COG).

This is a very common approach in the US, applied in every state of the country (sometimes called Metropolitan Planning Organizations, Regional Planning and Development Commissions, etc.), for various functions and scope, sometimes geographically for a larger region, i.e. beyond one particular metropolitan area. It is so frequently applied that corresponding national association exists.¹² COG is a variation of the regional authority approach, but with limited direct, independent decision-making authority in order not to undermine the accountability of each individual participating local government.

Examples

The Metropolitan Washington COG is one example of this voluntary approach among municipalities; a regional organization formed in 1957, composed of 21 local governments (members) surrounding Washington, DC. It covers an area of 7,733 km², with a population of about 4.5 million. It is an independent, nonprofit association, supported by financial contributions from its participating local governments, federal and state grants and contracts, and donations from foundations and the private sector. Policies are set by the LAs acting through a board of directors. The COG has Committees on: (i) Transportation, (ii) Environment, (iii) Health & Human Services, (iv) Housing & Planning, (v) Cooperative Purchasing and (vi) Publications, reflecting its scope of activity. For Inter-municipal Transport Infrastructure, e.g. main roads, this COG has direct decision-making authority, with the member LAs each having one vote on the Board. See details in Box 2.

Bologna, Italy is another example of metropolitan governance on a voluntary basis. In 1994, forty-eight municipalities and the province of Bologna signed a Metropolitan City Accord. A metropolitan council is composed of all the mayors and is presided over by the president of the province. Each LA is free to withdraw at any time and may participate as it chooses in some or all of the activities of the council.

Sao Paulo ABC Region. Although a new constitution in Brazil in 1988 increased the autonomy of the local governments, and delegated responsibility for designing metropolitan structures to the state (provincial) legislatures, few examples of inter-municipal cooperation exist except in the Sao Paulo ABC region (explained in Box 3). These organizations have played important roles in the economic development for at least part of the São Paulo metropolitan area. In addition to the involvement of local governments in the area, it is characterized by very active engagement of the civil society and the local private sector.

Pros and cons for Dar es Salaam:

This may possibly be a relevant approach for the DLAs for coordination of some functions, e.g. initially as a member association with each municipal Council having to endorse any decisions (proposals) made by the COG, which over time could evolve into a more independent corporation, owned by the DLAs (as shareholders), if found effective for

¹² NARC (National Association of Regional Councils); AMPO (Association of Metropolitan Planning Organizations)

selective functions. It is important to note though, that the existing DCC is fulfilling some of the roles of a COG, and could possibly be enhanced in its structure and functions to fill a more comprehensive COG-type role.

Box 2

Metropolitan Washington Council of Governments (COG)

The COG provides a focus for action and develops regional responses to issues of regional significance. Its mission is to enhance the quality of life and competitive advantages of the region by providing a forum for consensus building and policy-making; implementing intergovernmental policies, plans, and programs; and supporting the region as an expert information resource.

For example, the Metropolitan Washington COG recently produced a document *“Region Forward - A Comprehensive Guide for Regional Planning and Measuring Progress in the 21st Century”*, a new planning guide for achieving environmental, housing, transportation, and other regional goals. It features a voluntary agreement that asks area governments to pledge to use their best efforts to advance the goals articulated in this document. It was endorsed by all the 21 COG members.

Region Forward reflects shared, long-term regional goals (to 2050), helps measure regional progress, and demonstrates the many benefits to the local governments of working together more closely. It accepts the differences among the cities and counties, but also embraces the interconnections across the region. The common goal categories include land use, transportation, environmental, climate and energy, economic, housing, education, health, and public safety. The members developed a set of targets and indicators to help regularly measure progress toward these goals. These targets and indicators judge the region as a whole, rather than measuring individual jurisdictions. By measuring things like regional green space, affordable housing units, and graduation rates, the targets and indicators will help show if the region is heading in the right direction. The targets were designed to judge the region as a whole, rather than measure individual jurisdictions.

Box 3

Sao Paulo ABC Region

The São Paulo metropolitan region includes the City of São Paulo and 38 surrounding municipalities with a total population of 18 million. Although there is no institution of metropolitan governance per se for the region, there is an Inter-municipal Consortium of the Greater ABC Region which comprises 7 cities with 2.5 million people. Similar issues faced by these LAs forged a regional identity and led local leaders and politicians to address their economic decline through a number of initiatives.

In 1990, a Consortium was created with the main focus to coordinate policies that have spillover effects across the municipal boundaries. Seven municipalities in the region created the ABC Council which is a political body made up of representatives from the State government, the seven local governments, and representatives from civil society. The purpose of the Council is to promote economic development of the region through consensus and implement innovative public policies. The City of São Paulo, however, has not participated.

Although the coordination and the engagement of the mayors weakened in the mid-90s, the local community undertook several initiatives, including creating a Forum on Issues of Citizenship by more than 100 NGOs with an emphasis on regional issues. Since 1997, many agreements on economic, social, and territorial development have been signed. A Regional Development Agency was created in 1998 with a board of directors comprised of private sector members (controlling 51%) and the Inter-municipal Consortium (49%). This Agency is now considered the legal branch of the Council of the ABC region and can sign agreements with external agencies and receive financial resources.

Although this cooperation does not represent a formal structure of governance nor does it include all

services or even the entire metropolitan region, it applies a flexible and pragmatic approach to regional problem solving. Pilot projects have over time built trust among the main actors.

4.2 Regional Planning Authority.

This is either: (i) an informal arrangements; or (ii) a more formal entity (similar to the COGs described above) to design regional strategies and/or exercise planning and policy-development authority on an ongoing basis. This mechanism has in some cases been established with broad mandates, and sometimes with more narrow ones, e.g. as a river basin/watershed commission. The entities have tended to be difficult to sustain though due to frequent lack of power to enforce implementation of the plans.

Examples

Numerous examples exist of advisory/guiding planning entities, e.g. for land use, watershed management, etc., but few with authority to decide on and enforce the implementation of plans. Initially the COG in Portland, USA was to a great extent a planning authority for land use management, with such authority (e.g. they introduced a concept of a “growth boundary” for the metropolitan area).

Pros and cons for Dar es Salaam:

With only four DLAs, an advisory/guiding type planning authority could probably be established fairly easily, if required. Again, the existing DCC could possibly be enhanced in its structure and functions to fill an advisory/guiding planning and strategy development role.

However, for the subject of land use planning (usually a key planning subject in a metropolitan area) in Dar es Salaam, the Ministry of Lands, Housing and Human Settlements Development (MLHSD) is at present responsible for preparation of all land use and development plans, limiting the role of the DLAs on this subject.

A Dar es Salaam Regional Transport Authority has been proposed in a Transport Master Plan Study (with target year 2030) carried out in 2007 and 2008, supported by Japan International Cooperation Agency (JICA). Its objective would be to establish and strengthen a coordination mechanism for the transport sector in Dar es Salaam, harmonizing transport related policies of various agencies at both the local and central government levels.

4.3 Regional Service Delivery Authority (as public agency or corporation)

This is an entity established with clear operational authority to deliver services to meet common regional needs based on agreements among the participating local governments; either: (a) as a single-service authority; or (b) as a multiple-service authority. Their regional planning responsibility is usually limited to planning for those services for which they are also responsible for the delivery.

Examples

Greater Vancouver Regional Service District, British Columbia, Canada. The Vancouver metropolitan administration is a flexible and demand-driven example of a city-region

organization, providing different services to different member municipalities, as required and agreed. A service organization was first established in 1965 to take over the functions of previously separate agencies for sewerage service, water supply, health/hospital services, and industrial development services, and to assume the responsibility for regional planning. Affordable housing, regional parks, air quality, and emergency administration were added later. The organization also provides various personnel management (HR) services to the municipalities in the region. However, it does not have any land use planning powers. The organization is now incorporated as a public corporation with a 29 member Board, including representatives of the 18 member local governments. It was established by the provincial government, but has evolved to become an organization driven by the member municipalities.

Pros and cons for Dar es Salaam:

With only four DLAs, a service delivery authority could probably be established fairly easily if it would be justified for any particular service carried out by the DLAs.¹³ The responsibility for some services of this type has already been vested with DCC (solid waste disposal, and management of the main bus station and market). Their role could be expanded to other services, as required, either through voluntary contracting agreements among the DLAs (see above) or through mandatory change of the statutes of DCC by the national government.

4.4 Regional Planning & Service Delivery Authority

As the name implies, this is a combination of the two previously described approaches.

Examples

Lyon, France – Metropolitan level tax sharing. Since the size and average population of the French local governments (“communes”) are very small by international standards, they make extensive use of cooperative arrangements to service provision. These “*syndicats intercommunaux*” (similar to a Cooperative or “federation” of local governments), for which a particular legal framework exists in France, may be formed by a group of local governments to carry out a single or multiple functions. One commune may be involved in separate ‘syndicates’. A particularly strong ‘syndicate’ exists in the area of Lyon, where the participating local governments are not only coordinating services but also sharing the area tax base. Part of the local tax revenues to the respective commune is allocated to a common budget for ‘syndicate’ level initiatives and expenditures, constituting a metropolitan level tax sharing arrangement. The particularly interesting aspect of the Lyon case is that all this has been established without any influence from provincial or national authorities, but derived from the needs and interest of the participating municipalities.

Marseilles, France. Marseilles is an example of a transition from voluntary cooperation among LAs to a regional planning and service delivery authority in 2000. The municipalities of Marseilles, Marignane, and Saint Victoret created a public corporation in 1992 which focused on a few limited roads and traffic projects. During the 1990s, seventeen cities joined this consortium of municipalities. In 2000, the *Communauté Urbaine de Marseilles* was

¹³ Some of the basic public service functions, internationally usually vested with local authorities, are in Dar es Salaam the responsibility of national government agencies or utility companies, e.g. water supply and piped sewerage systems, and maintenance of major roads.

created, a metropolitan organization comprising eighteen cities with about one million people. This regional body (comprised of the mayors and councilors of the constituent municipalities) is responsible for regional economic development, transportation, land use and housing, crime prevention, waste disposal and environmental policies. The participating LAs have adopted tax-sharing agreements whereby the *Communauté Urbaine* collects a common tax on business, thereby eliminating tax competition among the local municipalities.

Pros and cons for Dar es Salaam:

See above under the other variations of Regional Authority organization.

5. Metropolitan Level Local Authority in a One Tier System

(i.e. at the same level as the area's local governments)

As the following examples show, the responsibilities of regional planning and selective service delivery functions may be vested with a separate (elected or appointed) government or Council, although this entity would not be hierarchically above the local governments in the geographical area (as the existing Dar es Salaam City Council, DCC).

Examples

The examples of Portland, Oregon and the Twin Cities, Minnesota from the US illustrate how such a structure has evolved.

Portland Metro, Oregon, USA – Focus on land use management. Portland has an elected regional authority and is an example of an authority which gained the support and respect of the local governments in the area particularly on one function – land use regulation and management. A Metropolitan Service District (Metro) was created by the Oregon state legislature in 1977, originally as consolidation of a regional planning council, a Metro service council responsible for solid waste disposal, and the administration of a regional zoo. In 1990 it was given added responsibilities for various facilities (e.g. stadium, exhibition center) and in 1994 several regional parks, cemeteries and marine facilities.

The Portland Metro is an elected Metro Council with seven councilors and an Executive Officer. It has a strong land use statute as a tool for regional development (“urban growth boundary”). The fiscal disparities are lower in Portland than in most other areas of the US. The local governments in the area (three counties and 25 cities/townships) have created a coordinating group (FOCUS) to help develop joint recommendation to the Metro Council, and a regional planning advisory committee has representation of the local governments. The Portland Metro may levy property, sales and income taxes, and issue Metro bonds.

The Twin City Metro (Minneapolis – St. Paul), Minnesota, USA. This is an example of a Regional Planning & Service Delivery Authority which evolved into an appointed regional government (now in the legal form of a government corporation). Cooperation among its many local governments was initially motivated by a need for tax sharing within the region due to significant differences between rich and poor local jurisdictions. The initial voluntary organization for coordination has since evolved to the current Twin Cities Metropolitan Council which has extensive regional planning and service delivery functions. (See Box 4)

Pros and cons for Dar es Salaam:

Dar es Salaam as an administrative region of Tanzania has a Regional Government as a de-concentrated arm of the national government, led by the Regional Commissioner. However, this regional government does not have any direct service delivery responsibilities. Rather the existing Dar City Council (DCC) can be viewed as an example of this approach¹⁴ although indirectly elected via the three municipalities in the region rather than directly elected or appointed by the national government. See comments under Sections 4.1–4.3 above regarding how the role of DCC could be expanded for enhanced metropolitan organization in Dar es Salaam, as required, in case the DLAs and/or the national government would consider this an effective option.

Box 4

The Twin City Metro (Minneapolis – St. Paul), Minnesota, USA

This region had a particular starting point and motivation for institutional change. They had a need to respond to a problem of increasing regional polarization between decaying inner-cities and rapidly growing suburban areas (“urban sprawl”). A spatial mismatch between affordable housing and available jobs was reflected in traffic congestions, and the continuous need for (expensive) infrastructure extension to new areas. A significant mismatch existed between the social needs and the property tax base in different areas of the metropolitan region. With low income core city areas and richer suburban communities, the core LAs had to provide services for a large working population in the city center during day-time, but who contributed to the tax base where they lived only.

The Twin City case is an example of a Regional Planning & Service Delivery Authority which evolved into a regional government, and subsequently to a public sector corporation. The area covers seven counties, about 200 small municipalities, and about 100 special service district organizations. A *Twin City Metro Council Agency* was established by the Minnesota state (provincial) government in 1974 to adopt regional development plans and policies, and to coordinate the activities of already existing regional service delivery agencies, including appointing their Boards and reviewing their annual budgets. The Metro Council was also given the authority to review all projects of “metropolitan significance” being suggested by the local governments in the area.

In 1994, the Metro Council was made a public corporation, owned by the state. It received operating responsibilities for regional and metropolitan transportation, and metropolitan sewerage treatment, strengthened its previous functions, and got expanded access to regional property taxes to finance its administration and targeted transport subsidies.

This 1994 reform was significant, moving the Council from a regional planning agency, with only loose supervisory control over a number of regional agencies, to a new “regional government” with a 15 times higher annual budget. A directly elected Metro Council has been proposed and debated at several occasions but has not obtained sufficient legislative support to date.

Today the Twin Cities Metropolitan Council is serving the Minneapolis and St Paul Metropolitan Area, composed of seven-county (it includes all or part of 182 cities and townships) with a population of about 3 million. A 17-member Metropolitan Council has 16 members who each represent a geographic district and one chair. They are all appointed by the governor of the State of Minnesota, and confirmed by the State government.

The Council works with local communities to provide the following services: it operates the region's largest bus system, collects and treats wastewater, engages communities and the public in planning for future growth, provides forecasts of the region's population and household growth, provides affordable housing for low- and moderate-income individuals and families, provides planning, acquisitions and funding for a regional system of parks and trails, and provides a framework for

¹⁴ DCC is vested with a responsibility for a few key local services and to “coordinate without authority”.

decisions and implementation of regional systems including aviation, transportation, parks and open space, water quality and water management.

6. Metropolitan Level Government in a Two Tier System

A two tier system has a separate, usually elected, level of government with coordination authority and responsibility for some planning and service delivery functions. The examples below also illustrate the evolutionary nature of institutional arrangements for metropolitan governance, some having used a two tier structure in the past but returned to a one level system (Toronto and Abidjan), and some returned to a two tier structure (London).¹⁵

Toronto, Canada. Toronto operated under 13 independent municipalities up to 1953, when a two-tier system of an elected Metro Toronto government and six additional independent local municipalities (each tier with separate functions) was established. Having operated under this two-tier municipal system for more than forty years during explosive population and economic growth, these seven municipalities were in 1995 merged into one single-tier local government (the City of Toronto, an area of 632 km² with a population of about 2.5 million; the surrounding urban areas have a population of another 2.5 million). The evolution of the institutional arrangements during the last 50 years is described in Box 5.

Abidjan, Côte d'Ivoire. Abidjan has a population of 3.5 million. Reforms in 1978 restored “commune” (LA) status to the major cities in the Côte d'Ivoire. Abidjan had 10 LAs, differing in size and ability to raise their own funds, each with an elected mayor and councilors. At the same time, a metropolitan government - the City of Abidjan - was established, with a council of the mayor and four councilors from each LA. The mayor of the City was indirectly elected by the ten mayors. I.e. this was a structure somewhat similar to the current Dar es Salaam District Council (DCC).

The major functions of this metropolitan local government were waste disposal, public lighting, sanitation, traffic regulation, maintenance of roads, parks, and cemeteries, and town planning. The LAs in the area were responsible for markets, allocation of plots for public purposes, maintenance of primary schools and clinics (but not school or health policy or supervision or payment of professionals), operating social centers, and sharing functions with other levels of government for pollution and hygiene. Private sector companies managed waste removal, electricity, and water.

This system functioned for over 20 years, but the LAs were constrained by the national government in carrying out some of its assigned functions such as inspection of construction sites and issuing of driver licenses. Also, the City of Abidjan had little direct influence over its finances because the national government collected the property taxes and remitted them to the LAs which then paid a fixed portion to the City.

In 2001, the City of Abidjan was replaced by a regional government or “District” of Abidjan. The post of Mayor of Abidjan was replaced by a District Governor, appointed by the President of the country, assisted by a District Council. This became a second tier local (“regional”) government, maintaining the original 10 LAs and adding three large suburban jurisdictions (with their LAs) and some rural areas. The area has a population of more than 5 million people. Urban planning is a key district level function. Service delivery is however constrained by limited local resources, and following an attempted military coup in 2002 security issues have increasingly become a priority.

¹⁵ Source: Enid Slack “Managing the Coordination of Service Delivery in Metropolitan Cities: The Role of Metropolitan Governance”, World Bank Policy Research Working Paper, August 2007

Box 5

Toronto: From a One-tier System to Two-tiers and back to a One-Tier System

With growing service demands and limited resources in the suburban LAs, but with a core City of Toronto with a solid financial base (property tax and strong commercial and industrial tax base), the political boundaries did no longer reflect the socio-economic realities. Each municipality acted independently with respect to transportation, land use, and housing. In 1954, therefore a *Metropolitan Toronto* (Metro) was formed by provincial legislation, with a metropolitan tier for the City of Toronto plus twelve suburban LAs. The purpose was to redistribute the wealth of the City (with no more room to grow) to the suburbs so that they could provide infrastructure, and that land use and transportation would be coordinated; while at the same time maintaining the LAs' responsiveness to local needs.

The Metro's initial responsibilities were planning, borrowing, assessment, public transit and some roads, and administration of justice. Local LAs were responsible for fire protection, garbage collection and disposal, licensing and inspection, local power distribution, policing, public health, general welfare, recreation/community services, and the collection of taxes. Responsibilities were shared for parks, planning, roads and traffic control, water supply and sewage disposal. Costs were shared based on the property tax base. Over time, the division of responsibilities changed with Metro taking over police services, social assistance, traffic control, licensing, conservation, waste disposal, and ambulance services. In 1967, the number of municipalities in Metro was reduced from thirteen to six. Property assessment and the administration of justice became provincial responsibilities in 1970.

This structure was very successful in meeting its objectives of providing infrastructure for orderly growth of the suburbs, maintaining a vibrant core city, and pooling revenues over the whole metropolitan area. However, in the 1970s the needs changed due to the growth outside of Metro, i.e. the Greater Toronto Area (GTA). Between 1971 and 1975, the province created four regional governments around Metro. In 1988, the province established the Office of the Greater Toronto Area (OGTA) at the provincial level to encourage Metro and the four regions to coordinate their waste disposal, regional transport, land use, and infrastructure planning. A forum of GTA area mayors and the chairs of the regional governments focused on economic development and marketing of the area.

The current City of Toronto came into being in 1998 again through provincial legislation, by amalgamation of the metropolitan government and six of the lower tier LAs to create a new and larger single-tier City of Toronto. A Greater Toronto Services Board (GTSB) was created shortly thereafter, mainly to oversee regional transit. This was not designed to be a level of government though. It comprised elected representatives from each of the LAs in the region. The GTSB had limited powers to coordinate decision-making among its member municipalities and to provide strategic growth management, and in 2001 it was disbanded. In 2006, the provincial government instead created the Greater Toronto Transportation Authority (GTTA) to coordinate transportation.

The evolution of Toronto illustrates the need for different institutional arrangements over time as a city's realities change, and the importance of a city-region to respond to such change and make forward-looking decisions at a manageable pace. The change in Toronto was to a great extent driven by a pursuit of increased effectiveness in urban development and service delivery, including harmonization of service levels across the area. Each time a regional authority was disbanded, something else eventually took its place.

London, UK. London with a current population of more than 7 million has an elected Greater London Authority (GLA) from year 2000, a city-wide government with a Mayor and Assembly for London. The GLA is a second-tier strategic authority to promote sustainable development and define strategy on economic development, transport, planning, the environment and policing, and coordinate London-wide events. It covers an area of 32 local authorities (“Boroughs”) with independent Mayors and Councils for local public services. Functions assigned to the LAs include housing, education, social, and health services. The LAs have the responsibility of local planning authority. There is also a London Local Development Agency (LDA) accountable to the GLA focusing in particular on services related to economic development, the problem of social exclusion, socio-economic regeneration, and reinforcing London’s competitive strength in global markets. LDA is intended to build on existing public-private partnerships (PPP) which have developed successfully in London over time. See Box 6 for further details.

Box 6

London: From a Two-tier System to One-Tier and back to a Two-Tier System

London was governed by a two-tier structure from 1964 to 1986 -- the Greater London Council and 32 LAs, each with its own mayor and council. In 1986, the Greater London Council was abolished and London’s governance instead became a direct responsibility of central government ministers (coordinated by a sub-committee headed by a Junior Minister for London), using agreements, and ad hoc arrangements for regional planning.

In 1994, the Government Office for London (GOL) was established to allow the central government to act as a strategic authority, coordinating all entities related to London. In 1999 the new Greater London Authority (GLA) was created, comprising 32 LAs and the Corporation of London. A directly elected Mayor came into being in 2002. The Mayor of London can direct a LA to reject (but not approve) large development applications.

Four functions are separate from the Assembly but accountable to it through the Mayor:

- Transport for London (TFL), responsible for roads, buses, trains, subways, traffic lights, regulation of taxis and mini-cabs. The Mayor appoints the commissioner, and chairs the board, and appoints 15 non-executive members.
- The London Development Agency (LDA) coordinates economic development and work in partnership with industry, public and voluntary sectors. The Mayor appoints a 17-member board and the Chief Executive.
- The Metropolitan Police Authority (MPA) with 23 members of which 12 are Assembly members, and six independent Londoners.
- The London Fire and Emergency Planning Authority (LFEPA) responsible for fire and emergency services. The Mayor appoints the Chair. There are 17 members of which nine are from the GLA and eight are nominated by the Association of London LAs.

The GLA has very little local fiscal autonomy. The main responsibilities of the GLA are transport and police; plus economic development, planning, and fire and emergency planning. More than 80% of both GLA’s and LAs’ revenues come from central government grants. Other revenues include local property taxation and user fees.

Pros and Cons for Dar es Salaam:

With only three, albeit large, municipalities in the Dar es Salaam metropolitan area (as defined in this paper), making DCC a separate level of local government for coordination and selective service planning and delivery may not necessarily be the most effective institutional approach to achieve objectives of coordination, economies of scale, etc., and at the same time maintaining effective local democracy and accountabilities. As outlined above in this paper, various options exist to achieve efficient and equitable metropolitan management, of which a separate level government is only one to consider.

7. Annexation or Amalgamation of Local Governments

While sometimes annexation and amalgamation appears to be the most effective concept to achieve needed scale, efficiency, and equity of public service delivery (and sharing of costs), it tends to be the more politically controversial approach to metropolitan governance evolution, usually requiring active involvement of a national and/or provincial (regional) government to happen. Amalgamation does not necessarily reduce costs though¹⁶ (e.g. Toronto unified salaries and services across its local governments and the overall costs increased). Amalgamation may also reduce competition between municipalities, with possibly reduced incentives for efficiency and responsiveness to local needs.

Although the boundaries of the economic region grow incrementally over time and space, government boundaries are difficult to change and tend only to change occasionally. As a result, a city still needs to coordinate services such as transportation and economic development with its neighboring municipalities. However, few amalgamations have achieved coverage of the entire metropolitan region, usually influenced by the local political dynamics. For example:

- The Greater London Authority (GLA) includes 7.5 million people but the economic area Greater South East has a population of 20 million.
- The amalgamated City of Toronto can be considered both too small and too big; too small to cover the economic region or address region-wide spillovers related to transportation and planning; and too big to be locally responsive and accessible. The population of the City of Toronto is 2.5 million; the population of the economic region (the Greater Toronto Area) is over 5 million.

Some cities, however, do cover the economic region:

- Cape Town's boundaries were drawn by the Municipal Demarcation Board in South Africa, corresponding to 95 percent of the people who live and work there.
- The Comunidad Autonoma de Madrid (CAM) covers more or less the functional area of the metropolis, with 5.2 million people.
- The Stuttgart city-region (179 local authorities) with a population of 2.6 million, covers more or less the functional territory of the metropolitan area.

¹⁶ For example, it is more likely that economies of scale will be achieved for services such as water and sewers than for education. Harmonization of service levels to the highest expenditure municipality is often the results, incurring higher costs. This may outweigh the cost savings. In addition, there are transition costs in moving to a new government structure.

Examples

Pittsburgh, Pennsylvania, USA is a classic example of annexation. Already in the early 20th century, Pittsburgh undertook successful annexation of 12 neighboring municipalities. More recently, new suburban local governments have been incorporated within the jurisdiction of the city of Pittsburgh, gradually making adjustments as the urban and peri-urban areas have changed.

Anchorage, Alaska, USA is another example, a municipality having grown from 20 km² to almost 3,000 km² during the last 50 years.

European countries, including Sweden in the 1970s, have at times gone through consolidation of local governments into geographically larger and more cost-effective administrative entities nation-wide, as realities have changed.

Cape Town, South Africa. Cape Town, with a population of about 3.5 million, is an example of a city that had a two-tier metropolitan structure in the 1990s, and then moved to a system of one municipality in 2000 by consolidating a number of local governments. It is by area (948 sq.mi.) now the largest city in South Africa.

In the 1990s, the interim constitution in South Africa allowed for three types of local governments – metropolitan, urban, and rural. The Cape Metropolitan Council was established as a metropolitan government. The constitution passed in 1996 provided for three categories of municipalities. Category A had exclusive municipal executive and legislative authority in their area, Category B shared this authority in their area with a Category C (metropolitan type) municipality within whose area it fell, and Category C had such authority in an area with more than one municipality.

A subsequent study recommended a single-tier metropolitan government system (each municipality to cover their metropolitan area) to redress inequalities, promote strategic land use planning and coordinated infrastructure investment, and develop a city-wide framework for economic and social development (rather than different local governments competing for investment in uncoordinated fashion). In 1998, all Category C municipalities in the country were replaced by such one-tier municipalities (as Category A).

Cape Town went through various LA reforms in a short time, and in recent years has seen further structural reform, territorial changes, new management structures, and new forms of service delivery. Such frequent reorganization may run the risk of disrupting local service delivery though due to the time and resources devoted to related change processes.

Pros and Cons for Dar es Salaam:

The fact that the metropolitan area of Dar es Salaam is already composed of only a few (three) large municipalities makes thoughts of amalgamations unnecessary. In addition, with the current structure of elected local authorities in Dar es Salaam only since year 2000 - with the coordinating DCC and the three municipalities Ilala, Kinondoni, and Temeke – fundamental structural reform seems unwarranted. Annexation by the three municipalities of smaller local authorities outside of their current jurisdictions could possibly become a subject for review in the future though as the area continues to urbanize.

8. Structures Established by Higher Level Government

According to a review by OECD (2006), rarely has metropolitan governance reform derived purely from LA initiatives. Rather, national or provincial government has either initiated governance restructuring by imposing or encouraging it, e.g. facilitate inter-municipal agreements to improve the coordination of services such as water, waste management, and transit. Second tier metropolitan governments in particular have generally been established by a higher level government (Sao Paulo ABC Region being an exception). However, an appointed or directly elected second tier metropolitan (regional) level government, initiated by a higher level government, often becomes weak unless supported by the LAs in the region.

Examples of national or provincial governments having established a metropolitan (regional) government entity for the purpose of coordination etc. range from a directly elected institution (Madrid, Spain; Stuttgart, Germany; and London, UK), to a national government Ministry (Nairobi, Kenya), to an entity established with strong LA representation (Manilla, The Philippines) or appointed by the higher level government.

Examples

Madrid, Spain. The Comunidad Autonoma de Madrid (CAM) is an example of a two-tier system with 179 lower-tier municipalities. CAM was created in 1983 and has a population of 5.2 million people. It is administered by a directly elected council; the president is elected by the council members. The region took over the previous powers of the Province of Madrid; the lower tier local governments have fewer powers and responsibilities. The responsibilities of CAM include: transport and infrastructure, education, health, planning, economic development, environment, and culture and research.

Stuttgart, Germany. The Verband Stuttgart Region, a directly elected metropolitan institution, was created by law in 1993 (with 179 LAs including the City of Stuttgart) by a strong state (provincial) government at the time. However, the resulting structure became fairly weak, in large part because it was given no taxing authority and the constituent municipalities did not support it. Its main responsibility is as a public transport authority for the area, but it is also engaged in tourism and regional planning.

Manila, Philippines. Metro Manila has a population of almost 11 million people and includes 17 municipalities. The extended urban region includes another 4 million people in 18 other local governments. The Philippines has a long history of autonomous LAs resisting higher level control; people have strong loyalties to local government units. However, various metropolitan level entities have existed in Manila over time, established and appointed by the national government. See Box 7 for details.

Nairobi, Kenya. The Ministry of Nairobi Metropolitan Development was established in 2008 by presidential decree to facilitate implementation of a growth and development strategy for the area, which had been developed at that time, covering most local government functions plus promotion and development of a funding framework for the area.

In **Australia**, a number of “local” services (such as transportation) are provided on a metropolitan-wide basis by the state (provincial) governments.

Box 7
Metro Manila, The Philippines

In the 1960s the mayors of Manila and the neighboring municipalities organized themselves into a league to address pressing growth issues in the region. Since membership in the league was voluntary, it was unable to coordinate long-term development effectively though. Metro Manila Commission (MMC) was created in 1975 following a referendum to create a single metropolitan area by integrating four cities and 13 municipalities. Under the MMC, all legislative and executive authority was vested in a small governing body appointed by the President of the country. The role of the MMC was to perform general executive and policy making functions and to provide services common to the metropolitan area. Funding came from the local governments, contributing 20 percent of their annual revenues to the MMC.

However, popular support for the MMC declined, and in 1990 a new president created instead the Metro Manila Authority (MMA). MMA was responsible for basic urban services including land use planning, traffic management, public safety, urban renewal, and waste management. It was governed by a metropolitan council comprising the mayors of the 17 local governments and headed by a chair who was indirectly elected by the members every six months. It continued to collect revenues from the local government units but the amount was reduced to 15 percent of their annual revenues.

The Metropolitan Manila Development Authority (MMDA) was created in 1995 as a second tier metropolitan structure. The MMDA is a development and administrative unit under the direct supervision of the president of the country. It performs planning, monitoring, and coordinating functions but can only perform these functions if they do not diminish the autonomy of local governments on local matters. Its Council is still dominated by the 17 mayors of the area LAs, but the chair and a number of the managers are appointed by the President of the country. The MMDA is responsible for almost all traditionally local public services. It derives resources from the central government, a 5 percent contribution from the local governments, and fees and fine revenues. The MMDA has been criticized for being a national corporation rather than a fully local institution.

9. Summary of Potentials for Dar es Salaam (for discussion purpose only)

As all large metropolitan areas composed of a number of local government jurisdictions, Dar es Salaam needs coordination and cooperation among its local authorities for some of its service provision to achieve efficiency and equitable cost sharing. Since year 2000 the city has an institutional structure designed to address some of its priorities in this regard, with the Dar es Salaam District Council (DCC), promoting cooperation among the three municipalities of the area, and coordinate infrastructure and other cross-cutting subjects. However, DCC does not have authority over the municipal councils, limiting its ability and capacity to respond to all needs of metropolitan-wide character, leaving room for Dar es Salaam and the national government to explore new or refined approaches for its metropolitan governance and management.

This discussion paper has outlined a number of approaches applied in metropolitan areas internationally, from fairly informal, ad hoc and voluntary mechanisms at one end of a spectrum, to a separate level of local government or amalgamation of local authorities at the other. Short-term, **case-by-case joint initiatives** (e.g. for selective bulk purchasing, service contracting, and area promotion) and **some contracting among the LAs** (e.g. a service for which one of the DLAs may be more specialized and has acquired more advanced equipment) may have some concrete potential for the DLAs. In particular, Dar es Salaam **Regional Transport Authority** as proposed by the recent Transport Master Plan Study supported by JICA, would have significant potential due to the need for urgent improvements of this sector for the city.

The applicability of further metropolitan-level planning and/or service delivery authorities would require thorough study, particularly in light of the existence of the DCC and that such services as water supply and traffic management are managed by central government entities at present. As alternative to establishing any new formal entity (ies) related enhancement of the DCC should be considered as option. The mentioned experience of a representative Council of Governments (COG), with each member LA having to endorse a decision or proposals of the COG to take effect, may have most to offer for the DLAs medium term.

The Dar Metropolitan Area has an advantage of being composed of few, large LAs, which are reasonably homogeneous in their development needs and size, and with an existing DCC with capacity to facilitate, as required. However, the expected continued urbanization of the Dar region and its hinterland, institutional mechanisms need to evolve. For effective application of any coordination mechanism though, a certain degree of trust is required in the joint processes, and adequate representation of each DLA ensured to achieve true “win-win” situations.

Current Governance Structure of Dar es Salaam

In the year 2000, elected local government returned to Dar es Salaam, which is an administrative Region composed of a coordinating Dar es Salaam City Council (DCC) and three municipalities: Kinondoni (KMC) to the north, Ilala (IMC) in the center of the region, and Temeke (TMC) to the south. This is a unique form of local government in Tanzania.

Dar es Salaam City Council (DCC) performs a coordinating role and attends to issues that cut across all the three municipalities.

The three Municipal Councils are responsible for the provision of basic social services that at present include: waste management and cleanliness; district roads; primary education and part of secondary education - especially where the community is involved; primary health care; monitoring trade and economic development activities (especially informal sector development and management, cooperatives, agriculture and livestock development, forestry, and fisheries); recreational parks; and urban planning.

Ilala has the highest concentration of commercial activities since the area covers the core city and central business district and is commonly referred to as “downtown Dar es Salaam.” Many of Tanzania’s banks, commercial and administrative offices are located here.

Kinondoni has the largest population among the three municipalities and this is where the majority of Dar es Salaam’s higher and middle income population resides. This is reflected in higher traffic volumes, higher amount of solid waste generated and intensive socio-economic activities. Kinondoni also collects more revenues than the other DLAs.

Temeke includes the city harbor and the largest portion of open undeveloped land among the three municipalities with a very high potential for future development. While this municipality is adjacent to the other two, it is separated by the harbor inlet without a connecting bridge to the central business district. With connections having to use a ferry, this municipality has a remarkably low density of physical development and population.

The DCC has limited operational and service delivery responsibilities¹⁷, focusing on services with cross-cutting implications, in particular solid waste landfills, the main bus terminal, the main market area, and fire stations. Most development initiatives are therefore implemented by the respective municipal DLA. Private sector involvement and outsourcing of service functions feature distinctly in the agenda of the DLAs. Such arrangements are for example already in place for managing parking in the inner city, solid waste collection, and market revenue collection.

¹⁷ DCC functions are: (i) to coordinate the powers and functions of the three Municipal authorities regarding infrastructure; (ii) to prepare a coherent city wide framework for the purpose of enhancing sustainable development; (iii) to promote cooperation between the City Council and the three municipal or local authorities; (iv) to deal with all matters where there is inter-dependency among the City’s local authorities; (v) to support and facilitate the overall functioning and performance of the local authorities; (vi) to maintain peace, provide security and emergency, fire and rescue services, ambulance and police; and (vii) to promote major functions relating to protocol and ceremonies.

Table A1: Basic Data by Municipality

Municipality	Land Area (sq.km)	% of the City Area (sq.km.)	Population in 2002 (million)	Average Household Size 2002	Population Density per sq.km. 2002
Ilala	286	20	0.6	4.3	2,220
Kinondoni	531	36	1.1	4.2	2,316
Temeke	639	44	0.8	4.1	1,203
Dar Region	<i>1,456</i>	<i>100</i>	<i>2.5</i>	<i>4.2</i>	<i>1,786</i>

Figure A1 shows the relationship between the Dar es Salaam Local Government Authorities and the Prime Minister’s Office – Regional Administration and Local Government (PMO-RALG). The municipalities do not report to the DCC but rather directly to the Minister of State responsible for local government within PMO-RALG.

Figure A1: Structure of local government authorities in Dar es Salaam

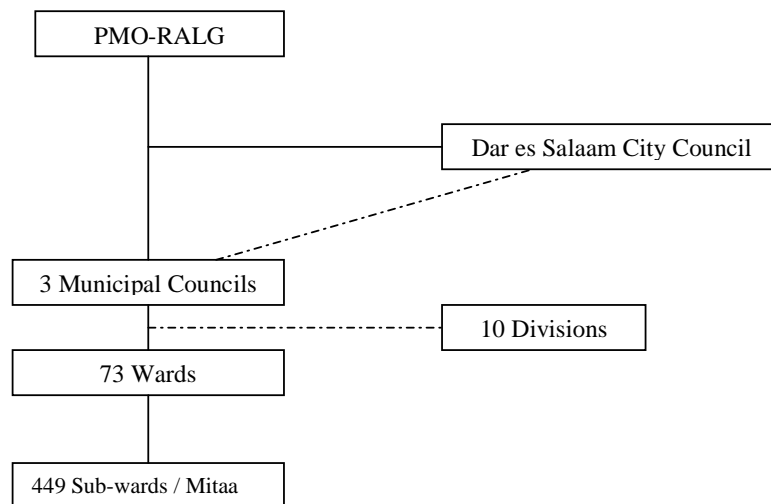


Table 2 shows the administrative structures and representation in the City of Dar es Salaam.

Table A2: Administrative Structure and representation in Dar es Salaam

Municipality	Divisions	Wards	Mitaa	Councilors	MPs
Ilala	3	22	103	33	2
Kinondoni	4	27	171	41	3
Temeke	3	24	175	34	2
Total	10	73	449	108	7

There are 73 elected councilors. Each municipality has its own mayor who is elected for 5 years and a deputy mayor who is elected annually. The Dar es Salaam City Council has 22 councilors who come from the three municipalities. They elect a mayor (with 5-year term) and a deputy mayor (with 1 year term).

The Director (the Chief Executive Officer of a local government authority) together with Heads of Department and key professionals (engineers, land officers, planners, etc.) are appointed, and can be transferred any time, by the central government. Each Council has a number of Departments. The Departments for Dar es Salaam LGAs are as shown in Table 3.

Table A3: Functional Departments within the DLAs

Dar City Council	Ilala Council	Kinondoni Council	Temeke Council
Administration and Finance	Administration and Personnel	Administration and Personnel	Administration and Personnel
	Finance	Finance	Finance
Planning and Coordination	Planning and Co-ordination	Urban Development, Natural Resources and Environment	Urban Planning
Health Services	Health	Health and Waste Management	Health and Waste Management
Waste Management	Waste Management		
Urban Planning and Transportation	Rural Management	Community Development, Social Welfare and Cooperatives	
Works and Fire Services	Works	Works	Works
	Trade and Infrastructure	Trade and Industry	Industries and Trade
	Education and Culture	Education and Culture	Education and Culture

The performance of officials is overseen by councilors through the Full Council which meets once every 3 months and is open to the public, and also through standing committees. The law requires every municipal authority to establish three to six standing committees. Ilala, Kinondoni, and Temeke each have standing committees for: Finance and Administration; Economic Affairs, Health and Education; and Urban Planning and Environment. Recently, all local authorities have been required by the government to institute a separate standing committee for HIV/AIDS. There is also a subcommittee for Ethics and Land Allocation, a Tender Board, and a Liquor Licensing Board. The standing committees of the DCC are: Finance, Transport, Works and Fire Rescue, and Health and Solid Waste.

Key officials within the LGAs report to more than one superior. They are appointed and paid by the central government and they may also be answerable to some sector ministries. For example the Commissioner for Lands appoints Authorised Land Officers who work within the councils but report, in a number of respects, to the Commissioner.

Services and Functions Which Are Not the City's Responsibilities

The DCC and the three Municipal Councils are not responsible for the provision or management of the following critical services and functions:

- **Main / Arterial Roads:** The Tanzania Roads Authority (TANROADS) is responsible for the provision and maintenance of all major and arterial roads. The Dar es Salaam Rapid Transit (DART) Agency is responsible for the design and implementation of a new Bus Rapid Transit (BRT) System.
- **Traffic Management:** is the responsibility of the Traffic Police Department of the Tanzania National Police. The Surface and Marine Transport Regulatory Authority (SUMATRA) regulates (routes, stops, fares etc.) small commuter buses that are usually privately owned and operated.
- **Water Supply and Sewerage:** While the Dar es Salaam Water and Sewerage Authority is an asset holding agency (DAWASA) the Dar es Salaam Water and Sewerage Corporation (DAWASCO) is a public sector parastatal responsible for most water supply related functions. The DLAs play only a limited role in water supply, mainly in peri-urban areas, where they provide boreholes (wells), and in areas where community upgrading is taking place (e.g. water kiosks). The private sector also plays the role of water vendor, and provides septic tank services.
- **Electricity:** The Tanzania Electricity Supply Company Limited (TANESCO) a public sector parastatal is responsible for the supply of electricity across the city.
- **Land Use Planning, Land Surveying and Sub-division:** The Ministry of Lands, Housing and Human Settlements Development (MLHHS) is the primary Ministry responsible for preparation of all land use and development plans in the country. The MLHHS is responsible for surveying and making plots for all development activities, and for the provision of tenure related documents and rights. In 2009 it was estimated that around 22,000 surveyed plots were needed but the Ministry had surveyed only around 9,000.

In addition to general oversight, PMO-RALG provides backstopping assistance on matters related to international coordination.

Summary of Local Government Finances in Dar es Salaam

This Annex provides basic information about the local government finances in Dar es Salaam. Detailed financial data is available on the web-site www.logintanzania.net

Annual Financial Statements. The municipalities produce annual financial statements within 3 months of the fiscal year-end¹⁸, at which time they are made available at City Hall for scrutiny, and the public is informed of this by advertisement in the press.

Table B1: Balance Sheet Data for the City (i.e. total of the local authorities) 2004-2009

Item	(Tshs bn)					(USD m)				
	2004/5	2005/6	2006/7	2007/8	2008/9	2004/5	2005/6	2006/7	2007/8	2008/9
Fixed Assets	97.2	98.1	110.2	118.5	185.2	71.2	71.9	80.7	86.8	135.7
New Investments	3.1	2.8	2.9	2.4	5.1	2.3	2.1	2.1	1.8	3.8
Current Assets (cash, debtors, stock)	8.5	14.8	10.2	145	14.2	6.3	10.8	7.5	10.6	10.4
Current Liabilities (creditors)	5.6	2.9	2.8	5.1	34.6	4.1	2.1	2.1	3.7	25.4
Reserves – Accumulated Surplus / Deficit Account	56.0	64.4	75.6	87.7	81.9	41.0	47.2	55.4	64.3	60.1
<i>Inflation during the respective year</i>	<i>4.3</i>	<i>3.4</i>	<i>6.3</i>	<i>6.9</i>	<i>12.5</i>	<i>4.3</i>	<i>3.4</i>	<i>6.3</i>	<i>6.9</i>	<i>12.5</i>

Indebtedness. Local governments are only able to borrow with permission from the Ministry of Local Government, and even if they do obtain such permission, they are unlikely to qualify for financing from private banks at present. As a result, except for financing from multi-national banks capital investments tend to be funded by grants (from domestic and international sources) and transfers from the national government to a great extent, plus by some own source revenues.

At the end of 2008/09 the liabilities (mostly IDA credits) of the four local authorities were in total Tshs 34 bn (US\$ 25 m), compared to total cash bank balances of Tshs 5 bn (US\$ 3.7 m). The accounts receivables and payables (debtors and creditors) are relatively limited, considering the overall size of the budgets.

Budgets. The 2008/9 budget for the four local governments together amounted to Tshs 147 bn (US\$108 m), compared to Tshs 169 bn (\$124 m) for 2009/10. The 2009/10 budget for the respective local authority is shown in Table B2. Of the total 2009/10 budget for the four local governments, about Tshs 125 bn (US\$ 91.5 m), or 74%, is for recurrent expenditures and about Tshs 44 bn (US\$ 32 m), or 26%, for development expenditures.

¹⁸ Fiscal year end for the government is June 30.

Table B2: Overview of Dar es Salaam Local Authorities Budgets 2009/10 (Tshs billion)

LGA NAME	FROM OWN SOURCE REVENUES			FROM GRANTS / TRANSFERS			DEV. CONTRIBUTIONS		TOTAL
	DEVELOPMENT	SALARIES	OTHER COSTS	DEVELOPMENT	SALARIES	OTHER COSTS	DEV. PARTNERS	COMM. CONTR	
DCC	0.7	0.7	3.5	0.01	1.1	0.6			6.6
ILALA	13.0				37.1		0.2		50.3
KINONDONI	5.1	0.9	6.8	5.2	30.4	10.1	2.2	0.8	61.5
TEMEKE	5.0	0.4	5.8	7.0	21.9	5.2	5.2	-	50.6
TOTAL	23.8	2.0	16.1	12.1	90.5	15.9	7.6	0.8	169.0

TOTAL *From Own Source: 41.9* *From Grants / Transfers: 118.5* *From other sources: 8.4*

In the 2009/10 DLA budgets, projections are that about 25 percent of the total revenues would be raised locally (*own source revenues of Tshs 42 billion or US\$ 31 m*), while 75 percent would be received: (i) as grants/transfers (*Tshs 118.5 bn or US\$ 87 m*); (ii) from development partners (*Tshs 7.6 bn or US\$ 5.6 m*); and (iii) as community contributions (*Tshs 0.8 bn or US\$ 0.6 m*). While national grants/transfers remain the major source of revenue, the DLAs' income from own sources have increased substantially in recent years.

Table B3: Overview of the Finances of the Dar es Salaam Local Authorities

DLA	YEAR 2008/09 <u>ACTUALS</u>						
	(MILLION US\$)						
	OWN SOURCE REVENUES	REVENUES FROM TRANSFERS	TOTAL REVENUES	CAPITAL EXPENDITURES		RECURRENT EXPENDITURES	TOTAL EXPENDITURES
			Development Partners	OWN SOURCE			
DCC	0.27	14.23	16.92		14.15	2.76	16.92
ILALA	7.03	21.45	28.47	3.48	2.15	31.07	36.71
KINONDONI	7.08	20.75	27.83	3.69	2.42	21.72	27.83
TEMEKE	5.87	20.14	26.01	2.43	2.33	21.25	26.01
TOTAL	20.24	76.56	99.23	9.60	21.05	76.81	107.46

Priority investment areas identified by the DLAs are: (a) upgrading roads which link communities to improve intra-city mobility; (b) upgrading the main natural drainage system to decrease wide spread flooding and reduce public health risks; (c) establishing a Dar es Salaam-wide solid waste management system including collection, transport and disposal; and (d) scaling up of community upgrading with the provision of long term tenure to ensure the transformation of the current unplanned settlements into planned areas. The DLAs have also identified further institutional strengthening needs, such as: (a) revenue enhancement and financial management with a view to become creditworthy and more accountable; and (b) identification of municipal approaches for local economic activity to enable Dar es Salaam to become more attractive to business and industry.

