THE CONTRIBUTION OF OWN SOURCE REVENUE IN FACILITATING DEVELOPMENT PROJECTS IN LOCAL GOVERNMENT AUTHORITY

A CASE STUDY OF SONGEA MUNICIPAL COUNCIL

By

Victory Mathias Mlowe

A Thesis Submitted in Partial Fulfillment of the Requirement for Award of the Degree Master of Science in Accounting and Finance of Mzumbe University.

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by Mzumbe Unversity,a thesis entitled **The contribution of own source revenue in facilitating the Development Projects in Local Government Authority**: **The case of Songea Municipal Council**, in partial/fulfillment of the required for award of Master of Science in Accounting & Finance of Mzumbe University.

Signature

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Major Supervisor

Signature

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Internal Examiner

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I, Victory Mathias Mlowe, the undersigned, declare that the work presented in this thesis is my own original work, and to the best of my knowledge the same work has never been presented at Mzumbe University or at any other higher institution of learning. Where it became necessary to use the work of other authors (scholars), all references have been indicated and acknowledged.

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Date………………………………..

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ABBREVIATIONS AND ACRONYMS

CDG	Capital Development Grants
CFS	Consolidated Fund Services
DADPS	District Agriculture Development Plan
GPG	General Purpose Grants
LAAC	Local Government Accounts Committee.
LCDG	Local Government Capital Development Grants
LGA	Local Government Authority
LGCDG	Local Government Development Grant System
LGRP	Local Government Reform Programme
LLG	Lower Level Government
MD	Municipal Director
MDA	Ministry, Department or Agency
ME	Municipal Engineering
MEC	Municipal Planning Officer
MEO	Municipal Education Officers
MMHO	Municipal Medical Health Officer
MPTLO	Municipal Planning Township and Land management Officer
MT	Municipal Treasury
MWE	Municipal Water Engineering
NWSSP	National Water Supply and Sanitation Projects
OSR	Own Source Revenue
PE	Personnel Emoluments
PEDP	Primary Education Development Programme
PO-RALG's	President' Office-Regional Administration and Local Government.
TASAF	Tanzania Social Action Fund.
UDEM	Urban Development and Environmental Management.
VAT	Value Added Tax

ABSTRACT

The Contribution of own source revenue in facilitating Development Projects in LGAs is serious problem that need measure to be taken to overcome the problem.

Strong population growth and demand for classrooms, dispensaries, and water wells, have both placed increased pressure on the delivery of infrastructure. In number of instances the delivery of this critical infrastructure has fallen to local government. Yet at the same time they have received less funding for implementation. Reduced grants and subsidies payments from other tiers of government together with increasing community requirements for services and facilities, has therefore seen local government look towards their own communities to rise the necessary funding.

The objective of the study was to find the contribution of own source revenue in facilitating the Development Projects in Local Government Authority. The study population was comprised by three (3) key personnel and five (5) head of departments.

The methods of data collection used were interviews, documentation and Observation. The interview method enabled the researcher to collect enough data from key personnel and Head of Department. Another method was documentation, through this, the researcher collect secondary data in the period of seven years and used another method of observation to observe the Development Projects constructed in seven years.

The findings obtained from the study showed that, The contribution of own source revenue in facilitating Development Projects in Songea Municipal Council in the period of seven years was 31% of total fund allocated to Development Projects and about to 9% of amount of fund collected by Songea Municipal Council.

The reasons that lead low contribution in Development Projects were:-Poor administration, Lack of commitment in implementation of budget, unrealistic of budget, management perception and availability of Capital Development Grants from Central Government.

The LGAs should be accountable in :-The change of method of collecting Own Source Revenue, Identification of another source of income, Introducing Laws and Regulations, Budgetary process, Reducing dependency from other tiers, Utilization of allocated fund

in Development Projects, Improvement of revenue collection through outsourcing the source of income and elimination of poor ideology among the management on Own source Revenue.

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CHAPTER ONE

OVERVIEW OF PROBLEM

1.0 Introduction

The chapter seeks to point out the background of the problem, statement of the problem, the research objects, and research questions, scope of study and significance of study.

1.1 Background of the Problems

Various trends, including an increasing emphasis on fiscal decentralization; political democratization many areas; globalization and the financial liberalization that often accompanies it; growing demands for urban services as urbanization continues in major cities around the world; all argue compellingly for finding ways to help municipalities finance large scale infrastructure. Improved urban infrastructure, for water supply, sanitation, urban transportation and solid waste management is widely believed essential in encouraging and facilitating economic growth.(James, 2009)

Evidence indicates that those countries most successful in sustaining high growth supported their cities with transformative investments to improve urban infrastructure that could accommodate rapid population growth in major economic centers.(James, 2009)

This evidence suggests that infrastructure has a strong "supply side" orientation and in practice, it is the effects of infrastructure on "supply" that are most often emphasized. There is also a strong "demand-side" aspect: individuals and businesses value the services that flow from the stock of infrastructure facilities and these demands should be (but are often not) considered in determining the appropriate level of infrastructure investment. .(James, 2009)

In addition to the potential supply-and-demand-side impacts on economic growth, the services of infrastructure also play a significant role in the distribution of income. Although data are often limited, the extent of the infrastructure "gap"—or the amount of additional infrastructure spending that is needed to provide basic services—is enormous.

A sound revenue system for local governments is an essential pre-condition for the success of fiscal decentralization (Bird, 2010). In addition to raising revenues, local revenue mobilization has the potential to foster political and administrative accountability by empowering communities (Shah & Oates, 1998).

However, prescriptions deriving from the theory and from good international practice impose huge constraints on the choice of revenue instruments for local governments. The growth of Africa's population has outpaced local authority capacity for service delivery in terms of management, infrastructure, and financing (McCluskey, 2003). Firstly, the urban municipal authorities, many of which were originally instituted as colonial administrative institutions, have not been restructured to cope with the fast-growing population (Beall, 2000).

Secondly, a growing number of residents live in informal settlements characterized by deficient basic services such as housing, clean water, electricity, sanitation, refuse collection, roads, and transport (Devas, 2003).

Thirdly, many local government authorities are financially weak and rely on financial transfers and assistance from the central government (Brosio, 2000). Moreover, local government tax administrations are often inefficient and not able to properly account for revenues collected (Fjeldstad, 2006).

As a result, many African local governments are facing a governance crisis and poor service delivery capability. Fiscal decentralization – the devolution of revenue mobilization and spending powers to lower levels of government – has become a main theme of local governance in recent years.

In general, there are two main categories of current revenue for local government authorities (LGAs) in Africa: (i) 'own revenue', which includes taxes, user fees, and various licenses (Bahl & Bird, 2008), and (ii) transfers from the central or regional levels, usually in the form of grants and revenue sharing (Bahl, 2003).

In some countries municipalities are given the right to borrow to finance investments in local capital infrastructure (Yatta & Vaillancourt, 2010).

Often, the local government has little or no knowledge of such projects both in terms of planning and execution phases. In many rural areas, various forms of self-help activities contribute to the maintenance of public services such as village roads, primary schools and health facilities.

Local authorities have three major sources of funding own source revenue, central government transfer and development aid Fjeldstad, 2003. In addition, user charges and various forms of self-help activities contribute to the running and maintenance of public services such as primary schools and health facilities. Although data on the extent of user charges and self help activities is not available, some studies from the late 1990s indicate that these contributions are significant increasing (Cooksey, 1997 and Semboja, 1995).

Recently, constituency development funds and social action funds, operating outside the local government budgets, have become important funding sources of social and economic development projects at the local level in some countries, for instance, in Ghana, Kenya, Malawi, Tanzania, and Uganda (Baskin, 2010).

Almost without exception, governments across the world assign more expenditure functions to local authorities than can be financed from their own revenue sources. The result of this mismatching of functions and finances – usually referred to as vertical imbalances – is that local governments are generally dependent on transfers from higher levels of government (Bird & Smart, 2002).

Limited fund to facilitate the Development Projects from Donor and central Government and Strong population growth and demand for social service have both placed increased pressure on the delivery of infrastructure. In a number of instances the delivery of this critical infrastructure has fallen to local government. Yet at the same time they have received less funding for implementation. Reduced grants and subsidies payments from other tiers of government together with increasing community requirements for services and facilities, has therefore seen local government look towards their own communities to rise the necessary funding.

Therefore the study is aimed to determine whether the own source raised by Local Government Authority have any contribution to Development Projects.

1.2 Songea Municipal Council Profile

Songea is a Municipality within the Region of Ruvuma. Songea Municipal appointed to be Municipality the year 2006.

1.2.1 Location and Topography

The Songea Municipal appointed to be Songea is one of the five Districts that make up Ruvuma Region. lt is the Regional Headquarter. It lies between Longitude 35030'100 35'.The Municipality is bordered by the Njombe Region to the Northern part, Songea District Council Southern part, Tunduru District Council Eastern part, and Mbinga District Council Western part, The Municipality is well linked by roads and other communication networks to the rest of the Region and other parts of the country. Major road links:-

Songea - Njombe - Makambako Road linking with the Tanzania Zambia Highway.

Songea - Tunduru Road, linking it with South Eastern Regions of Mtwara and Lindi

Songea - Mbamba-bay Road.

The Municipality is the major centre for administrative and commercial activities in the Region. The Municipality with various employment sectors acts as a magnet for the Region rural-urban population immigration

Climate

Songea Municipality experiences one long rain season starting in November to May, The hot season is from October to November while it is relatively cool between April and September. The average annual rainfall is about 12637 .7nn and most of the rain occurs between December and March. The Municipality is characterized by hilly topography with altitude ranging between 980 and '1100 meters above sea level. The undulating nature is predominant around Matogoro Mountains while other parts are gently sloping especially at the Mpingi and Mletele villages and in Subira, Ruhuwiko and Mshangano wards,

The Municipality executes its administrative duties through:

1. The Municipal Council
2. Ward Development Committees under the Chairmanship of the councilor and
3. Sub - Ward (Mitaa) Development committees

The Council Management Team is under the jurisdiction of the Municipal Director who leads '10 Heads of Department and four sections. The wards administratively are under the Ward Executive Officers and the Ward Councilor is the Chairperson of the Ward Development Committee (WDC), Committee.

1.2.2 Vision

Aspires to have a community that enjoys sustainable high quality standard of living'

1.2.3 Mission:

'Through collaboration with the internal and external stakeholders, intends to
Offer high quality and sustainable service to its community through the proper use
of resources und through adherence to the priority set by involving its community
in a transparent und democratic manner which will eventually improve their
Standard of living by year 2020.

1.2.3 Services Provided by Songea Municipal Council

The Songea Municipal Council provides the following services: Council affairs, health, and solid waste management, infrastructure including roads, natural resources, trade and informal sector development, urban development, legal issues, education, culture, agriculture and livestock, water, cooperative development, community development, and information and communication technology development.

Health:-

ln Songea Municipality there is 1 Regional Government Hospital with a total of 395 beds, 2 Health Centre out of this, 1 owned by Government and 'l owned by voluntary agency and 19 dispensaries out of this, B are government owned, 3 owned by Institutions, 2 owned by Religious Organizations and 6 private individuals. Dispensary/patient ratio is 1'3382 Compared to National goal of '1:10,000, There is one vehicle for liquid waste disposal and two vehicles for solid waste disposal.

Education:

Songea Municipal Council has 35 pre-primary schools, 62 primary schools all with a total

of 33,520 pupils of which 16,892 are girls and 16,628 are boys. There are 839 Teachers (586 females and 253 males) with a Teacher/pupil ratio of 1 :40. There are 516 classrooms with classrooms/pupil ratio of 1:65 compared to the National standard of 1:40. Furthermore, there are 31 Secondary schools whereby 20 are Government owned and 1'l are privately owned of which a total of 11,707 students enrolled, of these 5,558 are Girls and 6,149 are Boys. The schools have a total of 9,669 day scholar students of which 4,617 are Girls and 5,052 are Boys. 4 Secondary Schools have the total of 2,038 students accommodated in school Hostels, 1,097 boys and 941 Girls respectively. There are 4 High schools, 3 Universities, 1 Teacher Training center, 2 Vocational Training centers and 1 Teachers Training College.

Roads:

Songea Municipality has a total of 234.25 kms of road out of which:-7.85 km tarmac roads.226.40 km gravel roads.

Water

Songea Urban Water Supply Authority (SOUWASA) is a Commercial water supply and Sewerage division with the obligations of formulation, co-ordination and regulation of urban water supply and sewerage system. Water supply coverage is 84% of the Songea population (where water supply connection distribution system reaches), Water demand is 8,389,000 per day and water supply from SOUWASA to communities is 4,374,633 per day. The main type of source of water is from spring water found at Ruhila, Msamala and Matogoro. At the Council level, the Council is responsible for supplying water service where SOUWASA did not reach (no master plan from SOUWASA for water supplying).

Committees are established in every Mitaa where there is no water entity; they are responsible for planning, management and overall operation and maintenance of the facilities. Total number of water wells drilled within urban areas is 70 from 2005 to 2012.

1.2.4 Major Sources of Own Source Revenue for Songea Municipal Council

The following are the major sources of revenue for Songea Municipal Council:-are Market Fees and Charges, Stalls Rent, Billboard Fees, Property tax. Business Licenses and Liquor Licenses, Service Levy, Produce Cess, Guest House Levy , Parking and Taxi Registrations Fees, Land Survey Fees and Land Compensations, Central Bus Stand Fees and ,Abattoir Fees

The Council own seven markets, out of which three markets are more active than the Others. These markets are the Central Town Market, Manzese 'A' Market and Manzese 'B' market. The average monthly revenue collection in these three markets is as follows

1.2.5 Revenue Collection Methods/Procedures

The Municipality uses the following methods in collecting its own source revenues:-

By using Council Staff

Most of the Council own source revenues are collected by Council staff. These staffs in Return are paid a commission of 10% of the revenues they have collected as an incentive.

By Outsourcing to Private Firms and individuals

This method is only used when the tax base is so wide such as Property Tax, Produce Cess and Parking Fees. The aim of applying this method is to reduce administration costs and improve efficiency.

1.2 Statement of the problem

The relevance of the local government councils as the government at the grass root level is measured by the quality and quantity services rendered to the rural dwellers. Yet at the same time they have received less funding for implementation. Reduced grants and subsidies payments from other tiers of government together with increasing community requirements for services and facilities, has therefore seen local government look towards their own communities to rise the necessary funding.

Without the availability of revenue, a local government council will not only be incapable of serving the people but will undoubtedly crumble. It therefore, follows that for the local government to discharge its statutory functions effectively, it need

1. Effective Utilization of Revenue Available to the Local Government to facilitate Development Projects..
2. Follow up whether the procedure of allocating own source revenue to facilitate Development Projects is adhered effectively.
3. To check whether there is an accountability of using own source to facilitate Development Projects in the local government council.

1.4 General Objectives

The overall object of this study was to examine the contribution of own source revenue in facilitating Development Projects in Local Government Authorities (LGAs**).**

1.4.1 Specific Objectives

- To identify the source of own source revenue for LGAs.
- To identify the procedure in allocating own source revenue in LGAs
- To determine proportion of own source revenue allocated to Development Projects

1.4.2 Research Questions

- Which source of own source revenue available in LGAs?
- Which procedures do LGAs allocate the own source revenue?
- What proportional does the own source revenue allocated facilitate the Developments Projects?

1.5 The Scope

This study was concentrated on the contribution of own source revenue in facilitating the Development Projects in Local Government Authorities in Tanzania. The researcher was selected one Local Government Authorities in Ruvuma region.

1.6 Significance of the Study

This study expected to contribute to the existing literature on the procedure followed by LGA's in allocating own source revenue in Development Projects as well as to determine proportion of own source revenue allocated in Development Projects.

To researcher.

The proposed research becomes a role model in conducting similar research in other area in Local Government Authorities in Tanzania. This research expected to come with recommendations that govern the Local Government Authorities in Tanzania to use internal source of income in implementing the infrastructures of LGA's rather than depending fund from donors for implementing the infrastructure.

To Local Government Authorities

This research was significant to Local Government Authorities because it brings ideas to use internal source of income in facilitating the Development Projects by reducing the dependency of fund from donor and Central Government in implementing the Development Projects.

To law maker.

This research was significant to Law maker because it brings the idea to make law and regulations to use internal source of income in facilitating the Development Project.

CHAPTER TWO

LITERATURE REVIEW.

2.0 Introduction

This chapter explained the theoretical review, empirical literature review and conceptual framework based on the contribution of own source revenue in facilitating the Development Projects.

2.1 Theoretical Review

2.1.1 The LGA finance system in Tanzania

Tanzania's local government authorities play an important role in the delivery of public services in Tanzania. Local government authorities collect roughly 5 percent of all public revenues and are responsible for about 20 percent of public spending. This means that one out of every five shillings spent in the public sector is spent at the local government level. (REPOA)

For the purpose of this brief overview, the local government finance system in Tanzania Mainland can be divided into the two sides of the local government's budget, namely local resource inflows (such as intergovernmental transfers and local government revenues) as well as local resource outflows (local government expenditures). . (REPOA)

Local Government Authorities are responsible for delivering three types of public services in Tanzania Mainland: (1) concurrent functions; (2) exclusive local functions; and (3) delegated functions. (REPOA)

Concurrent expenditure responsibilities are public services which are funded and regulated by the central government, but for which the provision is devolved to the local government level. These 'concurrent' public services include the five grant-supported sectors, notably primary education; local health services; agriculture extension and livestock; water supply; and local road maintenance. Approximately three-quarters of local government spending in Tanzania is for concurrent functions; the remainder is spent on exclusive local functions (such as refuse collection and other such local services) and local government administration. (REPOA)

Local government expenditures can also be divided into recurrent expenditures (expenditures that recur continually or very frequently, such as salary expenditures or other recurring operational costs) and development expenditures (non-recurrent expenditures, such as spending on capital infrastructure). (REPOA)

2.1.2 Local Government Financial Resources

Local government authorities in Tanzania fund their expenditures from three main sources, notably intergovernmental transfers, own source local revenues, and local government borrowing. Intergovernmental transfers fund roughly 90 percent of all local government spending, while local governments' own source revenues (including local rates and other locally collected revenue sources) account for approximately 10 percent of local financial resources. Local borrowing only accounts for approximately 0.1 percent of local spending.(William, 2007).

Intergovernmental transfers can be defined as funding received from other levels of government (typically, the central government). These transfers include recurrent sectoral block grants, sectoral basket funds and ministerial subventions, as well as local capital development grants. Recurrent block grants account for about two-thirds of all intergovernmental transfers. Recurrent block grants and local capital development grants are supposed to be formula-based and disbursed directly from the Treasury to LGAs, whereas most basket funds and subventions are more discretionary in nature and disbursed indirectly to LGAs by line ministries.(William, 2007).

Although Local Government Authorities get most of their money, around 90%, from grants and transfers from central government, they also collect their own local tax revenues (often referred to as "own source revenues").Own source revenues, which on average make up 10% of a Local Authority's revenue.Local revenues are important for two reasons. First, unlike many of the intergovernmental grant mechanisms, they are not tied to any particular sector or type of expenditure, which gives LGAs some freedom to respond to local needs and priorities. Second, because these sources are raised from the local population, it can be argued that they strengthen the accountability of local government to the local community (William, 2007).

2.1.4 Local Government Capital Development Grant System (LGCDG)

Only the Local Government Capital Development Grant System (LGCDG) grants allow the local government authorities to use discretion and prioritise the use of the grants fully in line with local priorities for development expenditures. The LGCDG grants are funded from the central government's development budget, which consists primarily of donor funding. The system has been implemented nationwide from fiscal year 2005/2006. The central government prefers the LGCDG as a modality for development funding in the future, and it is expected that the share of the LGCDG of the total development budget will increase in the future. (Tidemand, 2008)

Before the LGCDG most of the development budget was delivered at the local level through various kinds of projects rather than through government transfers or from local government authorities' own source of revenue. (Tidemand, 2008)

The intergovernmental grants system in general is being developed in Tanzania. Sector windows are emerging under LGCDG. For example, for fiscal year 2006–2007 the funding of the District Agriculture Development Plans (DADPs) was introduced into the LGCDG system as a sector window, and funding of the Rural Water Programme and the Urban Development and Environmental Management (UDEM) grants in fiscal year 2007-2008. Even though the disbursement of the sector windows takes place under the LGCDG, each window continues to have a somewhat separate management structure. The LGCDG system was designed to incorporate all sector specific grants into the LGCDG system first with this kind of ring-fenced funding.

According to PMO-RALG's LGCDG assessment manual, it is anticipated that all sectors will come into this process, and that the need for sector specific grants will fall away over time as the sector programmes are increasingly institutionalised into one discretionary grant system. (Tidemand, 2008)

2.1.5 The own source revenue and expenditure

Revenue is critical as it determine to a large extent how much money will be available for spending. Without income, there will be no budget, and thus no spending. Local Government differs in extent to which they can raise sufficient funding within the LGA's for the services for which they are responsible. Therefore Local Government receives a smaller or large part of their funding from revenue raised at national level fund. (Liatsis, 2007)

Revenue collected by Local Government level is most cases, the mainly supply of income for Local Government and referred to as own source. At Local Government level, own source revenue is normally regarded as Operating revenue and Operating expenses refers to money spent on items that are consumed during the year, including salaries, consumables, administrative items and so forth. (Liatsis, 2007)

However in Tanzania, some operational revenue instruments are used to fund capital budgets which include Development Projects, referred to as capital expenses, such as equipment, machinery and buildings. These items have a life span of at least one year. The revenue assignment of revenue sources to the local government level should primarily be guided by the benefit principle thereby reinforcing the correspondence between local government revenue and local government expenditures. Although income redistribution is not an appropriate activity to be financed by local governments, the local revenue system should be sensitive to the redistribution incidence of local taxes whenever possible. (Liatsis, 2007)

Liatsis, (2007) has argued that development spending typically refers to spending on infrastructure and other investments that do not necessarily recur each year. For instance, building roads, schools, and hospitals is part of development expenditure. (On the other hand, annual repairs to the roads, schools, or hospitals would come from the recurrent budget.)

Hampton (1987) has classified Local government expenditure at current expenditure and capital expenditure. Current expenditure consist of those items that recur regularly: expenditure on wages and salaries is most typical example. Capital expenditure create an asset that provides a lasting benefit such as school or house, Naturally, the distinction is not as clear-cut as these simple definitions imply: Current items do not all disappear on the initial day of consumption and neither do not all capital items last for generations. We may define capital expenditure as that expenditure which provides benefits lasting more than one year add to the permanent assets of the Local Authority and would qualify for loan sanction.

Capital expenditure by local authorities is subjected to close central government control. Each local authority submits request for permission to spend on various capital projects. The expenditure is largely needed for road, housing and educational buildings with smaller amounts spread over other services. The expenditure is financed to some extent by capital grants from central government or from current income, but often a local authority raises loan. Current expenditure is supported by income from three broad sources (i)Grants from central government (ii)Rates and (iii)Residual mixture referred to as “Other income”. (Hampton, 1987)

Foster (1980) has argued that, the Capital expenditure is financed largely from borrowing. In demand management terms, expenditure financed by borrowing has a far greater effect on aggregate demand than that financed by taxation, as there is no offsetting fall in private consumption. Increased borrowing tends to raise interest rates, and hence reduce private investment demand, but the offsetting effect here is probably small.

While we could make a case that change in local authority current expenditure financed by taxation would have no significant macroeconomics effect, the same cannot be said for changes in capital expenditure financed by borrowing. For this reason, local authority capital expenditure is more closely controlled than current expenditure. All capital spending requires loan sanction. (Foster, 1980)

Capital expenditure is divided into four types of which two –key sector scheme and locally determined schemes-are of major importance. The key sector covers those areas of local government activity with which central government is mostly closely involved, and includes education, housing , principal roads, police and personal social services. Within this sector all capital projects have to be approved individually by the relevant central government department, but there is no limit on the total expenditure of any given authority. (Foster, 1980)

The locally determined sector covers street lighting, libraries, parks, improvement to secondary roads, and such like. Each authority is given a total capital allocation for each year, up to which it can borrow and spend as it chooses amongst projects in the locally determined sector (Foster, 1980)

2.1.6 Transfers from the central government

Almost without exception, governments across the world assign more expenditure functions to local authorities than can be financed from their own revenue sources. This is also the case across Anglophone Africa. The result of this mismatching of functions and finances – usually referred to as vertical imbalances – is that local governments are generally dependent on transfers from higher levels of government (Bird 2010) .

In addition, differences in local revenue bases and administrative capacities may create problems of equalization (horizontal imbalance*)* between local government authorities, in particular between rural and urban areas. The presence of such imbalances means that one cannot design an appropriate system of local government taxation without simultaneously designing an appropriate system of intergovernmental transfers (Bird ,2010).

There are a number of methods to close the fiscal imbalances of sub-national governments, some of which also reduce imbalances between jurisdictions (Ahmad 1997). In practice, transfers may be in the form of surcharges or revenue sharing whereby a local government receives a share of the revenues from particular taxes collected by the central government within its jurisdiction (McClure 1999).

2.1.7 Reforming the Local Government revenue system in Tanzania

Until mid-2003, it was common that local authorities in Tanzania had more than 70 different taxes, fees, and charges. In addition, there were many sub-groups of specific revenue instruments. There were also large variations of the rates imposed by councils on similar revenue bases, which led to smuggling of tradable goods across council borders within the country. In June 2003, a comprehensive reform of the local government revenue system was carried out. A large number of so-called nuisance taxes, which were costly to administrate and generated limited revenues, were rationalized. Thereafter, in June 2004, local business licenses were abolished based on the argument that they provided disincentives for the development of local enterprises. The Tanzanian reform.(Fjeldstad et al. ,2004)

Demonstrates that radical changes of the local revenue system are possible. The longer-term impact of this reform on local government revenues, however, has been reduced fiscal autonomy and increased dependency on central government transfers. Work initiated by the ministry responsible for local authorities focuses on reforming the current local revenue system and to identifying new revenue options. Among the proposals discussed are reforms of the property tax system and introduction of a unified business tax. As part of this work, business licenses were reintroduced in July 2011 (URT 2011).

Moreover, many types of council have started to explore methods to reduce the financial gap caused by the rationalization by outsourcing revenue collection to private collectors to increase revenues from existing sources; reducing costs (for example, by limiting the number of meetings and workshops and by retrenching surplus staff); and. imposing more cost-effective spending (for example, on electricity and stationery). Fjeldstad et al. ,2004).

Current attempts for economic diversification may also help to expand the local revenue base in the longer-term. Furthermore, co-production of services by councils and local communities is on the rise. For instance, an increasing number of primary schools are maintained and expanded via self-help schemes combined with technical support from the local government authorities.(Fjeldstad et al. ,2004).

2.1.8 Local Government Authorities.

Local government in Tanzania is established under Article 145 (1) of the United Republic of Tanzania Constitution of 1977 which provided that:-"There shall be established Local Government Authorities in each region district, urban area, and village in the United Republic of Tanzania which shall be of such types and designation as shall be prescribed by legislation enacted by the National Assembly or the House of Representatives of Zanzibar"(URT Constitution ,1997)

It is usual in a Local government system for people to elect their representatives to their local council. But the freedom to elect one's representatives also imposes responsibilities upon the citizens to pay taxes in order to finance many of the services for their well being. Local Authorities have legal obligation in fulfilling their mission to the public. It is the role of local authorities to make by laws that empower it to impose and collect revenue for financing local public services. (URT Constitution ,1997)

Both rural and urban Authorities in the United Republic of Tanzania were abolished in 1972 and the decentralization introduced in 1973 under the control of central Government. (Haonga 2003),

Haonga, (2003), when Local Authorities were abolished urban council were merged with neighboring rural areas. The government focus was on rural areas and this led to rapid deterioration of conditions in urban areas, schools have no desk, textbook, buildings remained un –maintained, road were not maintained dispensaries lacked drugs. An outbreak of cholera in many urban areas in year 1976 prompted the government to set up an investigation team to recommend on the future administration of urban areas. The report that was submitted recommended the reinstatement of urban local government In the year 1982 a legislation was enacted establishing Local Authorities at a level in accordance with provision of the law. (Haonga , 2003)

Klaus, (1998) The Local Government Authorities have many functions, but among of the functions are:-Effective collection and proper utilization of revenue of Local Government authorities.

The consideration, regulation and coordination of development and mobilization of productive force to combat poverty, disease and ignorance, and for control and improvement of agriculture, trade commerce and industry. (Klaus, 1998)

Other function of local authorities may perform depending on the availability of resource, these include , control of prescription of method of husbandry on agricultural land, the building, equipment and letting of shops and dwelling houses, establishment, maintenance operations , control of drainage and sewage works, and any other functions which may be beneficial to the residents of their area. (Klaus, 1998)

The local Government Finance Act of 1982 laid the foundation for the financial management and revenue raising powers of the newly-reestablished local authorities. This Act authorized local authorities to collect a property tax and other revenue such as development levy (a form of poll tax), business licenses, user charge and fees as well as produce livestock and industrial cess. Section 13 and 15c of this Local Government Finance Act allowed local authorities to impose a flat rate property tax by enacting local by laws which were subject to central government approval. These flat rate property taxes could be levied on buildings, adjusted by such factors as location and use.

2.2 Empirical literature review

Ekwubi, (2010) addressed the problem of effective utilization of revenue available to Local Government in Nigeria. He observed that, under utilization of revenue available were caused by electing corrupt people and unqualified personnel who knew little or nothing about being a leader or functioned in local government. The overall impact of the problem of effective utilization of revenue available causes underdevelopment such as lack of social amenities like good road, tap water, electricity and social infrastructural facilities and poverty.

The researcher recommended that, the revenue available to local government should be handled by honest and accountable personnel those who posses sound knowledge about revenue generation and utilization.

The study conducted by Ipande, (2008) on assessment of financial contribution of council's own source revenue collection to health sector revealed that, there was a very little financial contribution to health sector at district level from Magu District Council own source revenue. During the study the researcher found out that for a period of nine years Magu District Council has contribute 2.17% from its own source revenue. It was evident that, the current development in the health sector in the council is contributed by both government and donors around 95%. Ipande, (2008) recommended that, Magu District Council should rise enough revenue by making sure that agents adhere to contracts signed with MDC on collecting revenue as targeted.

Magu District Council should deliberately allocate annually a specific percentage of own sources to finance health sector. Effective control in the revenue collection system is paramount and personnel involve are key players to insure that amount collected are accounted for properly.

The study conducted by Songoro (2008) on internal control system on revenue collection in Dodoma Municipal Council highlighted that internal control covering revenue collection in various organizations need competent personnel to enhance internal check so as to minimize factors influencing losses,frauds,thefts and any kind of shortage in revenue collection, He further added that shortage of qualified and competent accounts personnel and inadequate segregation of duties are among other factors contributed to poor control of revenue collection.

2.3 Conceptual framework and research model

The study describes a casual model of how the Local Government Authority can identify the source of own source revenue and procedure in allocating own source revenue to facilitate Development Projects. The independent variable of this research are Development Projects while dependent variable is own source revenue. The two variables can be achieved through having the intervening variable which is administration/management.

The term Development Projects refer to the projects in which the life span is more than one year. The Development Projects of LGA's refer to infrastructures such as:-

Construction of street roads, rehabilitation of bus stand, construction of buildings (classrooms and Dispensaries), construction of water wells (deep wells and shallow wells), and construction of solid waste (damps).The high collection of independent variable (own source revenue) and allocation of it will enable the dependent variables (Construction of street roads, rehabilitation of bus stand, construction of buildings, construction of water wells, provision of loan to youth and women , and construction of solid waste) to be implemented as required.

The management or administration is intervening variable that enable the independent variable i.e own source revenue to be collected and allocated as targeted so that, to implement the infrastructure as budgeted. Due to that, the intervening variable that is, management or administration should make effort to make sure that revenue is collected as much as possible so that the construction of street roads, rehabilitation of bus stand, construction of buildings, and construction of water wells is done properly.

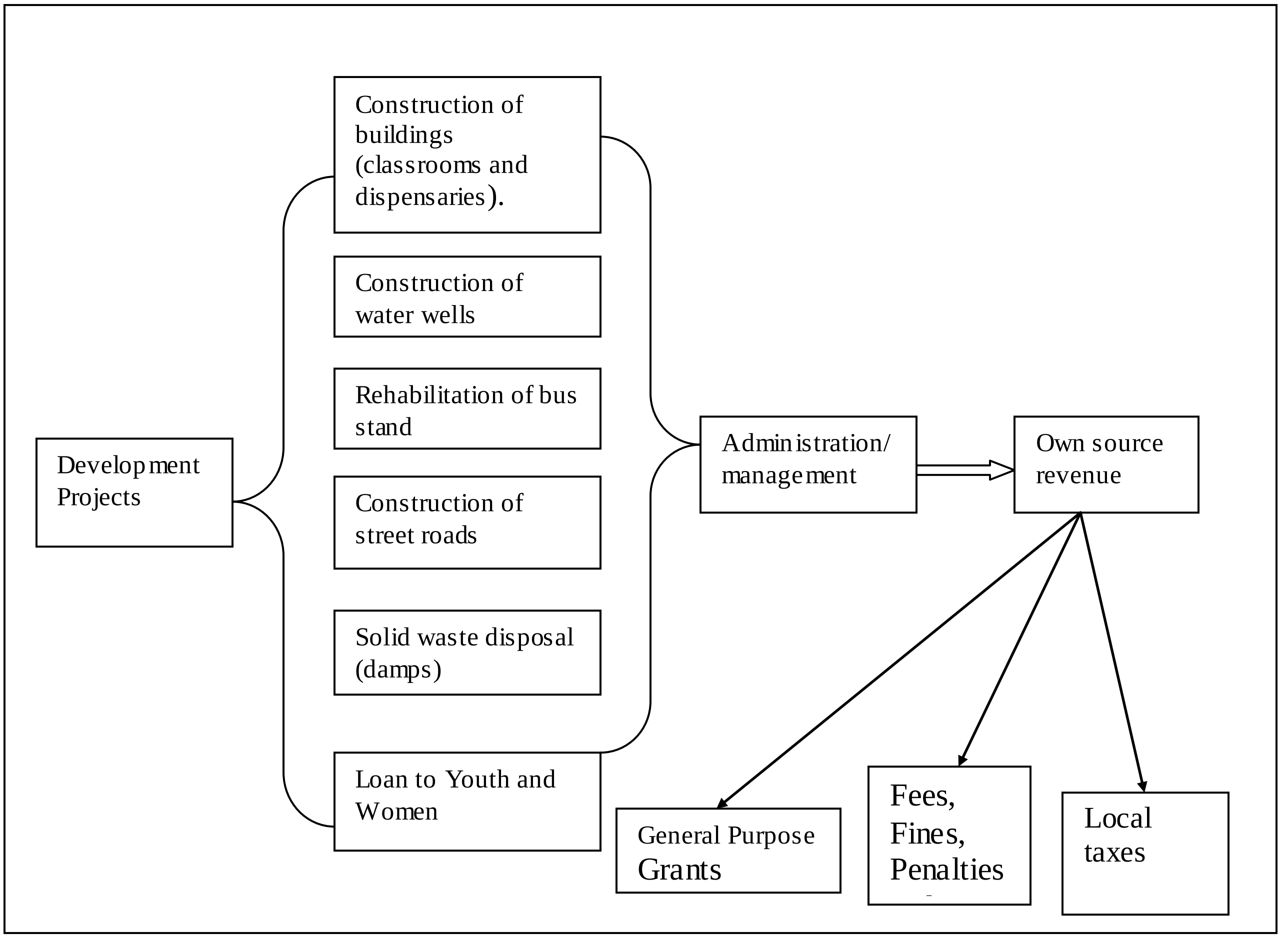
General Purpose Grants is among of own source revenue that Local Government Authorities obtain from Central Government as compensation to those source collected by Tanzania Revenue Authority.

Local taxes is another source of income that Local Government Authorities given mandate to collect taxes such as Service Levy, Quest House Levy, Other Produce Cess and Property Tax.

Local Government Authorities collect Own Source Revenue from Fees, Fines Penalties and Licences.

The Fees, Fines ,Penalties and Licences collected by Local Government Authorities are:- Revenue from renting of houses, Tender application fees ,Central bus stand fees, Dividends, Revenue from renting assets, Parking's fees, Intoxicating liquor license fees, Vehicle license fees, Stray animals penalty, Meat inspection charges, Other business license fees, Interest, Refuse collection services fees, Building permit/Block plan, Permit fees for billbords,posters or holding, Land rent 30% , Land survey service fees and Forest produce cess, Market Dues stall and Sale of Plot.

Figure 2.1 Conceptual Framework Model



Source:-Constructed by Researcher, 2013

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter explained research methodology such as:- Type of study, Study area, Study population, Units of analysis, Sample size and sampling technique, Type and source of data, Data collection method and Data analysis method.

3.1 Research design

The research designed was case study. The case study enabled the researcher to cope with time and financial constraints allocated for the purpose. However, this design enables a researcher to use effectively and efficiently the scarce financial and time resources endowed for the study. A case study research design creates an enabling environment for combining a variety tools such as interviews, documentations and observations to conduct a thorough inquiry in the phenomenon. A case study design enabled the researcher to study the contribution of own source revenue in facilitating the development projects in Local Government Authority in Tanzania.

3.2 Study area

The study intended to assess the contribution of own source revenue in facilitating the Development Project in Local Government Authority a case of Songea Municipal Council. The researcher selects Songea Municipal Council because of familiarity and awareness of this Local Government. The Songea Municipal Council was among of Local Government Authority in Tanzania that failed to utilize the own source revenue in Development Projects despite that, the collection of own source revenue is reasonable to do so.

3.3 Study population.

Population refers to larger group which the sample is taken(Kombo&Tromp,2006)In this study the population comprised key personnel of Songea Municipal Council such as Municipal Director(MD), Municipal Treasure (MT), Municipal Economics (MEC), Municipal Engineering(ME), Municipal Medical Health Officer(MMHO) , Municipal Education officers (MEOs) Municipal Planning Township Land Officer (MPTLO) and Municipal Water Engineering(MWE). The researcher made interview with the above key personnel and head of department in order to get more clarification in the contribution of own source revenue in facilitating the Development Projects in Local Government Authority.

3.4 Sample size and sampling technique

The intended sample size comprised of 8 respondents from key position and head of department in LGAs. The sample was purposely chosen from key personnel and head of department who involved direct in management control of revenue and its expenditure of Local Government Authority. Whenever relevant in study, the researcher utilized the use of Purposive sampling. This types of sampling designed allow the researcher to deliberately select units to be included in his sample whose information was significant to the study. The selection of this method is called for, due to the nature of the study which demand collection of Data from units with involvement, specialist, and experience and in matters or field related to Local Government Authorities.

3.5 Types and sources of data

The researcher collected primary data and secondary data. Both types of data were useful for the study which provides key answers to research questions. The type of data used in this study were own source revenue collected from 2005/2006 to 2011/2012 and Development Projects constructed from 2005/2006 to 2011/2012 by using own source revenue.

The source of primary data obtained from interviewing the key personnel while the secondary data obtained through reading to Local Government budget, LAAC book, monthly report, quarterly report and Audited financial report.

3.6 Data collection methods

This research utilized the use of primary data and secondary data. These were collected through combination of research instruments namely personal interviews, Observations and documentary review.

3.6.1 Interview

Interview schedule arranged for Municipal director, Municipal Treasury, Municipal Planning Officer, Municipal Engineering, and Municipal Water Engineering, Municipal Township Planning and Land management and Municipal Medical Health Officer. This method used to collect data over variables such as the procedure of allocating own source in Development Projects and to identify whether own source revenue can facilitate the infrastructures of Local Government Authority.

3.6.2 Observations

Through observation the researcher was able to observe a number of buildings, street roads, ring wells and shallow wells implemented by using own source revenue and donor fund for financial year 2005/2006 up to 2011/2012 after reviewing the document that support the transfer of fund to respectively projects..

3.6.3 Documentary Review

Through this method the researcher collected the data based on Development Projects such as construction of buildings, rehabilitation of street roads, construction of ring wells and shallow wells that facilitated by using own source and donor fund for the period of 2005/2006 to 2011/2012 by passing through payment voucher, bank statement, an audited financial statement, Songea Municipal budgets and LAAC book of 2005/2006 up to 2011/2012.

3.7 Data analysis methods.

In order to come up with better results, the study applied computer based program to analyze its data. The Excel used to analyze the data. Moreover, the results were interpreted accordingly.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.0 Introduction

In this chapter, effort made to present data gathered from the documents and interviews from nine key personnel of Songea Municipal Council. The data presentation and description were guided by the researcher questions, which were first stated and then were presented in tabular form.

4.1 Research Question One

- Which source of own source revenue available in LGAs?

  The source of own source revenue available in Local Government Authorities is classified in three groups which are:-

  i. **General Purpose Grants**

  ii. **Local Taxes-**Service Levy
  -Guest House Levy
  -Other Produce Cess
  -Property Tax

  iii. **Fees, Fines, Penalties and Licenses**- Revenue from renting of houses, Tender application fees ,Central bus stand fees, Dividends, Revenue from renting assets, Parking's fees, Intoxicating liquor license fees, Vehicle license fees, Stray animals penalty, Meat inspection charges, Other business license fees, Interest, Refuse collection services fees, Building permit/Block plan, Permit fees for billbords,posters or holding, Land rent 30% , Land survey service fees and Forest produce cess, Market Dues stall and Sale of Plot**.**

4.3 Research Question two

- Which procedures do Local Government Authority (LGAs) allocate the own source revenue?

  The Local Government Authorities must allocate the own source revenue in the following Development Projects:-

  The allocation of 5% of own source revenue to facilitate Youth Development Projects. In order to facilitate the Youth Development Projects, LGAs required to make allocation of fund in their budget in 5% of Own source revenue budgeted

  The allocation of 10% of own source revenue to facilitate Women Development Projects. In order to facilitate the Women Development Projects, LGAs required to make allocation of fund in their budget in 10% of Own source revenue budgeted.

  The allocation of 5% of Capital Development Grants from own source revenue. The procedure of allocating of 5% of Capital Development Grants from own source revenue is known as Co-funding**. Co-funding** is the Minimum Access Conditions of getting the Capital Development Grants. The LGA is requirement to allocate 5% of Capital Development Grants from own source revenue for purpose of Operation and Maintenance (O&M) of project donated by donors.

  The propositional of allocation budget of 5% as a cash contribution to the Development Projects being funded from Capital Development Grant (CDG) of Songea Municipal Council from own source for seven years were:

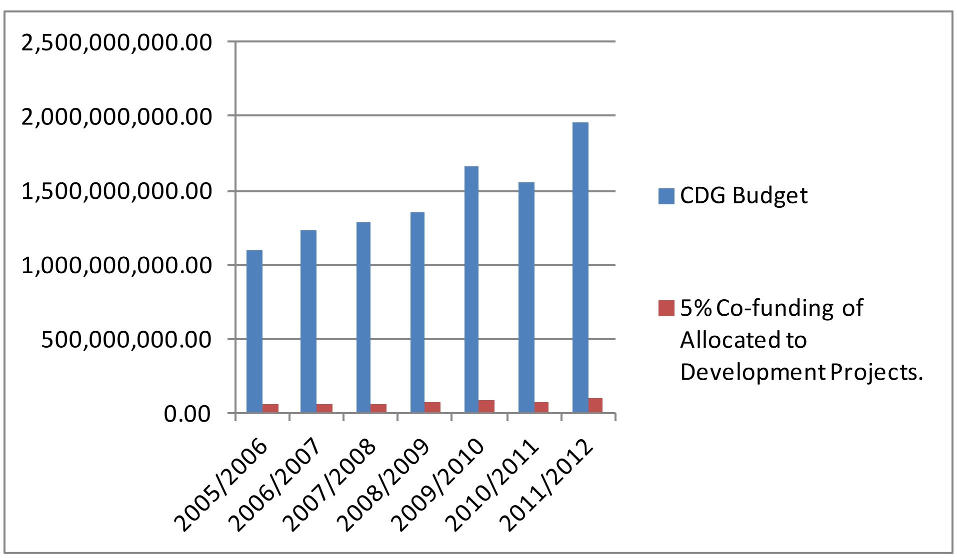
Table 4.1 The allocation of 5% Co- Funding

Year	CDG Budget	5% Co-funding of Allocated to Development Projects.
2005/2006	1,100,250,000.00	55,012,500.00
2006/2007	1,235,500,000.00	61,775,000.00
2007/2008	1,284,841,000.00	64,242,050.00
2008/2009	1,352,193,679.05	67,609,683.95
2009/2010	1,662,546,068.00	83,127,303.40
2010/2011	1,550,053,220.00	77,502,661.00
2011/2012	1,958,362,000.00	97,918,100.00
TOTAL	**10,143,745,967.05**	**507,187,298.35**

Source:-Songea Municipal Council budget 2006-2012

From the table above it showed that, Songea Municipal council allocated Tsh 507,187,298.35 for Operation and Maintenance (O&M) of Project facilitated by Donor fund as well as Capital Development Grants from Central Government. To allocate 5% Co funding is minimum condition to get Donor fund and Capital Development Grants.

Figure 4.1 Allocated funds of 5% Co-funding.



The trend of allocation depend upon the fund budgeted to facilitate Development Projects. The allocations of 5% Co funding depend upon the budget of Development Projects.

- Allocation of 15% of General Purpose Grants (GPG) to facilitate Development Projects and 5% Recurrent Expenditure in Lower Level Government (L L G)

The allocations of General Purpose Grant to Lower Level Government to facilitate Development Projects for Songea Municipal Council were:-

Table 4.2 The allocation of 20% of General Purpose Grants

Year	GPG Received	20% of General Purpose Grants	Allocated to Development
2005/2006	328,989,600	65,797,920	49,348,440.00
2006/2007	323,580,600	64,716,120	58,244,508.00
2007/2008	304,768,483	60,953,696	60,953,696.00
2008/2009	367,584,000	73,516,800	73,500,000.00
2009/2010	314,436,900	62,887,380	62,000,000.00
2010/2011	113,009,300	22,601,860	54,180,000.00
2011/2012	0	0	0
TOTAL	**1,752,368,883**	**350,473,776**	**358,226,644**

Source:-Songea Municipal Council budget 2006-2012

The table above showed the allocation of Tsh 358,226,644 from General Purpose Grants. The above fund was compensation to those sources taken by Central Government and abolition of several taxes.

Figure 4.2 The Allocation of 20% of General Purpose Grants

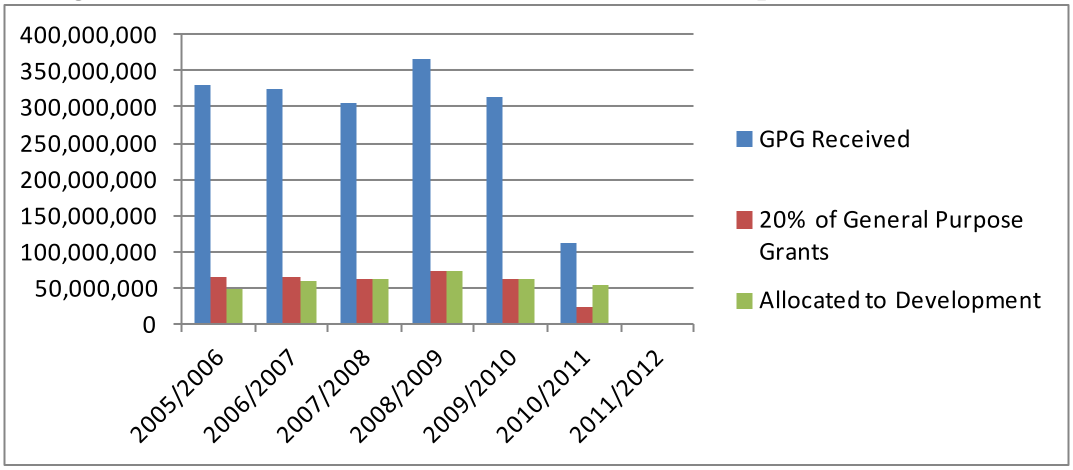


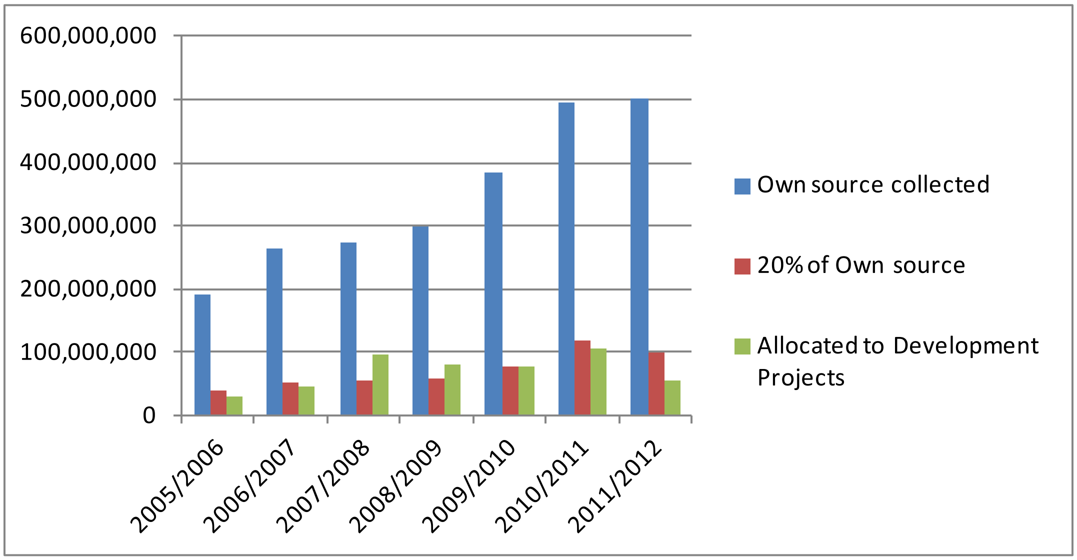
Table 4.3 The Allocation of 20 % OSR to Development Projects

Year	Own source collected	20% of Own source	Allocated to Development Projects
2005/2006	190,925,161	38,185,032.20	28,638,774.15
2006/2007	263,058,000	52,611,600.00	45,831,593.00
2007/2008	272,097,384	54,419,476.80	97,750,000.00
2008/2009	298,027,132	59,605,426.40	80,450,000.00
2009/2010	383,196,913	76,639,382.60	77,590,000.00
2010/2011	495,195,017	117,607,269.40	104,528,800.00
2011/2012	501,943,133	100,388,626.60	54,500,250.00
JUMLA	**2,404,442,740.43**	**499,456,814.00**	**356,348,180.50**

Source:-Songea Municipal Council budget 2006-2012

The Songea Municipal Council allocated Tsh 356,348,180.50 from Own source collected from its source to facilitate Development Projects.

Figure 4.3 The Allocation of 20 % OSR to Development Projects



The trend showed that the allocation of own source revenue vary each year due to its budget.

4.4 Research Questions three.

- What proportional does the own source revenue allocated facilitate the Developments Projects?

4.4.1 OSR collected from GPG, Local taxes and Fees, fines, Penalties and Licences.

The determination of own source revenue collected from each source were first issue to present followed by determination of proportional of Own Source Revenue that used to facilitate the Development Project.

The amount collected from General Purpose Grant, Local taxes, Fees , fines , Penalties and licence can be presented in the following tables:-

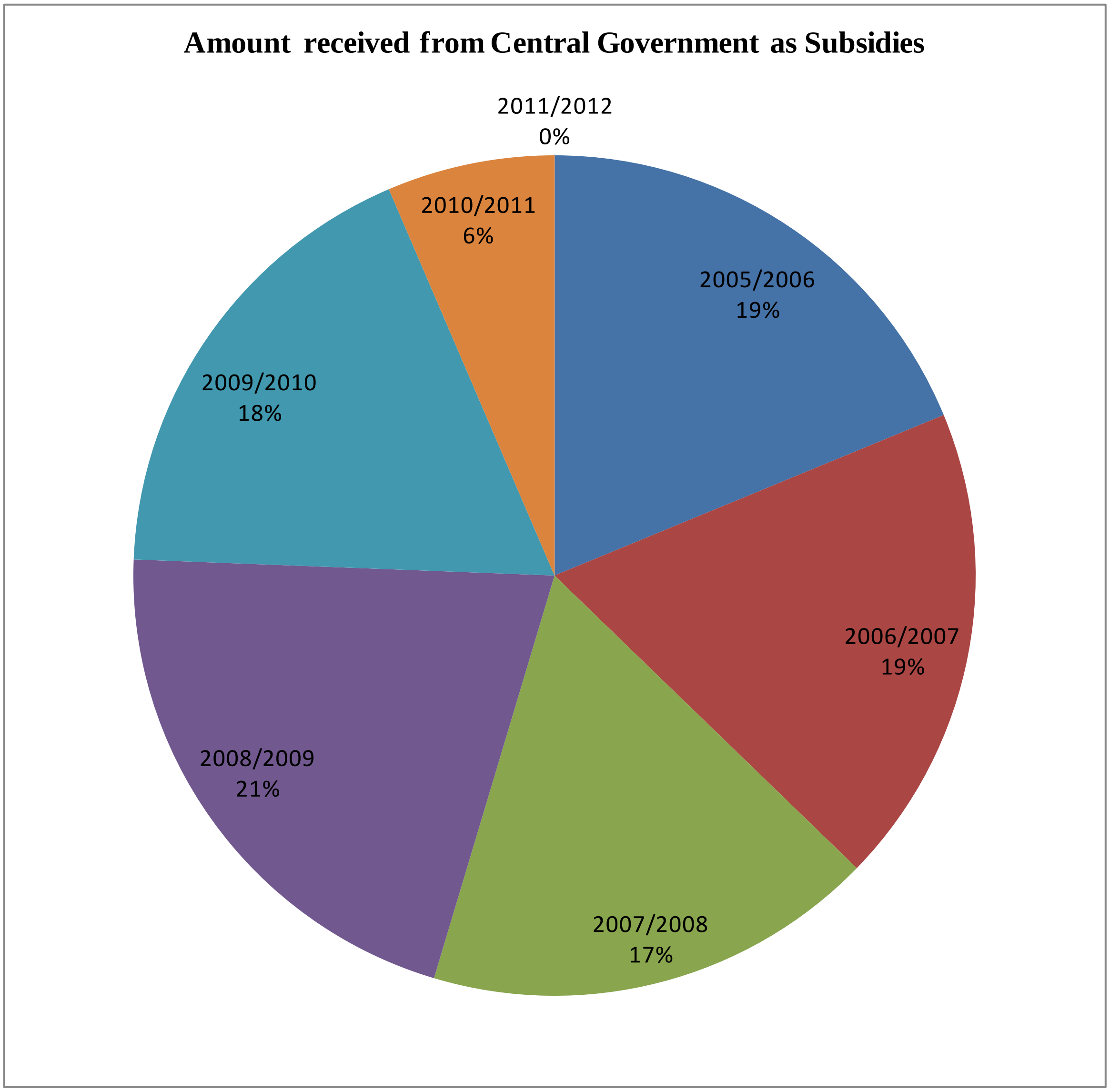
Table 4.4 The collection of own source revenue from GPG.

Years	Amount received from Central Government as Subsidies
2005/2006	328,989,600.00
2006/2007	323,580,600.00
2007/2008	304,768,483.00
2008/2009	367,584,000.00
2009/2010	314,436,900.00
2010/2011	113,009,300.00
2011/2012	0.00
TOTAL	**1,752,368,883.00**

Source:- Songea Municipal Council Financial statement 2006-2012

The Songea Municipal Council received the above fund from Central Government to facilitate Development and Recurrent Expenditure for the period of seven years.

Figure 4.4 Amount General Purpose Grants received from central Government



The Local Government Authority collect Own source revenue levying different taxes such as:-Service levy, Guest house levy, Produce cess and Property tax. The collection of these taxes in the period of seven years can be summarized in the following table:

Table 4.5 Amount collected from Local Taxes

Years	Amount received from Local taxes
2005/2006	52,750,000.00
2006/2007	75,890,000.00
2007/2008	96,029713.78
2008/2009	49,649,049.50
2009/2010	142,446913.00
2010/2011	154,145,215.44
2011/2012	255,329,575.66
TOTAL	**866,237,467.38**

Source:- Songea Municipal Council Financial statement 2006-2012

The Songea Municipal Council collected the above fund from its Local Taxes.

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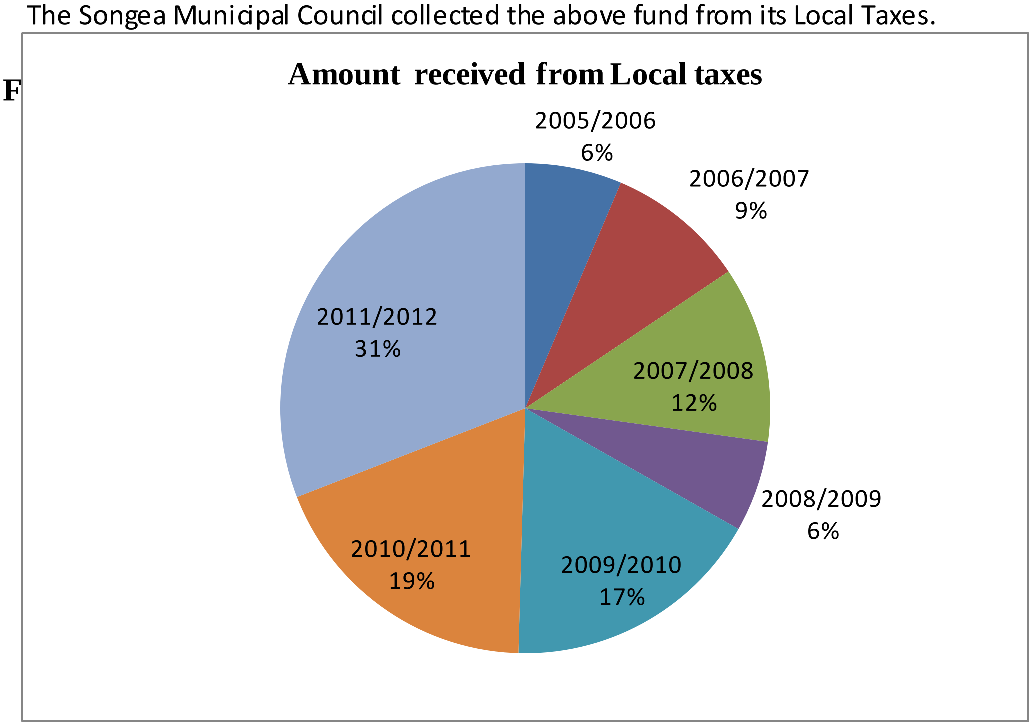


The Local Government Authority collect Own source revenue different fees, fines, penalties and licence such as:- The collection of these in the period of seven years can be summarized in the following table:-

Table 4.6 Amount collected from fees, fines, penalties and licences

Years	Amount collected from fees ,fines ,penalties and licence
2005/2006	138,175,161.00
2006/2007	187,168,000.00
2007/2008	176,068,076.16
2008/2009	136,553,181.50
2009/2010	240,750,000.00
2010/2011	340,962,785.05
2011/2012	328,528,069.34
TOTAL	**1,578,205,273.05**

Source:- Songea Municipal Council Financial statement 2006-2012

Figure 4.6 Amount collected from fees, fines, penalties and licence

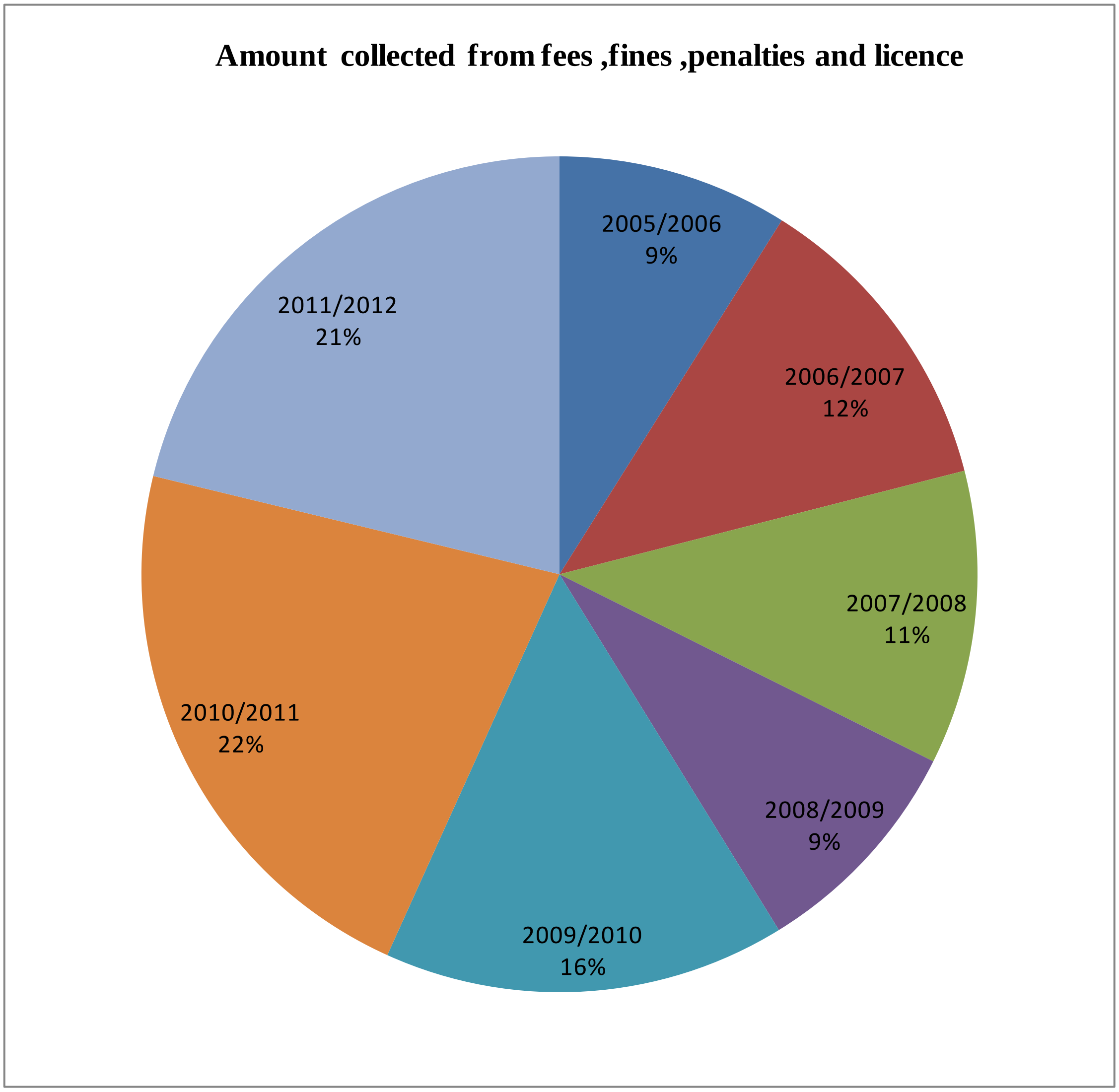
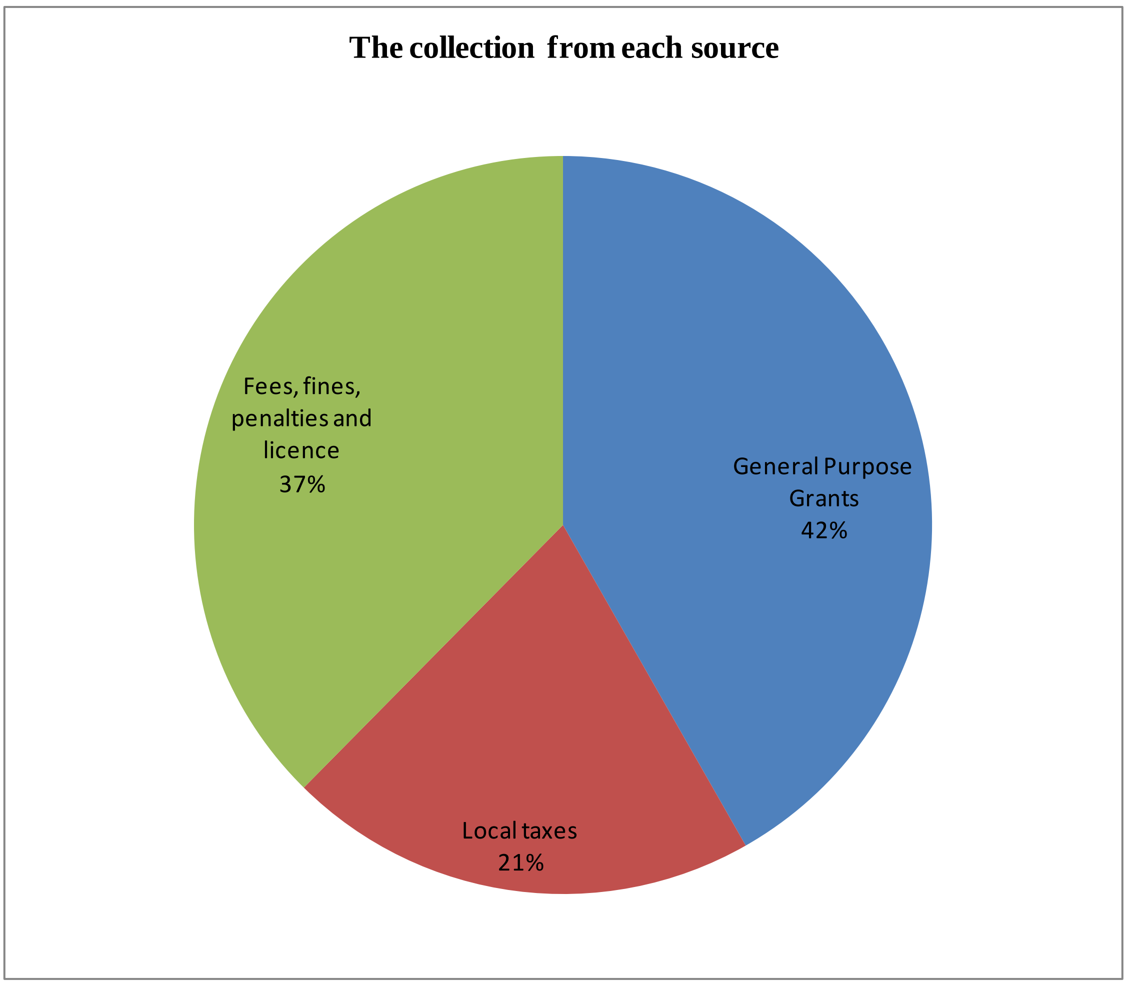


Table 4.7 The collection from each source of income

Source	The collection from each source	Percentages
General Purpose Grants	1,752,368,883.00	42%
Local taxes	866,237,467.38	21%
Fees, fines, penalties and licence	1,578,205,273.05	37%
Total	**4,156,811,623.43**	**100%**

Source:- Songea Municipal Council Financial statement 2006-2012

Figure 4.7 The collection from each source of income.



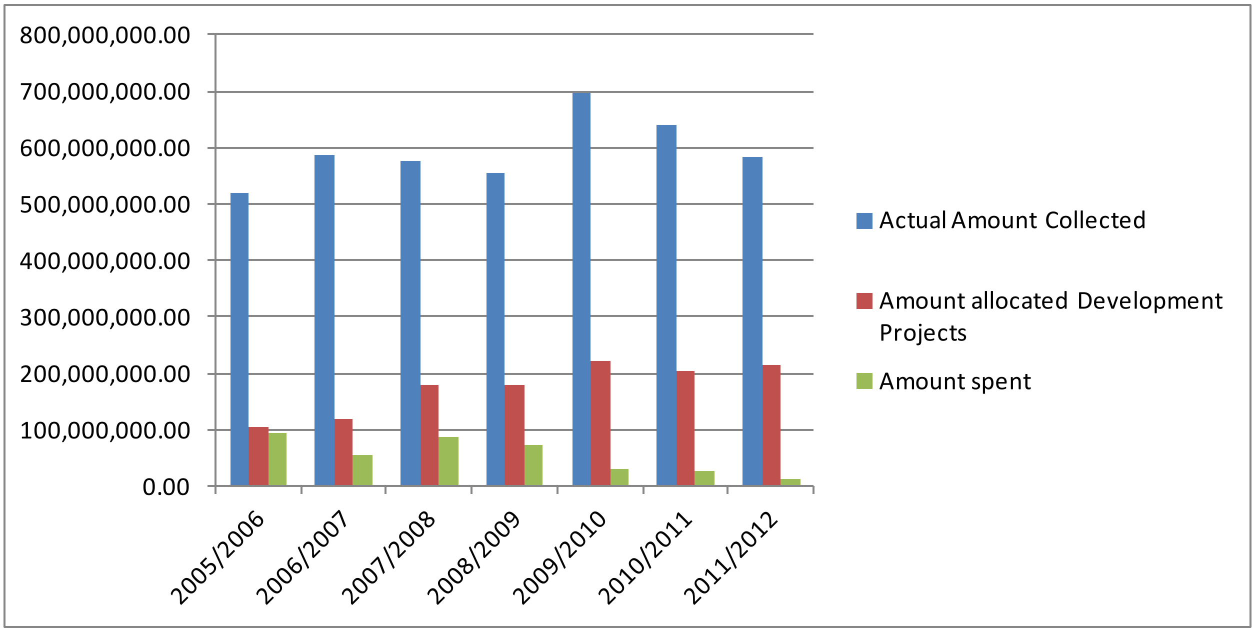
4.4.2 The proportional of OSR used to facilitate Development Projects

The proportional of own source revenue used to facilitate various project can be summarized in the following tables

Table 4.8 The Actual amount collected, Amount Allocated and Amount Spent

Year	Actual Amount Collected(A)	Amount allocated Development Projects(B)	Amount spent(C)	%=B/A	%= C/B	%= C/A
2005/2006	519,914,761.00	103,982,952.20	95,244,887.00	20	92	18
2006/2007	586,638,600.00	117,327,720.00	55,827,902.00	20	48	10
2007/2008	576,866,272.94	179,615,304.40	87,389,000.00	31	49	15
2008/2009	553,783,231.00	178,366,330.15	71,565,500.00	32	40	13
2009/2010	697,633,813.00	222,654,066.00	31,427,266.00	31	14	5
2010/2011	638,117,300.49	205,126,121.10	25,049,318.00	32	12	4
2011/2012	583,857,645.00	214,689,629.00	13,415,899.00	36	6	2
TOTAL	**4,156,811,622.94**	**1,221,762,122.85**	**379,919,772.00**	**29**	**31**	**9**

Source LAAC Book 2006-2012



The findings obtained from above graph showed that, the contribution of own source revenue in facilitating Development Projects in Songea Municipal Council was Tsh 379,919,772.00 or 31% of total fund allocated of Tsh 1,221,762,122.85 and about to Tsh 379,919,772.00 or 9% of Tsh 4,156,811,622.94 amount of fund collected by Songea Municipal Council in the period of seven years.

According to findings above, it shows that, the Council spent 31% against the amount allocated to facilitate the Development Projects and about 69% of allocated fund were not implemented by the council to required projects.

Likewise the council spent only 9% to facilitate Development Projects out 100% of amount collected in the period of seven years. Another 91% was spent to facilitate the recurrent expenditure.

The researcher would like to identify the proportional of own source revenue allocated and spent in construction of building, rehabilitation of street road, rehabilitation of bus stand, construction of water wells, Youth Development Projects, Women Development Projects and solid waste disposal.

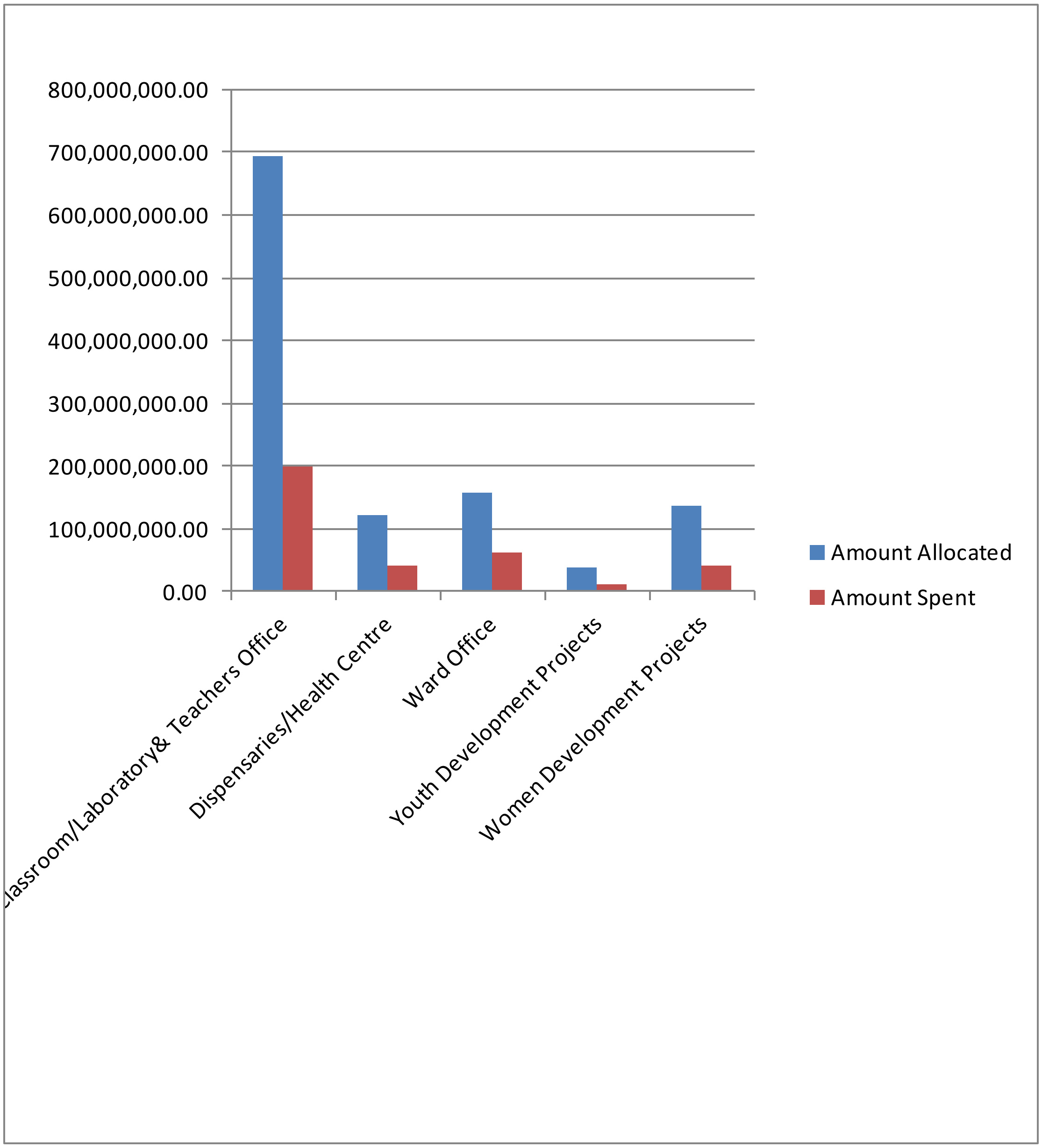
In seven years the contribution of own source revenue in construction of building was:-

Table 4.9 The Allocation and spent of fund in Specific Projects

S/N	Projects	Amount Allocated	Amount Spent	%
1	Classroom/Laboratory& Teachers Office	695,348,243.54	200,434,570.00	29
2	Dispensaries/Health Centre	122,176,212.29	40,714,252.00	33
3	Ward Office	156,981,939.66	61,170,949.50	39
4	Youth Development Projects	38,500,000.00	11,000,000.00	29
5	Women Development Projects	135,450,000.00	40,350,000.00	30
	Total	**1,148,456,395.49**	**353,669,771.50**	**31**

Source:-LAAC book 2006-2012

Figure 4.9 The Allocation and Spent of own source revenue in Specific Project



The contribution of own source revenue in facilitating the rehabilitation of street roads, rehabilitation of bus stand, construction of water wells and construction of solid waste disposal in seven years were as follows:-

Table4.10 The Allocation and spent of fund in Specific Projects

Item	Allocated	Spent	%
Street road	24,435,242.46	7,750,000.00	32
Bus stand	30,652,863.69	12,500,000.00	41
Water wells	0.00	0.00	0
Solid waste Disposal	18,217,621.21	6,000,000.00	33
Sub total	73,305,727.36	26,250,000.00	36

Figure 4.10 The spent of own source revenue in Specific Projects

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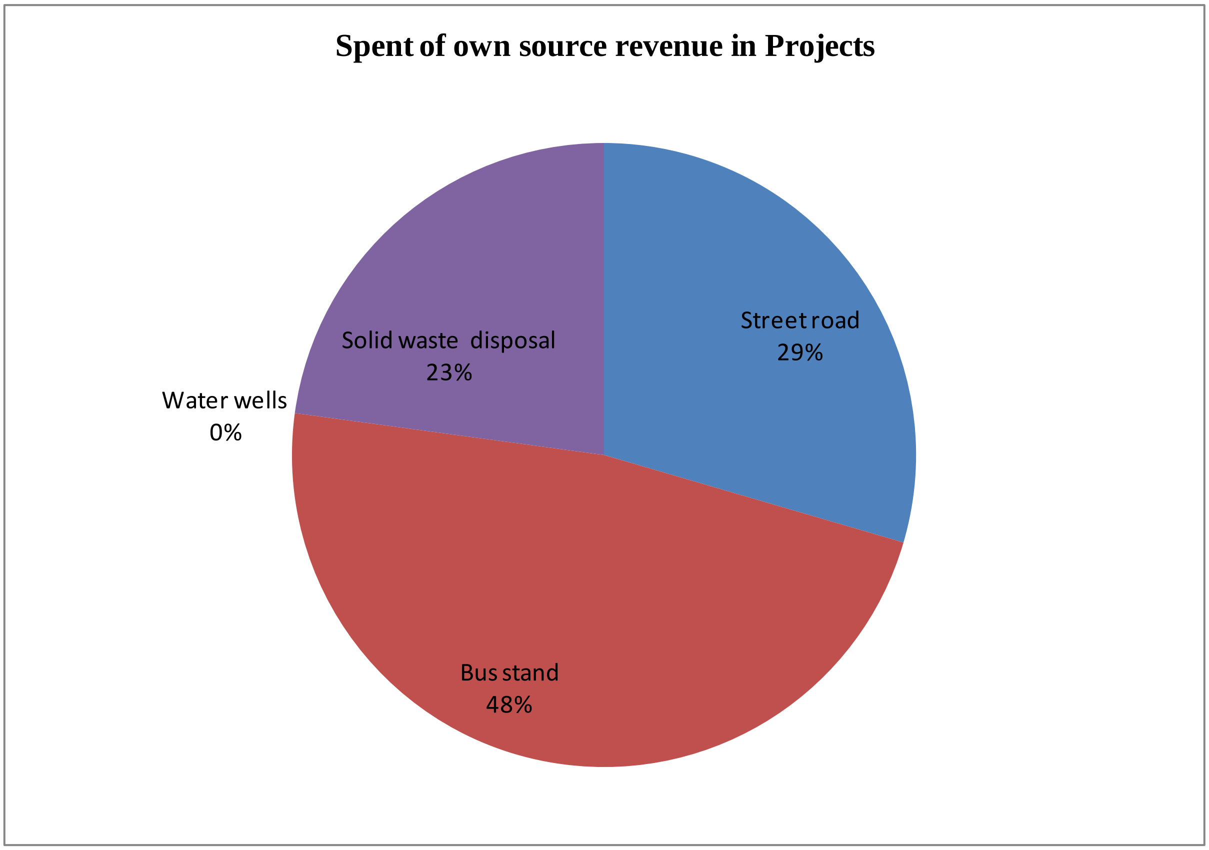
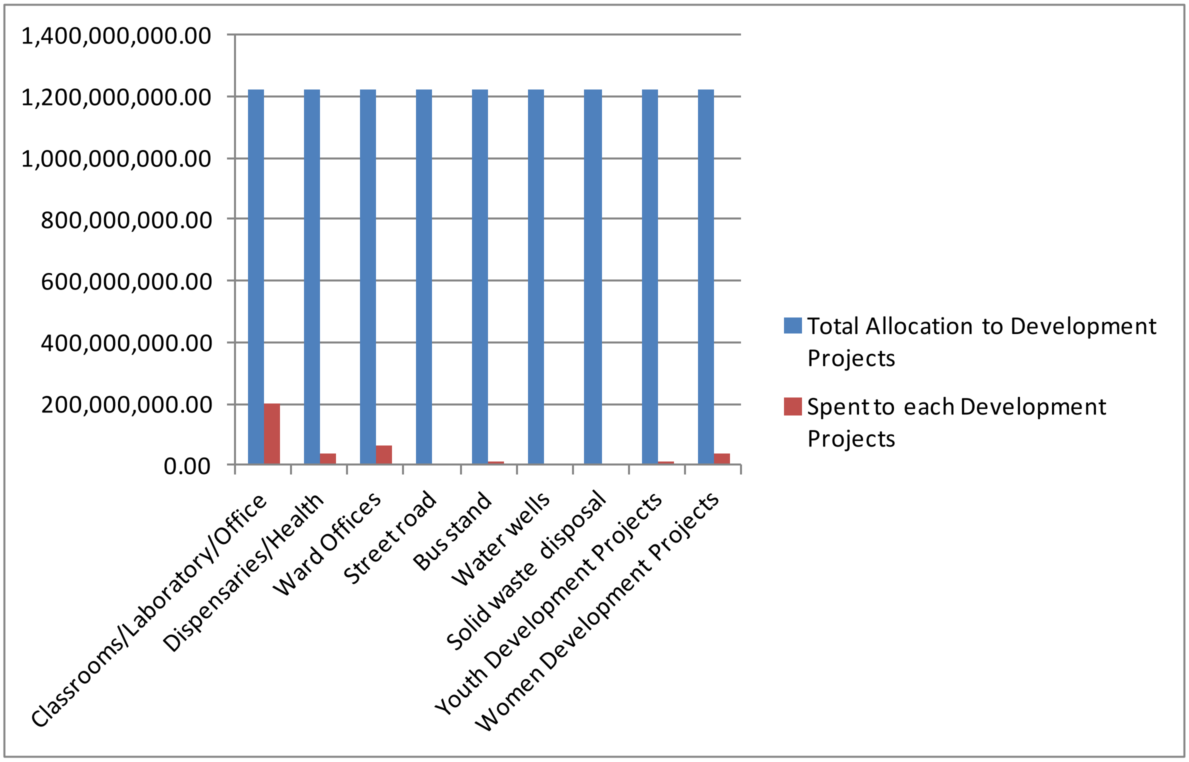


The researcher would also like to see the percentages of spent of each projects against the total allocation of fund in seven years:-

Table 4.11 The Total Allocation against spent of fund in Specific Projects

Item	Total Allocation to Development Projects	Spent to each Development Projects	%	%
Classrooms/Laboratory/Office	1,221,762,122.85	200,434,570.50	16.4	53
Dispensaries/Health	1,221,762,122.85	40,714,252.00	3.3	11
Ward Offices	1,221,762,122.85	61,170,949.50	5.0	16
Street road	1,221,762,122.85	7,750,000.00	0.6	2
Bus stand	1,221,762,122.85	12,500,000.00	1.0	3
Water wells	1,221,762,122.85	0.00	0.0	0
Solid waste disposal	1,221,762,122.85	6,000,000.00	0.5	1
Youth Development Projects	1,221,762,122.85	11,000,000.00	0.9	3
Women Development Projects	1,221,762,122.85	40,350,000.00	3.3	11
	1,221,762,122.85	379,919,772.00	31	100

Figure4.11 The Spent of own source revenue fund in Specific Projects



The findings above showed that, the total allocation in the period of seven years were Tsh 1,221,762,122.85 but the council spent Tsh 379,919,772.00 or 31% from different projects such as:-the council spent Tsh 200,434,570.50 or 16.4% to construct Classrooms, Laboratory and teacher's office, spent Tsh 40,714,252.00 or 3.3% to construct and rehabilitate the Dispensaries and Health centre respectively, spent Tsh 61,170,949.50 or 5% to construct ward office, spent Tsh 7,750,000.00 or 0.6% to rehabilitate the street roads, spent Tsh 12,500,000.00 or 1% to renovate the bus stand and Tsh 6,000,000.00 to renovate the solid waste disposal.

Furthermore the council spent nothing to construct water wells but the council provides loan amounted to Tsh 11,000,000.00 or 0.9% and Tsh 40,350,000.00 or 0.3% to facilitate Youth's Development Projects and Women's Development Projects respectively in the period of seven years.

CHAPTER FIVE

DISCUSSION O F FINDINGS.

5.0 Introduction

This chapter explained the discussion of findings such as:- Identification of source of income available at Songea Municipal Council, Amount collected in each source of income, Procedure of Allocating Own Source Revenue in Development Projects and the proportional of own source revenue used in Development Projects.

5.1 Identification of source of income available at LGAs

Local Governments have the mandate to raise certain revenues from taxes, levies and fees. The Local Governments set their own revenue policy within the limits set by Central Government. They retain all their revenue and use it as part of their own budgets these revenues do not form part of Central Government revenue. The taxes, levies, fees and revenue sources which Local Governments are mandated to raise under the Local Government Finances Act are as follows:-Property rates ,Crop cess (maximum 5% of farm gate price) ,Forest produce cess, Guest house levy, Commercial fishing license fees Intoxicating liquor license fee ,Private health facility license fee ,Taxi license fee, Plying permit fees ,Other business licenses fees, Vehicle license fees ,Fishing vessel license fees ,Forest produce license fees ,Building materials extraction license fee ,Hunting licenses fees ,Muzzle loading guns license fees ,Scaffolding / Hoarding permit fees, Service levy, Dividends ,Other Domestic Property Income ,Interest ,Land rent, Market stalls / slabs dues ,Magulio fees ,Auction mart fees ,Meat inspection charges Land survey service fee Building permit fee ,Permit fees for billboards, posters or hoarding ,Tender fee ,Abattoir slaughter service fee ,Artificial insemination service fee ,Livestock dipping service fee ,Livestock market fee ,Fish landing facilities fee ,Fish auction fee ,Health facility user charges ,Clean water service fee ,Refuse collection service fee ,Cesspit emptying service fee ,Clearing of blocked drains service fee ,Revenue from sale of building plans ,Building valuation service fee ,Central bus stand fees ,Sale of seedlings ,Insurance commission service fee ,Revenue from renting of houses ,Revenue from renting of assets ,Parking fees ,Fines, Penalties and Forfeitures ,Stray animals penalty ,Share of fines imposed by Magistrates Court ,Other fines and penalties .Local Governments are not allowed to levy any taxes, levies or fees which are not on this list. (Local Government Finances Act)

Through finding made by researcher, he found that, Songea Municipal Council categories the source of income into General Purpose Grants, Local taxes and, Fees, fines, penalties, and licence.

5.1.1 General Purpose Grants

Songea Municipal Council received fund from Central Government as subsidies to compensate the source of income that collected by Tanzania Revenue Authority. The findings showed that, General Purpose Grants was among of own source revenue of LGAs received from Central Government.

5.1.2 Local taxes

Songea Municipal Council levied the Local taxes at

1. Service Levy
2. Guest House Levy
3. Other Produce Cess
4. Property Tax

5.1.3 Fees, Fines, Penalties and Licences

The Songea Municipal Council has another source of income that obtained from fees, fines, penalties and licence. The source obtained from this category are:-Revenue from renting of houses, Tender application fees ,Central bus stand fees, Dividends, Revenue from renting assets, Parking's fees, Intoxicating liquor license fees, Vehicle license fees, Stray animals penalty, Meat inspection charges, Other business license fees, Interest, Refuse collection services fees, Building permit/Block plan, Permit fees for billbords,posters or holding, Land rent 30% , Land survey service fees and Forest produce cess, Market Dues stall and Sale of Plot**.**

5.2 Amount collected in each source of income.

The researcher would like to identify the amount of own source revenue collected from each source so as to determine the capability of council in facilitating Development projects.

5.2.1 General Purpose Grants

The findings showed that, Songea Municipal Council collected a total of Tsh 4,156,811,623.43 from its source of income in the period of seven years. The General Purpose Grants received from Central Government amounted to Tsh 1,752,368,883.00. This source of income contributes 42% of all collected fund in the period of seven years.

5.2.2 Local taxes

According to findings obtained in the period of seven years, it showed that, the council collected Tsh 826,237,467.38 from Local taxes such as:-Service levy, Guest house levy, Produce cess and Property tax. The above collection was 20% of total collection of Tsh 4,156,811,623.43

5.2.3 Fees, Fines, Penalties and Licence

Apart from above findings, it showed that, the council collected Tsh 1,578,205,273.05 from different type of fees, fines, Penalties and licences. The collection of Tsh 1,578,205,273.05 was 38% of total collection of Tsh 4,156,811,623.43

5.3 Procedure of Allocating OSR in Development Projects

5.3.1 The Allocation of 5% of OSR to facilitate Youth Projects.

The council required to allocate 5% of own source revenue to facilitate Youth Development Projects. The findings showed that, the council allocated Tsh 38,500,000 in the period of seven years to facilitate Development Projects.

5.3.2 The allocation of 10% of OSR to facilitate Women Projects.

The council was required to allocate 10% of own source revenue to facilitate Women Development Projects. The findings showed that, the council allocated Tsh 135,450,000 in the period of seven years to facilitate Development Projects.

5.3.3 Allocation of 5% Co-Funding

The study showed that, in the period of seven years the amount allocated to facilitate Development Projects was Tsh 507,187,298.35. This amount allocated to facilitate Operation and Maintenance of existing projects that were constructed by using Capital Development Grants and Donor funds. The contribution of 5% Co-funding to facilitate Operation and Maintenance in Development Projects is among of factor that leads the Local Government Authority to get Capital Development Grants and subsidies from Central Government.

5.3.4 Allocation of 20 % of General Purpose Grants (GPG)

Generally, in the period of seven years the council allocated Tsh 358,226,644 from General Purpose Grants received from central government to facilitate Development projects**.** The above fund were allocated to facilitate the construction of secondary school classrooms, laboratory, teacher's house, dispensaries, health centre etc

5.3.5 Allocation of 20% of OSR to Lower Level Government

Songea Municipal Council allocated Tsh 356,348,180.50 in the period of seven years to facilitate Development Projects. The following secondary schools were constructed by using own source revenue allocated.

- Msamala Secondary School,
- Chandarua Secondary School,
- Subira Secondary School,
- Lizaboni Secondary School,
- Mdandamo Secondary School,
- Mletele Secondary School,
- Mbulani Secondary School,
- Luwawasi Secondary School.

5.4 The proportional of own source revenue used in Development Projects.

The findings showed that, the total allocation in the period of seven years were Tsh 1,221,762,122.85 but the council spent Tsh 379,919,772.00 or 31% from different projects such as:-the council spent Tsh 200,434,570.50 or 16.4% to construct Classrooms, Laboratory and teacher's office, spent Tsh 40,714,252.00 or 3.3% to construct and rehabilitate the Dispensaries and Health centre respectively, spent Tsh 61,170,949.50 or 5% to construct ward office, spent Tsh 7,750,000.00 or 0.6% to rehabilitate the street roads, spent Tsh 12,500,000.00 or 1% to renovate the bus stand and Tsh 6,000,000.00 to renovate the solid waste disposal.

Furthermore the council spent nothing to construct water wells but the council provides loan amounted to Tsh 11,000,000.00 or 0.9% and Tsh 40,350,000.00 or 0.3% to facilitate Youth's Development Projects and Women's Development Projects respectively in the period of seven years.

5.4.1 Spent of Own source Revenue in Development Projects

The council collected Tsh 4,156,811,622.94 from source income but its allocation to Development Projects was Tsh 1,221,762,122.85 or 29% but only Tsh 379,919,772 or 31% spent in Development Projects .It was only Tsh 379,919,772 or 9% spent from total collection of Tsh 4,156,811,622.85 to facilitate Development Projects.

5.4.2 The spent of Own Source Revenue to buildings

According to the data it showed that, the council construct and rehabilitate 63 classrooms in Secondary School and Primary School, one laboratory at Msamala Secondary School and one staff office at Kalembo Secondary school by using own source revenue Tsh 200,434,570 or 29% from amounted allocated of Tsh 695,348,243.54 in the period of seven years.

Apart from that, the council constructs one (1) health centre at Mjimwema and three (3) dispensaries at Subira ward, Ruhuwiko ward and Matogoro ward by using 0wn source revenue collected in seven years. Therefore the council used Tsh 40,714,252 or 33% from allocation of Tsh 122,176,212.29 .Likewise; the council used Tsh 61,170,949.50 or 31% from allocation of Tsh 156,981,939.66 in the period of seven years to construct Ward office at Majengo, Bombambili, Lizaboni, and Misufini

5.4.3 The spent of OSR to Street road and rehabilitation of bus stand.

The council spent 32% in seven years in rehabilitation of street road around municipality while the council rehabilitate and renovate the bus stand. The renovation and rehabilitation of bus stand in seven years cost Tsh 12,500,000 or 41% of amount allocated.

5.4.4 The spent of OSR to provide Loan to Youth and women.

The council provided loan amounted to Tsh 11,000,000 or 29% from allocation of Tsh 38,500,000.00 to facilitate Youth Development Projects in the period of seven years while the council provided loan amounted to Tsh 40,350,000 or 30% from allocation of Tsh 135,450,000 to facilitate Women Development Projects in the same period.

5.4.5 The spent of Own Source Revenue in construction of water wells.

Like enough the council had contributed nothing Development Projects of water by using own source revenue due to existence of World bank projects known as National Rural Water Supply and Sanitation Projects (NWSSP) and Tanzania Social Action Fund (TASAF) projects of constructing water wells in Ruvuma Juu street, Namanditi street,Namanyigu street,Luhiraseko street,Nonganonga street,Chandarua,Liwumbu street etc. Not only that but also in seven years water was not a problem to community around municipality due to existence of water intake at Matogoro forest that is why there were no emphasis on it.

5.4.5 The respond of key personnel and head of department on OSR.

Through interview done to key personnel and head of Department concerning with contribution of Own Source Revenue in facilitating Development Projects the following observation discovered:-

The findings showed that, 100% agree that, the own source revenue collected by council contribute in construction infrastructures but its contribution was very low compared to amount collected.

The reasons that lead to low contribution of Own Source Revenue in facilitating Development Projects were:-

1. Lack of enough sources of revenue collection
2. Lack of commitment during implementation,
3. Availability of Capital Development Grants and donor fund,
4. Lack of priority of using fund to Development Projects ,
5. Lack of commitment of Administration to transfer fund to required Projects
6. Having unrealistic budget

Even though the council contribute low amount of fund to facilitate Development Projects, the following Projects benefited:-

1. Compensation to community after their land and Produce product taken by Council.
2. Construction of street roads to the area where the council desire to sale Plots.
3. Construction of Dispensaries and rehabilitation of Health centre.
4. Routine maintenance and Spot improvement of street roads.
5. Rehabilitation of staff houses,
6. Rehabilitation of Songea bus stand.

CHAPTER SIX

SUMMARY, CONCLUSION, AND RECOMMENDATION

6.0 Introduction

The chapter summarized the findings from chapter three and goes further in making conclusion and recommendation concerning the contribution of own source revenue in facilitating the Development Projects in Local Government Authority.

6.1 Summary

The study aimed at findings the contribution of own source revenue in facilitating the Development Projects in Local Government Authority. The objective was to study the contribution of own source revenue in facilitating the Development Projects in Local Government Authority. The study was a case study; it was a proper design to carry out the study because it allows the researcher to investigate various things in a single unit which was Songea Municipal Council. A case study involves an intensive investigation of particular unit under consideration.

The study population was comprised by Municipal Director, Municipal Treasure, Municipal Economics, Municipal Engineering, Municipal Secondary Education officer, Municipal Primary Education officer, Municipal Medical Health officer, Municipal Water Engineering, and Municipal Town Planning Officer. Again the study used secondary data of own source revenue collected in the period of 2005/2006 up to 2011/2012 corresponding to amount spent in Development Projects in respective years. The method of data collection used was interviews. The method enabled the researcher to have to face interview with respondents during the study, hence, collected enough data which emphasis the data collected from secondary data. Another method in which the researcher used was observation, through observation the researcher observed a Secondary and Primary classroom building, Dispensary buildings, Health centre buildings, Laboratory building, teacher’s office and ward office that were constructed by using own source .Like enough the researcher failed to observe ring wells or shallow wells implemented by using own source revenue in all seven years.

The data were presented by using tables, bar graphs, Pie chart and percentages.

The findings obtained from the study showed that, the contribution of own source revenue in facilitating Development Projects in Songea Municipal Council was Tsh 379,919,772.00 or 31% of total fund allocated of Tsh 1,221,762,122.85 and about to Tsh 379,919,772.00 or 9% of Tsh 4,156,811,622.94 amount of fund collected by Songea Municipal Council in the period of seven years.

According to findings above, it shows that, the Council spent 31% against the amount allocated to facilitate the Development Projects and about 69% of allocated fund were not implemented by the council to required projects.

Likewise the council spent only 9% to facilitate Development Projects out 100% of amount collected in the period of seven years. Another 91% was spent to facilitate the recurrent expenditure.

6.2 Conclusion

The findings from study have shown clearly that, Songea Municipal Council contributed small amount of funds from its own source revenue to facilitate Development Projects compared to amount collected in the period of seven years.

The data showed that, in period of seven years the council allocated Tsh 1,221,762,122.38 to facilitate Development Projects but its spent Tsh 379,919,772.00 equivalent to 31% in which 16.4% used to construct of classroom, Laboratory and teacher’s office, 3.3% used to construct dispensaries and health centre, 5% used to construct ward office, 0.6% used to rehabilitate and renovate street road, 1% used to rehabilitate bus stand, 0.5% used to renovate of solid waste disposal, 0.9% used to provide loan to Youth Development Projects while 3.3% used to provide loan to women Development Projects.

The reasons that face the council to spent small amount to facilitate Development Projects were:-Poor Administration, Lack of commitment in implementation of budget, Out of budget activities, Availability of Capital Development Grants from Central Government and Donors fund ,Management perception

6.2.1 Poor Administration

The management of Songea Municipal Council lack strategy to collect own source revenue and to identify another source of income so as to increase revenue. This situation was due to poor administration and poor method of collection that the council used. Apart from that the management was reluctant to identify another source of income so as to increase revenue collection.

6.2.2 Lack of commitment in implementation of budget.

Lack of commitment was another factor that faces the council to spend small amount of fund to facilitate the Development projects. The management lack commitment to implement the Development projects because there were no regulations or laws that force to do so. Due to lack of laws and regulations lead the council to use small amount of own source revenue to implement Development Projects and large amount of monies were used to facilitate recurrent expenditure of council.

6.2.3 Unrealistic of Budget

Another factor that leads to low contribution of owns source revenue to facilitate Development Projects was due to unrealistic of budget. The budget was unrealistic because the council failed to implement as the budget required.

6.2.4 Availability of CDG from Central Government and Donors fund.

The situation of many Development Projects in Local Government Authority to be facilitated by fund from Central Government and Donor funds was another factor that leads small contribution of fund to implement the Development projects in Local Government Authority.

6.2.5 Management perception

Songea Municipal Council management perception was one factor which led to poor funding from its own sources; it was perceived that Development projects were funded by Central Government and Donor fund hence lead reluctant to make commitment to use own source revenue to facilitate Development Projects. It also perceived that, Own Source Revenue collected were used to facilitate recurrent expenditure of the Government.

6.3 Recommendation

For local government Authority to contribute own source revenue in facilitating the Development Projects there is need for accountability of the local government. Accountability is a form of quality control of the local government. The Local Government Authority should be accountable in:-

6.3.1 The change of method of collecting Own Source Revenue

The Council should improve its revenue collection by outsourcing the source of income to agent. Through observation it shows that, the council exceeds the targeted collection to source that collected by agent. Without improvement of revenue collection in the council, no development issue should be made even though the council has allocated fund in their budget.

6.3.2 Identification of another source of income

The council must start to collect own source revenue from the source that were not collected by council in order to increase collection of council. The researcher recommends the council to start to collect own source revenue from the following source:-Magulio fees and Processed food product

6.3.3 Introducing Laws and Regulations

Due to lack of commitment in implementing Development Projects by using own source revenue the council is required to introduce Laws and regulations that will govern to use own source revenue to facilitate Development Projects.

6.3.3 Budgetary process

However, Local Government Authority in Songea Municipal Council should take accountability measure or control in the entire various departments during budgetary process so as to have realistic budget. The allocate fund from Own Source Revenue to facilitate Development Projects must be implemented according to budget. In summary, financial and budgetary control is aimed art facilitating routines accountability in the part of local governments and their staff.

6.3.4 Reducing dependency from other tiers.

The situation of many Development Projects in Local Government Authority to be facilitated by fund from Central Government and Donor funds was the factor that leads small contribution of fund to implement the Development projects in Local Government Authority. Therefore the Local Government should reduce the dependency of fund from donor fund and Central Government to implement the Development Projects.

6.3.5 Utilization of allocated fund in Development Projects.

The council should make effort and commitment to utilize the allocated fund in Development projects. Through findings made it shows that, the council had tried to allocate the fund to Development Projects but the council failed to spend the allocated fund as budgeted. Due to this factor, the council should make priority in utilization of allocated fund to Development Projects

6.3.6 Elimination poor ideology among the management

The management should eliminate the idea or perception that Development Projects is mainly facilitated by using Donor fund and Capital Development Grants rather than using own source revenue. Hence the management should start to implement some of projects allocated by using Own Source Revenue.

6.3.7 Outsourcing the source of income to Agents

Songea Municipal Council must outsource the following source of income in order to increase revenue:-Revenue from renting of houses, Revenue from renting assets, Intoxicating liquor license fees, Vehicle and motorcycle license fees, Stray animals penalty, Meat inspection charges, Refuse collection services fees, Building permit/Block plan, Land rent 30%, Land survey service fees and Forest produce cess, Market Dues stall and Sale of Plot.

6.4 Proposed area for further research based on findings.

Through findings obtain from study; other researchers should focus further in the following area;-

1. The impact of outsourcing the source of income in revenue generation.
2. The Effect of unrealistic budget in implementing Development Projects.
3. The problem of under utilization of own source revenue to Development Projects.

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APPENDIX

INTERVIEW QUESTIONS.

The aim of this interview questions were to get data that was used to assess the contribution of own source revenue in facilitating the Development Project in Local Government Authorities. The interview questions was helped the researcher to get more information about the contribution of own source revenue in facilitating Development Projects in Songea Municipal Council together with connection of data that was obtained from documentary review of Songea Municipal Council.

SECTION A

MUNICIPAL DIRECTOR

1. How long do you work as Municipal /District Director (a) 0-10 years (b)11-20 years (c) More than 21 years
2. How long do you work in the position of Municipal Director at Songea Municipal Council? (a) 0-5 years (b) 6-10 years (c) more 11 years
3. Does the own source revenue collected by council contribute in constructions of infrastructures of LGA's? Yes ( ) or No ( )
4. Does Songea Municipal council collected own source revenue as budgeted in Songea Municipal Council budget? Yes ( ) or No ( )
5. To what extent internal source of income will be collected by LGAs and used it to facilitate the infrastructure of Local Government Authority?(a) High (b) Moderate (c) Low
6. Does only donor fund will use to facilitate the infrastructures of Local Government Authorities? Yes ( ) or No ( )
7. Which area of infrastructures will be improved by using internal source of income of Local Government Authorities?(a) Education sector (b) Health sector (c) Water sector (d)Work sector (e) Administration (f) Other
8. Does Local Government Authorities budget for infrastructure in their budget by using internal source of income?(a) Yes (b) No

SECTION B

MUNICIPAL TREASURY

1. How long do you work as Municipal/District Treasure (a) 0-10 years (b)11-20 years (c) More than 21 years
2. How long do you work in the position of Municipal Treasure at Songea Municipal Council? (a) 0-5 years (b) 6-10 years (c) more 11 years
3. Does Songea Municipal council collected own source revenue as budgeted in Songea Municipal Council budget? Yes ( ) or No ( ) If, No what factor hinder to reach the targeted amount?
4. Does the own source revenue collected by council contribute in constructions of infrastructures of LGA's? Yes ( ) or No ( )
5. Does the Council transfer 20% own source revenue to lower level government to facilitate Development Projects and Recurrent Expenditure as required by Government of Tanzania? Yes ( ) or No ( )
6. The council supports the Community Based Development Projects by allocating 5% of budget of Capital Development Grant from own source revenue (5% Co-Funding) for Operation and Maintenances of existing Projects, So which projects were supported by 5% Co-funding.
7. To what extent internal source of income will be collected by LGAs and used it to facilitate the infrastructure of Local Government Authority? (a) High (b) Moderate (c) Low
8. Does only donor fund can facilitate the infrastructures of Local Government Authorities? Yes ( ) or No ( )
9. Which areas of infrastructures were improved by using internal source of income of Local Government Authorities?(a) Education sector (b) Health sector (c) Water sector (d) Work sector (e) Administration (f) Other
10. Does Local Government Authorities budget for infrastructure in their budget by using internal source of income? (a) Yes (b) No

SECTION C

MUNICIPAL PLANNING OFFICER

1. How long do you work as Municipal Planning Officer/District Planning Officer (a) 0-10 years (b)11-20 years (c) More than 21 years
2. How long do you work in the position of Municipal Economics at Songea Municipal Council? (a) 0-5 years (b) 6-10 years (c) more 11 years
3. Does the council supports the Community Based Development Projects by providing 5% as Co-Funding? (a) Yes (b) No
4. To what extent internal source of income will be collected by LGAs and used it to facilitate the infrastructure of Local Government Authority?(a) High (b) Moderate (c) Low
5. Does only donor fund can facilitate the infrastructures of Local Government Authorities? Yes ( ) or No ( )
6. Which area of infrastructures will be improved by using internal source of income of Local Government Authorities?(a) Education sector (b) Health sector (c) Water sector (d) Work sector (e)Administration (f) Other
7. Does Local Government Authorities budget for infrastructure in their budget by using internal source of income?(a) Yes (b) No
8. What factor hinder the own source revenue in facilitating the Development Projects?
9. Does the Council transfer 20% own source revenue to lower level government to facilitate Development Projects and Recurrent Expenditure as required by Government of Tanzania? Yes ( ) or No ( )
10. The council supports the Community Based Development Projects by allocating 5% of budget of Capital Development Grant from own source revenue (5% Co-Funding) for Operation and Maintenances of existing Projects, So which projects were supported by 5% Co-funding?

SECTION D

MUNICIPAL EDUCATION OFFICER

4 How long do you work as Municipal Education Officer (a) 0-10 years (b)11-20 years (c) More than 21 years

5 How long do you work in the position of Municipal Education Officer at Songea Municipal Council? (a) 0-5 years (b) 6-10 years (c) more 11 years

6 Does the Songea Municipal Council construct the school's building by using own source revenue? Yes ( ) or No ( )

7 What is the contribution of own source revenue in facilitating Development Projects in Education sector?(a) High (b) Moderate (c) Low

8 What source of income does the education sector depend on construction of classrooms, administration block, laboratories and teacher's house?(a) Own source revenue (b) Donor funds (c) Other source

9 Does the budget of Education have a budget allocation for Development Projects using own source revenue collected by council?(a) Yes (b) No

10 What factors that hinder the contribution of own source revenue in facilitating Development Projects in education sector?

11 Does only donor fund can facilitate the Development Projects of Education sector? Yes ( ) or No ( )

12 Which area of infrastructures of Education sector will be improved by using internal source of income of Local Government Authorities?

SECTION E

MUNICIPAL ENGINEERING

1. How long do you work as Municipal/District Engineering? (a) 0-10 years (b)11-20 years (c) More than 21 years
2. How long do you work in the position of Municipal Engineering at Songea Municipal Council? (a) 0-5 years (b) 6-10 years (c) more 11 year
3. Does the Songea Municipal Council construct the street roads by using own source revenue? Yes ( ) or No ( )
4. What is the contribution of own source revenue in facilitating Development Projects in Work sector?(a) High (b) Moderate (c) Low
5. What source of income does the Work sector depend on construction of street roads?(a) Own source revenue (b) Donor funds (c) Other source
6. Does the budget of Work sector have a budget allocation for Development Projects using own source revenue collected by council?(a) Yes (b) No
7. What factors that hinder the contribution of own source revenue in facilitating Development Projects in Work sector?
8. Does only donor fund can facilitate the Development Projects of Work sector? Yes ( ) or No ( )
9. Which area of infrastructures of Work sector will be improved by using internal source of income of Local Government Authorities?

SECTION F

MUNICIPAL WATER ENGINEERING

1. How long do you work as Municipal/District Water Engineering? (a) 0-10 years (b)11-20 years (c) More than 21 years
2. How long do you work in the position of Municipal Water Engineering at Songea Municipal Council? (a) 0-5 years (b) 6-10 years (c) more 11 year
3. Does the Songea Municipal Council construct the water wells by using own source revenue? Yes ( ) or No ( )
4. What is the contribution of own source revenue in facilitating Development Projects in Water sector?(a) High (b) Moderate (c)Low
5. What source of income does the Water sector depend on construction of water wells?(a) Own source revenue (b) Donor funds (c) Other source
6. Does the budget of Water sector have a budget allocation for Development Projects using own source revenue collected by council?(a) Yes (b) No
7. What factors that hinder the contribution of own source revenue in facilitating Development Projects in Water sector?
8. Does only donor fund can facilitate the Development Projects of Water sector? Yes ( ) or No ( )
9. Which area of infrastructures of Water sector will be improved by using internal source of income of Local Government Authorities?

SECTION G

MUNICIPAL MEDICAL OFFICER HEALTH

1.0 How long do you work as Municipal /District Medical Officer Health (a) 0-10 years (b)11-20 years (c) More than 21 years

2.0 How long do you work in the position of Municipal Medical Officer Health at Songea Municipal Council? (a) 0-5 years (b) 6-10 years (c) more 11 years

3.0 Does the Songea Municipal Council construct the dispensaries by using own source revenue? Yes ( ) or No ( )

4.0 What is the contribution of own source revenue in facilitating Development Projects in Health sector?

5.0 What source of income does Health sector depend on construction of dispensaries and doctor's house?(a) Own source revenue (b) Donor funds (c) Other source

6.0 Does the budget of Health have a budget allocation for Development Projects using own source revenue collected by council?

7.0 What factors that hinder the contribution of own source revenue in facilitating Development Projects in Health sector?

8.0 Does only donor fund can facilitate the Development Projects of Health sector? Yes ( ) or No ( )

9.0 Which area of infrastructures of Health sector will be improved by using internal source of income of Local Government Authorities?

SECTION H

MUNICIPAL PLANNING TOWNSHIP AND LAND MANAGEMENT

1. How long do you work as Municipal /District Planning Township and Land (a) 0-10 years (b)11-20 years (c) More than 21 years
2. How long do you work in the position of Municipal Planning Township and Land at Songea Municipal Council? (a) 0-5 years (b) 6-10 years (c) more 11 years
3. Does the Songea Municipal Council make compensation of Land by using own source revenue? Yes ( ) or No ( )
4. What the contribution is of own source revenue in facilitating Development Projects in Planning Township and Land sector?
5. What source of income does Planning Township and Land sector depend on compensating the community on Land taken by Council?(a) Own source revenue (b) Donor funds (c) Other source
6. Does the budget of Planning Township and Land sector have a budget allocation for Development Projects using own source revenue collected by council?(a) Yes (b) No
7. What factors that hinder the contribution of own source revenue in facilitating Development Projects in Planning Township and Land sector?
8. Does only donor fund can facilitate the Development Projects of Planning Township and Land sector? Yes ( ) or No ( )
9. Which area of infrastructures of Planning Township and Land sector will be improved by using internal source of income of Local Government Authorities?