Welcome to the Africa Good Governance Programme on the Radio Waves, the Municipal Radio Learning Programme which has four initiatives: Governing Municipalities without Corruption, Municipal Finance, Citizen Participation, as well as Regional News.

The Programme has been designed and produced in Africa by Africans. Many institutions contributed to the programme including central and local governments as well as civil society organizations. The course is broadcast simultaneously all over Africa via satellite.

The good governance programme is a truly local experience as it was developed and is being delivered in close cooperation with the excellent participation of the National Associations of Local Governments, as well as other partners including the Municipal Development Partnership for Eastern and Southern Africa, based in Harare, Zimbabwe, members of the advisory group, journalists and the World Bank Institute. The programme was financed by the BNPP, The Bank – Netherlands Partnership Programme.

--------------------------------------------- Music up! ---------------------------------------------

M1. Good day Wandago, how are you today?
M2. I am very well, and ready to learn more about participatory budgeting. And you; are you ready for new experiences?
M1. Yes, I am. We will devote the next three sessions to case studies in Africa where participatory budgeting is successfully implemented.
M2. There are many municipalities throughout the continent where participatory budgeting is practiced. How do you propose to start?
M1. I believe that the best way to grasp various participatory budgeting experiences in Africa is to present the challenges in both rural and urban setups.
M2. It is hard to choose one out of so many good examples - you asked me to make a difficult decision. But we have to make one. Therefore, here is my suggestion: Mutoko
rural district from Zimbabwe is a municipality where participatory budgeting is being practiced. Implementing participatory budgeting practice has brought positive results to the citizens in Mutoko. That is why I believe it would be a good choice to present this example. What do you say?

M1. Very well. I agree with your choice of Mutoko Rural District from Zimbabwe. But, I would also like to propose an example, very different than your proposal.

M2. OK. What is it?

M1. I am suggesting South Africa, better to say an example of a large urban area from South Africa. Johannesburg and eThekwini is my choice.

M2. I think it is a good choice; both cities have done a lot of work and accomplished good results in participatory budgeting efforts. We can present both of them to our listeners. But it would be good to present a case study from Uganda, a country that has been successfully implementing participatory budgeting as well.

M2. OK, then. We will first present a case study of Mutoko Rural District Council in Zimbabwe, then eThekwini municipality and the City of Johannesburg in South Africa, and finally the experiences of Uganda.

M1. Today, we are traveling to Mutoko Rural district to hear how they resolved the problem! There Mr. George Matovu from Municipal Development Partnership for Eastern and Southern Africa is meeting with the participants in the participatory budgeting process.

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**Mutoko Rural District- Zimbabwe**

**George Matovu:** Good morning everyone my name is George Matovu from Municipal Development Partnership for Eastern and Southern Africa. I am here with the officials from Mutoko rural district council to talk about participatory budgeting in Mutoko. Let me begin by asking them to introduce themselves.

**Maxwell Hodzi:** Thank you George my name is Maxwell Hodzi. I am the Chairperson of the Finance and Administration Committee in the Mutoko Rural District Council (MRDC). I am also the ward councilor for the growth point Mutoko center.

**Thandiwe Mlobane:** My name is Thandiwe Mlobane I am the Municipal Finance Expert.

**Peter Sigauke:** My name is Peter Sigauke I am the Chief Executive officer for Mutoko Rural District Council.

**G. Matovu:** Let me start by asking Thandiwe Mlobane! The local authorities in Zimbabwe have introduced participatory budgeting as a strategy to get the citizens’ voice in allocation of resources of monitoring their application. Could you give us a brief history of how the government of Zimbabwe made it possible for local authorities to engage in participatory budgeting (PB)?

**T. Mlobane:** The Government of Zimbabwe has set the stage for PB through creating an enabling environment. In this they have gone about setting legislation that promotes participation of stakeholders. I will start by giving a synopsis of a pre-independence local government system which will enhance our appreciation of how the government of
Zimbabwe has made it possible for local authorities to practice PB. At independence Zimbabwe inherited a system of local government that was tripartite in structure. There were 3 types of local authorities:

1. Urban councils in urban areas.
3. Rural councils in the rural areas.

There were over 260 African councils compared to the 58 rural local authorities that we now have. African councils were therefore small, fragmented and unviable government units which depended on a patronage system at the expense of democracy.

W. Odongo: I know that Zimbabwe went through a set of local government reforms. Could you tell us more about that?

T. Mlobane: The local government reforms took the following pattern:

1. The establishment of district councils, and
2. The 250+ African rural councils were abolished and in their place established 55 RDCs.

These were larger geographical units whose size and boundaries encompassed all the communal lands in an administrative district and they were no longer tribally based as all the chiefs in any district fell under a district council. The councils were democratically elected and were charged with developmental functions. Mutoko Rural District Council was born out of this same reform. In 1984, 4 years after independence, government issued a directive which was instrumental in the creation of village and ward development committees as a basis for local initiatives in the formulation of development proposals. The directive was strengthened by the provincial councils and administrative act of 1985 which saw the appointment of provincial governors who were mandated with co-coordinative, consultative, developmental and political functions. The councils comprised mainly of representatives of the various councils in the provinces and technocrats in the committees are chaired by the provincial administrator. Mutoko Rural District Council is in the Mashonaland east province. The council’s case study on PB here is anchored on these committees, i.e the village and ward committee in the provincial development committees.

W. Odongo: It has been a long time since the government of Zimbabwe actually made the first moves to the Rural District Councils Act. What exactly it had in mind?

T. Mlobane: In 1988 parliament promulgated the Rural District Councils Act with a view to unifying districts and rural councils. The major objective of this exercise was rationalization of local government in rural areas. The law came into effect in 1992 the traditional leaders act of 1999 seeks to harmonize the relationships between the elected councils and the traditional institutions. Mutolo Rural District Council has used this act in participatory budgeting as traditional leaderships are involved in the budgeting process including revenue collection which by the way at 95% contribute to the traditional chiefs.

W. Odongo: You gave a good historic overview of the steps that the government of Zimbabwe made to set preconditions for participation. Could you now tell us about participatory budgeting and the legislation?

T. Mlobane: The two Acts i.e The Rural Councils Act and Urban Councils Act are silent on participation of stakeholders in the budgeting process. However it is a legal requirement that local authorities should advertise their proposed budgets in the press and they
should discuss in the council any objections raised before submitting their estimates to the minister for approval. As a step to create ownership of the budget and a buy-in to the recipients of the services the ministry of local government has issued directives that enforce consultation sign certificate of consultation has to be attached to the council’s budget for the oncoming year before tariffs are gazetted. There have been capacity building initiatives which have strengthened participatory budgeting.

**W. Odongo:** In 2005, 14 local authorities had benefited from the capacity building initiative. Can you tell us more about these initiatives?

**T. Mlobane:** These initiatives ushered in a new paradigm where stakeholders began to take a centre stage in the budget and planning processes of the local authorities. These initiatives saw 6 councils mainly City of Gweru, City of Masvingo, Municipality of Gwanda, Mutoko Rural District Council, Chipinge Rural District Council and Chipinge Town council pilot the local government programme. The local authorities were now responsive to the residents needs and were inclusive in their planning and budgeting processes. Funding for the conferences and workshops as well as training courses was provided for and this made the process faster and less of a burden on the local authorities. I hope that answers the question that you raised.

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**G. Matovu:** Mr. Sigauke you are the Chief Executive Officer of Mutoko rural district council. What triggered off the participatory budgeting process in Mutoko?

**P. Sigauke:** Thank you George. What triggered the P.B process in Mutoko was that prior to 2001 Mutoko rural district council faced continuous budget deficits and whenever council proposed or tried to raise tariffs and charges there were demonstrations from the community as citizens argued that they did not see any justification for increases as the council was providing any quality services. Therefore by various civic society organizations under the influence of the Mutoko residents association and the informal traders association, took to the streets every year resisting and boycotting any increases and charges from the local authority. Even some of the council employees had difficulties getting along with the decisions taken by the council, and whenever there would be consultative meetings the most vocal and powerful tended to dominate the meeting. Therefore as a result most of the citizens did not have a chance to speak. The confrontational relationship forced Mutoko rural district council to rethink the way they were doing business and the result was the idea to experiment participatory governance in particular council resolved to take a new approach to its annual budgeting process therefore engaging the community in the process.

**G. Matovu:** Can you tell us what was involved in the participatory budgeting process?

**P. Sigauke:** First and foremost there was what we call situation analysis. This was an in-depth analysis conducted by the technical team which was at the institute with cooperation of local authorities to getting the stakeholders in Mutoko rural district council to assess national and local framework conditions for participatory budgeting to obtain
enabling and disabling factors so they could be tackled that is the legal issues, social factors, technological factors and also economic issues. The situation analysis was taken through face-to-face interviews and broad based workshops that involving the local authorities and its stakeholders. Secondly there was what we call stakeholder profiling. To achieve this Mutoko rural district council held a stakeholders workshop and through group work participants were asked to name the stakeholders and many actors in the local authority, their influences and roles. And in addition to this the participants were requested to state the best way of interacting with these with these identified stakeholders. A written list of civic organizations that was to participate in the participatory budgeting process was therefore drawn. An external facilitator which was the Urban Institute which was equipped with relevant skills was engaged.

W. Odongo: So, Mutoko rural district decided to go with the external help. It helped with making the list of civic organization that could get engaged in participatory budgeting. What was done next?

P. Sigauke: Training and capacity building was given high priority for it formed the basis for the empowerment of citizens as well as local government officials that is the elected and non-elected to meaningfully play an active role in the participatory budgeting process. The starting point was the carrying out of a training needs assessment through consultations with the stakeholders.

W. Odongo: The Mutoko rural district council is engaged in the developing of internal rules and regulations to allow the PB process to take place. Could you tell us more about it?

P. Sigauke: These rules and regulations were jointly developed by the Mutoko rural district council and its stakeholders in an all stakeholders workshop. The rules of the game referred to the amounts to be discussed, the stages and their respective time periods. The rules for decision making and in the case of disagreements and the responsibility. The decision making authority, methods of distributing responsibility, authority, resources and the composition of the PB process.

G. Matowu: Can you tell us what were the challenges and constraints that were encountered and how did the council overcome them?

P. Sigauke: One of the major challenges faced by the Mutoko rural district council was that of funding the process. The process as I have already narrated involved the situation analysis, profiling of stakeholders, and the training and capacity building, this required a lot of money to hold workshops and the like. To overcome that the Mutoko rural district council had to get funding from the USAID through the ministry of local government. The other challenge which was faced by the Mutoko rural district council was trying to achieve the political will of council and of the mayor or chairman of council. This was achieved through passing a resolution by council which adopted the use of participatory budgeting in the planning process and this was also achieved by signing of a social contract between the community, stakeholders, the Mutoko rural district council and members of the line ministries. The last challenge faced by the Mutoko Rural District Council was coming up with rules and regulations for engagement. As you are aware they culminated in the signing of the social contract so that the participants in the PB process then agreed on the way forward.
G. Matovu: Let us now turn to the budget cycle. You have been involved in the carrying out of PB annually. How is it organized and how is it conducted?

P. Sigauke: The first thing which is involved is the stakeholder consultation which starts around October/November. All stakeholders i.e. CSOs, council, government line ministries, and traditional chiefs are called upon by council for a workshop and they bring about their priorities and projects which they want to include in the budget. The costing of those projects is done by the council officials, and then the matter is presented back to the stakeholders to decide on the projects which they want to be funded by council.

M. Hodzi: The next stage as Peter has indicated, the councilors would then sit and deliberate on the budget performance and forecast using the central government budget guidelines of national priority intergovernmental fiscal transfers, the priority projects sector by sector. We debate these in the various council committees. The finance committee and the executive committee give the general local budget guidelines. Council adopts the budget guidelines. The process comprises different activities by different actors.

G. Matovu: Can you take us through the cycle process?

M. Hodzi: The budgeting process begins at the Village Development Committee (VIDECO), in the villages. We have a cluster of villages of 4-6 villages that is roughly 800-1200 people. Everyone in the cluster is free to attend the meetings. The village head is expected to facilitate the identification of needs and the prioritization of those needs. Usually the area of consultation covers water health, education, roads etc. Every member of the village is encouraged to attend the meeting. Prioritized areas are prepared toward presentation to the ward development committee which is chaired by the local councilor. You will have the stakeholder budget consultation meetings at this stage the local authority sends out invitations and budget performance and guidelines to registered stakeholders that is CSOs and the CEOs indicated for a broad consultative meeting on the budget. Councilors also use the same to make consultations with ward development committees and village development committees. The various CSOs are given a chance to consult with their varied constituencies prior to the meeting. In the meeting the local authority staff gives feed back on the budget performance and project implementation. This leads to a review of the previous budget performance inputs. Inputs from the village, ward development committees are also reviewed. Stakeholders also give indication to the ranges of affordable tariff increases. The stakeholders also elect P.B action committee from among themselves to finalize the budget.

P. Sigauke: Next stage from what has been narrated by councilor Hodzi is the final approval by council of the budget. An agenda is set up. The councilor who is the chairman of the finance committee then presents the budget to council and also invites CSOs, that is the budget is approved by full council. After approval the budget is then put in the national paper for objections to be received from the community. In this instance the Mutoko rural district council we hardly get any objections because we would have most of the CSOs and the community participated in the making of the budget. You hardly get any objections at all. The final budget is then referred to the minister of local government for approval. After approving the budget around January, we start implementing the budget. The whole process goes into recess. During the recess time around February, this is where we put the final process into top gear as far as the implementation of the budget is concerned and the tenders are called upon for people to supply the materials required for the programme and projects. This is in January and February.
M. Hodzi: The cycle goes on to the first three months of the year. We also call for the meeting where we consider the first quarterly budget review. That will be somewhere between March and April. Periodic budget reports are given by the local authority to the citizens.

P. Sigauke: In between the 1st quarterly review and the mid-term review we conduct capacity building. This capacity building is offered to both the elected and the appointed officers and also to capacitate our stakeholders. Stakeholders are capacitated on issues related to finance, tendering, evaluation and monitoring of the whole process and this is mostly done through workshops and training sessions which are either given by external facilitators or we also use what we call a district training team to conduct the capacity building.

M. Hodzi: Six months down the line we have gathered enough information to see whether the budget has been operating correctly or needs some corrections. We again call the stakeholders for consultation where we want to review the budget performance for the past six months. At this juncture that's when we scrutinize the performance of the several of the council and see whether we have collected the revenue as per expectations of the budget. And we also go to the same people to consult whether there is need with the advice of officers. The need for supplementary budget and if necessary the officers would give us guidelines of how to go on with the supplementary budget.

P. Sigauke: After the mid-term budget review we find out if there is need for a supplementary budget. If our budget is not participating well and if our budget is performing well then there will be no need for a supplementary budget. If there is need for a supplementary budget we consult the stakeholders again and ask them to contribute more in order to enable the budget sail through up to the end of the year. At the same time we also start preparations for budget for the coming year by issuing guidelines and advising council and relevant committees giving them guidelines which we would have got from the central government and also guidelines which officers would have taken from administrative books which are issued by the central government. Then we go on to the last budget review which is the fourth budget review before we engage the stakeholders.

Hodzi: We go back to the cycle. We do the final budget review for that current year which will be somewhere around October, again during the process people are consulted on a continuous basis. So the stakeholders are again called to consider proposals for the next financial year. We then consolidate the budgets of the various committees. That is done by the finance committee, and usually by November our budget proposals for the next financial year are completely ready for advertisement and approval by the Ministry.

G. Matovu: How has the process influenced the members of the community towards the council?

P. Sigauke: There has been a lot of appreciation of what the council does because previously the budgeting system was viewed as a thing which was only done by the councilors and the appointed officials and it had no relevance at all to the wishes and dreams of the community. Now that we are budgeting together with them there is now a sense of ownership of the whole process and the sense of appreciation of problems and challenges council face and if you go back to them and say do you contribute more as far as financing community is concerned would be glad to do it, at the same time
everybody in Mutoko now appreciates what council does. By the process now of the social contract it is now a people’s budget not a council’s budget.

M. Hodza: There is now a sense of belonging, a sense of ownership. Previously it used to be council and the people, but now the people feel they own the council; the assets belong to the people and all the projects they know are being done on their behalf and they actually see where their money is going at the end of the day.

G. Matovu: Thank you everyone. I believe that good practice in Mutoko rural district will set an example for other communities throughout Africa to initiate a participatory budgeting process in their municipalities. I am George Matovu from Municipal Development Partnership for Eastern and Southern Africa.

W. Odongo: Here with us in the studio were also Maxwell Hodzi and Peter Sigauke from Mutoko Rural District Council and Municipal Finance Expert Ms. Thandiwe Mlobane from Zimbabwe.

Ms. T. Bebora : Next time we will travel to South Africa and present a new way of doing business – “People’s Budget”, the case study of Participatory Budgeting practice in large municipalities – eThekwini and Johannesburg. Thank you for listening.

Music

OUTRO:
This programme is brought to you by the Municipal Development Partnership for Eastern and Southern Africa and its network of institutions, and the World Bank Institute supporting the local government training through the radio waves. The programme was financed by the BNPP, The Bank – Netherlands Partnership Programme. Thank you for listening to the Good Governance on the Radio Waves learning programmes.

End of programme

Glossary – Part 7A

**Broad based workshop** — consultation meeting that involves the local authorities and the civil society

**Enabling environment** — positive setting of factors that promote participation of stakeholders in participatory budgeting process

**Face-to–face interview** — direct dialogue, conversation with a stakeholder
**Stakeholder consultation** — calling upon all stakeholders, i.e. CSOs, council, government line ministries, and traditional chiefs to bring about priorities and projects which they want to include in the budget.

**Stakeholder profiling** — analyzing characteristics and needs of a stakeholder