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Why Decentralisation Fails to Deliver: Lessons from Uganda and Tanzania

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Key Messages

- Decentralisation reforms in Uganda and Tanzania were designed to improve democracy, accountability, and service delivery, but both countries have experienced limited results.
- Institutional design matters, but political incentives and ruling elite interests often determine whether decentralisation succeeds or otherwise.
- Fiscal dependence on the central government remains the biggest obstacle to genuine local autonomy in both countries.
- Strengthening decentralisation requires legal protection, sustainable local revenue systems, administrative autonomy, and stronger citizen oversight.

Introduction

Decentralisation has been one of the most widely promoted governance reforms across Sub-Saharan Africa over the past three decades. Governments, donors, and reform advocates have viewed decentralisation as a pathway to bring government closer to citizens, improve service delivery, increase participation, and strengthen accountability. By transferring power, responsibilities, and resources from the central government to local authorities, decentralisation is expected to make governance more responsive to local needs (Smoke, 2015).

Uganda and Tanzania are among the most notable examples of decentralisation reform in East Africa. Both countries share similar colonial legacies, early post-independence centralisation, and later reforms during the 1980s and 1990s. However, they adopted different pathways. Uganda constitutionally entrenched decentralisation through the 1995 Constitution and the Local Governments Act of 1997. It established a five-tier Local Council system intended to promote grassroots participation and devolve political, administrative, and fiscal powers (Francis & James, 2003; Lambright, 2014). Tanzania followed a more policy-based route. After reintroducing local governments in 1982, it adopted the Decentralisation by Devolution (D-by-D) Policy in 1998. This aimed to empower Local Government Authorities (LGAs) to plan, budget, and deliver services more independently (Tidemand, 2015; Lameck & Kinemo, 2021).

Despite these reforms, both countries continue to face central government dominance, limited local autonomy, and uneven service delivery outcomes (Green, 2015; Kessy, 2023). This policy brief examines why decentralisation has struggled to deliver in both contexts and identifies lessons for future reforms.

Methodology

This policy brief draws on a comparative case study of Uganda and Tanzania using documentary analysis conducted between January and July 2026. The review covered a wide range of literature and policy documents published between 1990 and 2026, capturing over three decades of

decentralisation reforms and governance developments in the two countries. Sources examined included national constitutions and legal frameworks governing decentralisation, relevant local government laws and reform policies, government reports, donor evaluations, academic literature on decentralisation and governance reforms, and previous empirical studies focusing on Uganda and Tanzania.

The comparative approach enabled a systematic assessment of similarities and differences in the design, implementation, and outcomes of decentralisation reforms across the two countries. The analysis was guided by two complementary theoretical perspectives. First, decentralisation theory was applied to examine institutional arrangements, transfer of powers and responsibilities, and local autonomy. Second, political settlement theory was used to analyse how elite interests and power relations shape whether reforms are sustained or undermined.

Key Findings

Strong reforms on paper, limited results in practice

Both Uganda and Tanzania adopted ambitious decentralisation reforms. Uganda's constitutional framework appeared stronger because decentralisation was legally protected. Tanzania's reforms relied more on policies and legislation, making them easier to revise or reverse. However, in both countries, decentralisation has often remained stronger in legislations than in practice. Central governments retain control over finance, staffing, and decision-making.

Fiscal centralisation undermines local government

Meaningful decentralisation requires financial resources. Yet local governments in both Tanzania and Uganda remain highly dependent on central government transfers, which finance over 80% of LGA budgets in Tanzania and approximately 85–90% in Uganda, while own-source revenues contribute less than 20% and 10–15%, respectively (United Cities and Local Governments [UCLG] 2024; World Bank, 2024; Uganda Local Government Finance Commission [LGFC], 2024; World Bank, 2023). In Uganda, conditional grants constitute most district budgets, with funds earmarked by the central government, while local revenue sources have steadily weakened over time. On the other hand, in Tanzania, local governments rely overwhelmingly on central transfers, while own-source revenue remains limited and central government approval constrains local taxation powers. As a result, local governments cannot plan independently or respond effectively to local priorities.

Administrative control remains centralised

Even where local councils are elected, senior administrative officials are often appointed or managed by central authorities. Although Uganda's 1995 Constitution and the Local Governments Act (1997) empowered District Service Commissions to recruit district staff, subsequent reforms, particularly the Local Governments (Amendment) Act (2005), the Public Service Act (2008), and related public service regulations recentralised the appointment and management of key officials such as Chief Administrative Officers under the Public Service Commission, thereby reducing local government autonomy. In Tanzania, key officials, such as council directors, are centrally appointed. Regional and District commissioners exercise strong influence over local authorities. Local Authorities have limited discretion and decision space on several issues, including human resources and financial management. This weakens downward accountability to citizens and shifts loyalty upward to the central authorities.

Political incentives shape reform durability

Decentralisation tends to endure when it serves the interests of ruling elites and to weaken when it is perceived as threatening central authority (Dickovick & Riedl, 2025; Resnick, 2023). In Uganda, the National Resistance Movement (NRM) government initially promoted decentralisation to strengthen legitimacy in the post-conflict period but later curtailed local powers when local governments became

politically costly. In Tanzania, reforms progressed during the era of liberalization and donor-supported governance changes but slowed or were reversed when executive priorities shifted toward tighter central control. This demonstrates that decentralisation is not merely a technical reform, but also a deeply political process.

Limited citizen participation

Although both countries created elected local councils, real citizen influence remains constrained by limited accountability systems, elite dominance, low fiscal autonomy, limited transparency, and executive interference. As a result, local elections alone have not guaranteed responsive governance. People are not actively pushing their own development agenda, and instead, that responsibility is left to the local bureaucrats. In some years, even the voter turnout is low. For instance, evidence from Afrobarometer in Uganda suggests that citizen engagement with local governments remains low. Only 25% of citizens reported that local councillors often or always listen to ordinary people, while the proportion of citizens who had contact with their councillors declined from 62% in 2005 to 25% in 2022. Moreover, about 72% of Ugandans reported that councillors never or only sometimes listen to their constituents (Krönke & Kakumba 2022).

Conclusion

Uganda and Tanzania followed different decentralisation models but reached similar outcomes - limited local autonomy and continued central dominance. Uganda's constitutional model initially appeared stronger and more durable than Tanzania's policy-driven approach. Yet constitutional guarantees alone did not prevent recentralisation. Tanzania's reforms lacked strong legal safeguards and proved vulnerable to executive reversal. The evidence shows that decentralisation succeeds not only through legal design but through supportive political incentives, real fiscal transfers, and institutional accountability. Without these, decentralisation risks becoming symbolic rather than transformative. For many African countries, decentralisation remains unfinished business. Decentralisation cannot succeed through policy rhetoric alone. It requires power, resources, and political commitment to make local governments truly accountable to citizens rather than dependent on the centre.

Recommendations

1 STRENGTHEN FISCAL AUTONOMY

- **Expand legal revenue powers:** authorise broader local tax bases, modernise property rates, and enable efficient digital fee collection.
- **Reduce reliance on conditional grants:** increase unconditional and performance-based grants.
- Introduce transparent, predictable, **formula-based transfers** allocated by population, poverty levels, and service needs.

2 PROTECT LOCAL GOVERNMENT POWERS LEGALLY

- **Enshrine decentralization principles** in laws or constitutions, including powers over planning, budgeting, and service delivery.
- **Clarify roles and responsibilities** of central and local authorities through revised legislation.
- Prevent arbitrary withdrawal of local powers through **legal safeguards and independent review** mechanisms.

3 INCREASE ADMINISTRATIVE INDEPENDENCE

- Empower councils to **recruit, deploy, and manage staff** through transparent and competitive procedures.
- **Reduce political appointments** in technical positions such as council directors and chief officers.
- Strengthen **merit-based recruitment, promotion, and performance** systems led by independent public service bodies.

4

IMPROVE CITIZEN ACCOUNTABILITY

- Institutionalise **participatory budgeting, public hearings,** and village or ward consultations.
- **Publish** budgets, procurement contracts, and audit reports on notice boards and online portals.
- Support civil society, audit institutions, and council oversight committees to **monitor service delivery and hold officials accountable.**

5

ALIGN POLITICAL INCENTIVES WITH REFORM

- Frame strong local governments as **partners for development,** service delivery, and political legitimacy.
- **Reward well-performing councils** through competitive grants and public recognition.
- Lead **inclusive national dialogue** on the long-term future of decentralization and local governance reforms.

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