

Autonomy, Capacity and Service Provision of Local Governments in Oromia

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Abstract

This article examines the service-delivery roles and functioning of local governments in Ethiopia's regional state of Oromia. To this end, three local governments – Bishoftu, Ada'a and Akaki – are selected for analysing to what extent these units have been providing local public services, including water and health. This research finds that the local governments are not faring well in delivering public services. On the one hand, the three case studies show that the local units have inadequate capacity to provide water supply services. The regional state of Oromia has not only retained the power to determine the structure, human resources and funding of water-supply projects, but also the Regional Water Bureau plays weak supervision and capacity-building roles. The case studies also reveal that the local governments' functioning in the provision of water supply has not been under public control, as these units are not held accountable for their performance in the provision of the water supply service. In the urban local context of Bishoftu, for example, the Water Management Board is established by, and accountable to, the Regional Water Bureau; but the Bureau in turn is accountable to the regional cabinet, which is accountable to the regional council, creating a long and upward-facing accountability mechanisms. Turning to the health-service provision, all the legal, policy and regulatory frameworks as well as standards for health service emanate from the federal level; and the regional government has no health policy of its own. The major decision-making on hiring providers and procuring medical equipment and pharmaceuticals rests

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with the Regional Health Bureau. However, the preventive health policy of Ethiopia has brought great awareness of health services and the demands and behaviour of the community have been influenced accordingly, with the people attending health centres more often than not. The main factor that impedes effective health services by urban- and woreda-level governments is the issue of capacity- the functional responsibilities assigned to local governments are out of alignment with their capacities. The empirical evidence also indicates that the community participation in health-service provision has declined due to governments' lack of accountability and inability to meet promises in improving health provision in terms of equity and quality, if not coverage. Communities even refuse to pay for health insurance because they believe their money will be stolen by corrupt officials and trust neither service providers nor local leadership. Thus, the study contends that no decentralized public service delivery can be effective unless there are adequate structural, financial, human and material capabilities at the local government levels.

Key Words: Capacity, Decentralization, Local Service Delivery, Water Supply, Health Services, Oromia

1. Introduction

Local governments in federal and/or decentralized systems generally perform three interrelated functions: governance, public service provision, and developmental roles. In this perspective, decentralization is a process that provides a sustaining force for political competition at the local level to ensure local accountability and to enhance the efficient delivery of public services. The extensive literature on decentralization reveals that a unit of government should have the legal and administrative ability to perform services assigned to it. It also needs an adequate financial base to perform the assigned services. This article examines the service-delivery roles and functioning of local governments in Ethiopia's regional state of Oromia. To this end, three local governments – Bishoftu city, Ada'a and Akaki – are selected for considering the extent to which local units are providing public services for local communities.

The first case for investigation is the city of Bishoftu, commonly regarded as the most regionally significant city in terms of cultural, tourism, economic and industrial activities. The case of Bishoftu provides an opportunity to understand how the regional context of Oromia, particularly the values and principles

of the Gada system, fits into the decentralization system. The city is the center of a remarkable religio-cultural festivity, *Irreechaa*, in addition to which it is undergoing rapid urbanization. Bishoftu houses the Bishoftu City Administration, Ada'a Rural Administration, and the Office of Gada Leaders of Oromia. It also hosts other federal institutions, such as the Ethiopian Air Force, Ethiopia Management Institute, and National Defense Engineering Technology.

Ada'a Woreda, on the other hand, is the *woreda* surrounding the city of Bishoftu. Its climate and fertile soil make it suitable for agriculture, particularly for growing *teff*, pulses, peas, beans and lentils. Part of the reason for selecting Ada'a is to investigate how the urban-rural linkage and inter-local cooperation function in the provisioning of services and development activities in Oromia's decentralization system.

A further *woreda* selected for study is Akaki, one of the rural *woredas* of Oromia Special Zone Surrounding Finfinne (OSZSF). It has 28 rural *kebeles* and one urban center – Abusera – under its administration. Dukem is the seat of Akaki Woreda administration. The *woreda* shares boundaries in the west with Finfinnee city and South West Shoa Zone; in the east with East Shoa Zone; in the north with Barak Woreda; and in the south with the Southern Nations, Nationalities, and People's Region (SNNPR).

With a population of more than 80,000, Akaki has been selected as a typical case for investigating the capability and service provisioning of rural local governments in the OSZSF. Akaki is the *woreda* closest to the largest urban center of Ethiopia (Addis Ababa/Finfinnee); it also hosts Abba Samuel I, which generates 16MW of hydroelectric power, and serves as the station for the Gilgel Gibe III hydroelectric power. Geographically, the *woreda* is in a propitious position, but the same cannot be said of its status when it comes to access to public services: Akaki could not benefit from the surrounding and rapidly urbanizing cities such as Dukem, Galan and Finfinnee/Addis Ababa.

The study employed a variety of methods for engaging with primary data sources, including key informant interviews (KII); focus group discussions (FGDs); and in-depth interviews (IDIs). A brief survey questionnaire was used to assess customers' satisfaction with Bishoftu urban water service. Also, informal con-

versations were held to gain insight into issues related to the service provisioning and developmental functions of the local governments under study. Checklists were prepared to seek relevant documents on institutional, financial, administrative and selected service sectors. Administrative and financial data have been utilized in conjunction with the results of the primary data collection.

The article begins with an overview of the institutions, roles and fiscal autonomy of the three local governments. It then examines their delivery of selected services, including water and primary health care, analyzing the extent to which these local units have been functional in the provision of the services. Thirdly, it assesses the role, function and capacity of the selected local governments with regard to primary health-care services. The last section sets out key findings and makes concluding remarks on the public-service provision roles and functions of local governments.

2. Local Institutions of Governance

The opportunities that decentralization provides can be assessed on the basis of, among other things, whether local communities participate in, negotiate with, influence, control or hold to account the institutions of *woreda* and municipal government. This includes influencing local government planning and budgeting processes; gaining access to critical information related to service delivery and local economic development; and holding government officials accountable (for example, through elections or the media and courts).

Table 1: Size and Composition of the Selected *Woreda* and City Council

Name of <i>woreda</i> /city	Number of councillors in <i>woreda</i> /city council	Composition criteria	Number of councillors in <i>woreda</i> 's/city's <i>kebele</i> /council	Com- position criteria
Bishoftu	63	Seven from each of the nine <i>kebeles</i> of the city	300	150 male council-lors
				150 female council-lors
Ada'a	68	34 male and 34 female councillors	300	150 male council-lors
				150 female council-lors
Akaki	84	Three representatives from each of the 28 <i>kebeles</i>	300	150 male council-lors
				150 female council-lors

Source: Researchers' field notes, January 2018

The informants reiterate that the local council is a “toothless tiger”. The three cases show that the local councils could not play check-and-balance roles, as a number of factors disempower them while ensuring that the executive remains predominant. First, the *woreda* chief executive or mayor use the party line-command and issue orders to the speaker of the *woreda* or city Council, allowing at the same time that the speakers themselves are

often less than competent and do not know how to exercise their power over the executive. The salary of the speaker of the *woreda* or city council is the same as that of the chief executive or mayor; the speakers thus tend to keep up good relations with the executive and party figures so that they can stay in power and continue to be paid such an attractive salary.

Secondly, the executive allocates insufficient administrative budget for the *woreda* or city council. The budget allotted for local councils hardly covers the cost of the quarterly meetings the councils need to hold. Informants from the councils note that the inadequacy of their budgets is indicative of how local councils have been undermined. In addition, the *woreda* or city council does not have the material and logistical capacity to go into the field to engage with the electorate and visit project works as required. Remarkably, four standing committees have been established to monitor and report on the executive, but the role of these committees is restricted by the budget allotted to the council for following up on and providing feedback to the various policy sectors in the city or *woreda*. Hence, local councils are hamstrung by budget allocations and the party-political influence the executive has on councillors.

Thirdly, another problem that affects how well *woreda* councils function is that *kebele* councils in the *woreda* may be dysfunctional. Ada'a and Akaki *woredas* each have 300 *kebele* councillors (150 male, 150 female). However, informants claim that there are no clear lists of councillors, that councillors have been reluctant to attend the *kebele* council's meetings, that the meetings are not held periodically, and that the city or *woreda* councils have inconvenient workplaces, in that they operate in very small office spaces and lack meeting halls.

YonnesGonfa,³ the head of the standing committee of the Bishoftu city council, noted that speakers of the *woreda* or city councils worry about their relationship with the executive and party chair – they are concerned about losing their position and facing salary cuts if they attempt to impose checks and balances on the executive as they are required to do in terms of the legal responsibilities of the council; instead, the executive gives orders to the speakers in the name of the ruling party.

3 Interview: 27 December, 2017, Bishoftu.

Instability in the executive position has also undermined the functioning of local institutions of governance – this is due to frequent changes of local leadership, particularly so of the chief executive of the *woreda* and mayor of the city. For example, the municipal governance structure of Bishoftu follows a sort of the ‘Council-Mayor’ wherein the Mayor is expected to be not only a politician but also he/she must be a competent in public management (Meheret 1998; Minas 2003). Bishoftu has had four mayors since the 2005 local elections (namely, Diriba Tufa, Kefiyalew Ayana, Dr Dadi Wodajo, and Genet Abdela, who is still in office at the time of writing), which indicates not only the incapacity of the city council in controlling the process of appointment of the city Mayor, but also makes the executive branch of the city government unstable and perturbed in its institutional memories. Likewise, Akaki Woreda has had four chief executives since the 2005 local and regional election, namely, Mr Telahun (2005), Mr Teshome (2007), Mr Abate (2008), and Mr Bogale (2009 to the present). The Akaki Woreda chief administrator, who is in office at present, is not a member of the *woreda* council, which cannot fire the chief executive. It was the SZOSF that appointed the chief administrator, a decision the *woreda* council simply endorsed under the pretext that whatever the party believes in cannot be rejected.

According to key informants,⁴ the unstable mayoral and *woreda* administrative positions have created a number of problems in the governance role of the city and the *woredas*. These include loss of institutional memory; lack of commitment to implementing pre-existing plans, given that the arrival of a mayor or chief administrator entails a new or shuffled cabinet; and insufficient time for leaders to make any impact – it takes time for local leaders to run the city or *woreda*.

In sum, city or *woreda* councils are disempowered in a multitude of technical, political and financial ways, as a result of which they remain “toothless tigers” that lack the capacity to discharge their responsibilities.

4 Interview: Mr Kenesa, planning and budget expert, Bishoftu city, 15 January, 2018; Mr Tsegaye Shiferaw, Core Processor, Ada’a Woreda Administration Office, 16 January, 2018, Bishoftu.

3. Local Fiscal Autonomy

Fiscal decentralization is imperative for enabling local governments to make independent decisions about the provision of public services (Oates, 1999). It entails the transfer of power to local authorities to make autonomous decisions about revenue-collection strategies and expenditures, and involves granting them the discretion to prepare and approve budgets regarding reasonable revenue anticipated and expenditure needed (Dafflon & Madies, 2009). The financial capacity of the three case local governments-Bishoftu, Ada'a and Akaki-are assessed as follows.

3.1 Bishoftu City

Table 2 shows that Bishoftu's performance in raising both state and municipal revenue declined after the 2014 fiscal year. According to key informants,¹ this was due to the Oromo protest and tension in the regional state. Table 3 shows the city's allocation and utilization of the budget for state functions for the past decade. Table 4 in turn presents its municipal budget for covering administration, municipal services, and construction projects; as can be seen, the collection of municipal revenue increased year on year.

Table 2: Revenue Performance of Bishoftu City

Fiscal years	State revenue			Municipal revenue		
	Plan	Performance	%	Plan	Performance	%
2009	16,135,745	19,328,468	119.79	54,000,000	38,476,381	71.25
2010	20,087,862	25,765,000	128.26	42,000,000	29,963,732	71.34
2011	27,441,883	33,036,570	120.39	49,844,374	43,152,537	86.57
2012	45,574,410	55,382,837	121.52	58,734,728	59,338,426	101.03
2013	82,932,848	76,734,076	92.52	70,058,206	76,866,236	109.72
2014	151,116,568	148,899,370	98.53	150,000,000	95,730,051	63.82
2015	226,851,471	221,771,407	97.76	123,841,763	119,568,152	96.55
2016	360,280,007	286,882,061	79.63	130,349,800	108,846,377	83.50

1 Interview: Mr. Gabreyohanes Gonfa, head of the Budget and Finance Standing Committee of the Bishoftu City Council, 27 December, 2017; Mr. Kenessa Alemayehu, coordinator of the budget operation of Bishoftu City Finance and Economic Development Office, 15 January, 2018.

Source: Computed from the Socio-economic Profile of Bishoftu City, Finance and Economic Development Office of Bishoftu, 2017

Table 3: State Function Budget Allocation and Utilization of Bishoftu City (2006–2016)

Fiscal years	Budget allocated for state functions			Budget utilized by state functions		
	Recurrent	Capital	Total	Recurrent	Capital	Total
2006	11,341,105	1,076,325	12,417,430	10,983,612	1,053,409	12,037,021
2007	13,236,947	277,875	13,514,822	12,879,945	277,875	13,157,820
2008	17,698,198	0	17,698,198	17,471,807	0	17,471,807
2009	18,860,629	3,998,122	22,858,751	18,730,462	3,984,693	22,715,155
2010	24,639,548	3,276,969	27,916,517	24,436,406	2,990,144	27,426,550
2011	29,380,171	3,320,338	32,700,509	29,381,650	3,007,586	32,389,236
2012	37,303,024	3,012,742	40,315,766	36,523,768	1,731,794	38,255,562
2013	44,815,567	3,385,628	48,201,195	44,487,559	3,270,533	47,758,092
2014	52,311,506	5,454,402	57,765,909	51,949,776	5,338,802	57,288,579
2015	80,238,480	6,684,939	86,923,419	79,576,516	6,154,331	85,730,848
2016	89,646,682	13,562,020	103,208,702	84,448,906	12,846,849	102,295,756

Source: Computed from the Socio-economic Profile of Bishoftu City, Finance and Economic Development Office of Bishoftu, 2017

Table 4: Municipal Budget Allocation and Utilization of Bishoftu City

Fiscal years	Budget allocated for municipal functions			Budget utilized for municipal functions		
	Recurrent	Capital	Total	Recurrent	Capital	Total
2006	5,838,973	16,730,393	22,569,366	5,104,718	11,163,169	16,267,887
2007	6,203,630	20,688,724	26,892,354	4,921,765	13,438,480	18,360,246
2008	8,209,816	56,778,476	64,988,292	7,317,622	41,682,769	49,000,392
2009	10,453,194	55,723,000	66,176,194	8,637,408	35,617,089	44,254,497
2010	11,851,000	30,149,000	42,000,000	10,980,940	23,673,020	34,653,960
2011	16,122,032	33,375,798	49,497,830	15,011,031	28,286,496	43,297,527
2012	18,351,343	39,583,880	57,935,223	15,622,296	37,893,112	53,515,408
2013	33,398,072	39,629,908	73,027,980	27,156,405	38,391,346	65,547,751
2014	57,991,092	94,956,471	152,947,563	28,568,811	74,816,194	103,385,066
2015	55,049,585	69,501,906	124,551,491	36,426,797	66,016,664	102,443,462
2016	48,728,011	81,336,188	130,064,199	35,520,871	76,522,755	112,043,626

Source: Computed from the Socio-economic Profile of Bishoftu City,

3.2 Ada'a Woreda

Table 5 below illustrates the problem of planning. In principle, the *woredas* plan for revenue collection at the beginning of the fiscal year, but there is no magical formula for ensuring that planned and actual performance are in complete alignment with each other (which would point to a lack of accountability, for instance through the adjustment of reports to impress the upper-level government). As the table shows, the planning aspect of revenue collection lacks any clear pattern. The forecast was at the highest in 2013, but was reduced threefold the next year, in 2014. Paradoxically, the performance has been more than 100 percent in all the fiscal years.

Table 5: Ada'a Woreda Revenue Performance (2010–2017)

Fiscal year	State revenue		%
	Plan	Performance	
2013	46,100,325	47,847,077	103.8%
2014	13,669,780	18,190,354	133.1%
2015	23,581,877	27,862,090	118.2%
2016	37,000,000	43,325,724	117.1%
2017	32,788,409	33,512,339	102.2%

Source: *Ada'a Revenue Authority Office, 2017*

Table 6: Ada'a Woreda Budget Allocation and Utilization

Fiscal years	Budget allocated for the <i>woreda</i>			Budget utilized by the <i>woreda</i>		
	Recurrent	Capital	Total	Recurrent	Capital	Total
2013	35,752,960	1,813,000	35,752,960	36,112,807	4,163,823	40,276,630
2014	42,533,573	2,769,224	45,302,797	42,487,693	5,096,342	47,584,035
2015	46,806,384	5,202,548	52,008,932	59,339,838	6,297,603	62,033,570
2016	72,111,305	6,138,904	78,250,209	72,189,398	9,732,706	81,922,103
2017	79,798,856	1,076,981	80,875,837	95,922,562	3,456,281	99,378,846

Source: *Ada'a Woreda Finance and Economic Development Office, 2017*

Table 6 shows that while the budget allocates resources predominantly to recurrent expenditure, the capital budget is small, indicating that less attention is given to the developmental role of the local government. FekaduTeshome² notes that what is worrisome for the *woreda's* revenue-raising capacity is the lack of structural linkage between the finance office and the revenue-collecting authority of the *woreda*. The revenue authority has no power to open an account or make any transfer in the bank: it is the finance office that has this mandate. The revenue authority, however, cannot order the finance office to do anything, but depends entirely on the goodwill of the finance office to help it in the revenue-collection process – a state of affairs that has constrained the *woreda's* revenue-collection capacity.

An official³ notes, moreover, that the recent inclusion of four rural *kebeles* within the boundary of Bishoftu city has further weakened the revenue capacity of Ada'a Woreda. This is so because the latter lost a number of revenue sources with the departure of these *kebeles*. The demarcation was not fully considered from the perspective of *woreda* revenue collection, with the informant⁴ from Ada'a Woreda contending that it was not adequately consulted on the matter.

3.3 Akaki Woreda

As Table 7 shows, the revenue-raising capacity of Akaki Woreda has increased over the fiscal years. However, its revenue-raising performance was notably lower for the two fiscal years of 2016 and 2017. This, according to the key informant,⁵ was due to the Oromo protest that occurred during these periods: the crisis that was not conducive for the revenue authority's attainment of its planned revenue.

2 Interview: Coordinator of the revenue operation, Ada'a Woreda, 3 January, 2018 Bishoftu.

3 Interview: Mr Adugna Midekso, head of Ada'a Woreda Administration, 3 January, 2018, Bishoftu.

4 Interview: Mr DerejeDingata, coordinator of budget administration, Ada'a Finance and Economic Development, 3 January, 2018.

5 Interview: Mr Chala Koricha, head of the revenue authority of Akaki Woreda, 2 February 2018, Dukem.

Table 7: Revenue Planning and Performance in Akaki Woreda

Fiscal year	Akaki Woreda revenue		
	Plan	Performance	%
2010	2,250,000	2,515,086.31	111.78
2011	2,800,000	3,122,238.98	111.51
2012	4,305,870	3,930,382.92	91.28
2013	4,225,310	4,692,098.75	100.79
2014	5,962,902	5,583,597.08	93.64
2015	6,520,755	9,389,508.04	143.99
2016	12,384,15	9,961,962.34	80.44
2017	10,452,260	8,950,823.18	85.64

Source: Akaki Woreda Revenue Authority, 2018

The *woreda* has small revenue-raising bases. The two urban centers, Dukem and Galan, recently separated their administration from it, taking the revenue sources and revenue-raising potential they represent to the municipalities of Dukem and Galan.⁶ Consequently, Akaki Woreda has been left with few sources of revenue from rural land tax and employment income tax. The OSZSF nevertheless requires Akaki Woreda revenue authority to raise revenue from an extensive range of source even though it does not have the capacity to do so. As an informant⁷ noted: “It has been the zonal administration that gives us the revenue-raising plan; we cannot plan according to the *woreda* context as the decision comes from above.”

The informant said there were various reasons why it was difficult to raise revenue as planned:

- the plan is imposed by the zonal administration;
- the revenue-raising authority lacked adequate budget for administrative costs, and revenue collectors could not move to the rural *kebeles* for the collection of taxes;
- the *woreda* is stretched geographically, and it is difficult to reach out to the rural community since rural areas are inaccessible due, for example, to a lack of roads;

6 Interview: MrChala Koricha, head of the revenue authority of Akaki Woreda, 2 February, 2018, Dukem.

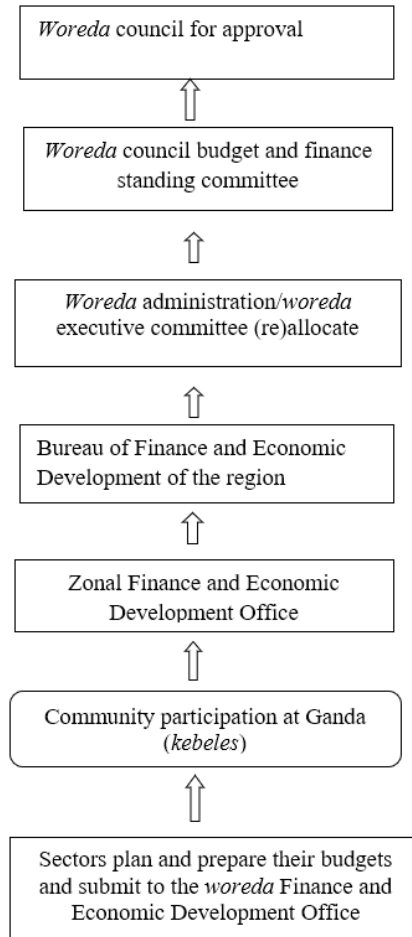
7 Interview: Mr Lammi Adugna, expert, Akaki Woreda council, 4 February, 2018.

- taxpayers lack awareness of their obligations; and
- taxpayers are increasingly resistant to paying taxes as they have not seen improvement in social services and infrastructural expansion.

For example, rural communities have no access to clean, safe drinking water; as a result, when revenue collectors go into the field and ask them to pay taxes, their response is: “How can the government ask us to pay tax and make community contributions year after year without at least ensuring access to water supply and access to markets in Finfinne, Galan and Dukem?” The severe problems of good governance in Akaki Woreda are related to challenges to do with water, road and electricity utilities.

The Ada’a and Akaki *Woredas* face serious budgetary shortages in covering even their regular and administrative expenses, let alone fulfilling their developmental role. Budgeting processes are meant to take into account the participation of the community, but the amount of budget for the *woreda* is set by the Regional Bureau of Finance and Development. According to financial experts, the preparation of the *woreda* budget follows the steps set out in Figure 1 below.

Figure 1: The Steps in the Preparation of the *Woreda* Budget



Source: Researcher's notes from key informant interview

An informant from Akaki Woreda states:

The budget for asphalt roads in Dukem town as approved by city council is 80 million. The annual budget for Akaki Woreda, with a population of over 84,000 and 29 *kebeles*, is less than 70 million. Of this, only 3.5 million came as capital budget, which cannot build a two-kilometre road, and the budget for administrative costs was spent in the first quarter of this fiscal year.

In contrast, the city of Bishoftu has the capacity to finance itself through own internal municipal revenue; however, it did not collect from all the municipal revenue sources. Tension

in the Oromia region has also made taxpayers reluctant to pay taxes. Besides, with there being a pervasive lack of good governance, taxpayers were complaining about the tax rate.⁸

In summary, several factors constrain the developmental role of local governments. Looking at the two case studies – the *woredas* of Ada'a and Akaki – local governments play minimal developmental roles because

- nearly 97 percent their budget goes to recurrent expenses;
- capital expenditure accounts for merely three percent of the annual budget;
- there is a lack of non-governmental organizations (NGOs) and PVT organizations actively supporting developmental activities in the *woreda*;
- the *woredas* have limited revenue-raising capacity; and
- regional instability has impeded tax collection and non-tax sources of revenue.

4. Capacity of Local Governments and Service Delivery

4.1 Water Supply

4.1.1 Bishoftu City

Bishoftu city has 21 boreholes and water coverage of 65 percent (Socio-economic Profile of the City, 2016: 41).⁹The regional standard for Bishoftu is 80 litres per capita, whereas the city delivers only 60 litres per capita. As Table 8 shows, access to potable water has not kept up with the increasing numbers of customers of the service – in other words, water supply is far from accessible to all residents.

Table 8: Production, Number of Customers, and Coverage of Water Supply for Bishoftu (2010–2016)

8 Interview: Finance and Economic Development Office, Bishoftu City, 3 January, 2018.

9 Interview: Mr Fekadu Shiferaw, Planner, Bishoftu WSSE, 27 December 2017, Bishoftu.

Activities	2010	2011	2012	2013	2014	2015	2016
Deep-water well/boreholes	12	13	15	15	15	16	18
Daily water production in m ³	307	362	402	10,696	11,338	12,376	13,000
No. of customers	14,457	15,737	18,373	20,099	23,000	25,100	27,898
Coverage in %	78	90	95	95	98	98	65

Source: *Bishoftu City Water Supply Service Enterprise, 2016*

The management board of Bishoftu's Water Supply Service Enterprise (WSSE) is composed of eight members: one from the Regional Water Bureau; one from the electricity sector; one from the health sector; one representing women and children; one from the Finance and Economic Development office; two from the local community; and one from the education sector. The final member is the manager of the enterprise. Previously, the mayor of the city was the head of the board but the position is now filled by the head of the Regional Water Bureau.

Field research for this paper found there is a mismatch in supply and demand for potable water, and for several reasons. First, the City's Water Supply Office/Enterprise has inadequate capacity. The regional state of Oromia has retained the power to determine the structure, human resources and funding of water-supply projects, so although the function of water supply takes place in actuality at the city level, it is the Regional Water Bureau which has the meaningful technical and financial capacity. Indeed, as noted, it is this the bureau that determines the structure of the enterprise and undertakes capacity-building, which often comes in the form of technical and financial support. For example, the supreme organ of the Bishoftu WSSE, the board, is established by the Regional Water Bureau, to which it is accountable; the bureau is in turn accountable to the regional cabinet, which is accountable to the regional council, or the *Caffee*. This makes for a long accountability route, with the local city council not forming part of it. The technical department of the Water Supply Office/Enterprise is required to have the capacity to integrate the hydrological and governance aspects of urban water-supply provision and to understand the wider relationship between water, society and ecological processes.

For these structural reasons, the *woreda* or city water sector relies on expertise and material support from the Regional Water Bureau and beyond. Furthermore, the WSSE is unable to fund anything more than recurrent expenditure and small operational and maintenance costs. The revenue the WSSE collects does not enable it to undertake upgrades or redesigns of the water-supply system, given that projects require massive funding. Weak revenue-raising capacity is also a barrier to water-supply services that are more responsive in addressing changes in the demand for water brought about by rapid urbanization. The revenue generated by the enterprise cannot cover the necessary expansion of water infrastructure.

Furthermore, while the establishment of urban WSSEs in the market model appears to reduce the influence of politics on the management and delivery of urban water services, politics is indeed the key factor affecting water-supply services in the city of Bishoftu. In practice, enterprise managers have been found to be more engaged in political activities than in discharging their responsibilities, and hence the controller and service provider have become intermingled. The managers focus on their clientelist relations with the board and bureau rather than on the local community. In the case of Bishoftu city, interruptions in the supply of electrical power are another factor constraining water-supply services. As the informant¹⁰ from the enterprise notes, a water pump which the city bought for 1 million birr was damaged due to power interruptions.

Ethiopia's water policy and institutional frameworks require multilevel institutional cooperation – along both the vertical and horizontal dimensions – as a matter of necessity rather than choice. This study has shown that, beyond the mismatch between the local capacity and functional responsibilities, weak multilevel institutional coordination hampers the provisioning of water-supply services at *woreda* and city level. When it such coordination does occur, it usually arises from political expediency and as a firefighting strategy, often so during elections or when there are political tensions in the region.¹¹

10 Interview: Mr Fekade, planner and programmer of the Bishoftu City WSSE, January 2018, Bishoftu.

11 Interview: Mr EshetuAdemu, GIS expert at the Bishoftu City WSSE, January 2018, Bishoftu

The rapid and mostly informal urbanization of the city of Bishoftu has brought with it sharply increasing demands for public services such as water. Population growth not only puts pressure on water-supply services but requires the upgrading and restructuring of the water system to enable it to serve new as well as old urban settlements. The actual population demanding water services exceeds the population for which water supply was originally designed. In addition to population growth, there has been a vast outward movement of people to fringe areas where water-supply services were formerly unavailable, or were provided only on a limited scale; as a result, the city's physical expansion has gone further than the pressure zones of the water-supply distribution system. The newly established four *kebeles* of Bishoftu, for example, have limited water facilities (Socio-economic Profile of the City, 2016. p. 41).

.¹²As a result, new water urban institutions have had to be established or old ones expanded to provide water services to new settlements.

4.1.2 Ada'a Woreda

The water-supply coverage of Ada'a Woreda is 56 percent, according to information from its water office. Ada'a has no problem in terms of the sources of water; the problem concerns its quality: the available surface water, such as that in Modjo River, is polluted and cannot be drunk without treatment.¹³ Fortunately, the NGO Engage Now Africa has provided 16 million ETB for supporting drinking-water projects in the *woreda* and plans to establish one borehole per year – two have been completed already.

Informants¹⁴ put the issue of capacity at the forefront of the challenges to the *woreda's* water-supply services. The water office has no budget for supporting even small-scheme water projects; it lacks material capacity, including vehicles; and office space is constricted. Moreover, the office is not an attractive employment proposition for professionals, and because the regional bureau does not provide capacity-building for staff, there has been a big turnover of employees.

12 Socio-economic Profile of the City, 2016, p. 41.

13 Interview: Mr Tesfaye Shiferaw, head of supervision and performance, Ada'a Woreda, 16 January, 2018, Bishoftu.

14 Interview: Mr Badada Garasu, HRM, Ada'a Woreda Water Office, 12 January, 2018, Bishoftu.

The water committee plays a major role in the *woreda's* service delivery, administering water points and collecting revenue from the community.

4.1.3 Akaki Woreda

Akaki Woreda faces severe problems of water supply. Water coverage is 61 percent, but there is no shortage of either surface or underground water. For example, the Akaki and Awash Rivers pass through the *woreda*. Dagim Kumsa, the head of the Budget and Finance Standing Committee of Akaki Woreda Council,¹⁵ notes as well that Akaki is endowed with adequate underground water and provides water for Finfinnee and Addis Ababa.

However, although the *woreda* is home to Dukem and Galan and has Finfinnee as a neighbor, access to clean drinking water has remained problematic. According to a key informant,¹⁶ the city of Addis Ababa has up to 50 deep-well boreholes in Akaki Woreda. The city has constructed few boreholes for the *woreda*, and these have also been of a low quality and below standard. The *woreda* has also been hamstrung by the longstanding lack of a clear boundary between it and Finfinnee city – competition over land and other scarce resources has weakened the *woreda* and made its future uncertain. The seat of Akaki Woreda is currently in Dukem, but the *woreda* has no say in the governance of the town where its administration sits. Furthermore, rapid urbanization has shifted sources of revenue away from the *woreda* to Galan or Dukem, and due to severe problems of access to services in the *woreda*, the *kebeles* neighbouring the cities prefer to be under the city rather than the *woreda*. There is also still a policy bias that favors the urban space over the rural.

The Woreda Administration Chief Officer, Mr Abdata Bikila,¹⁷ notes that the *woreda's* huge shortage of water-supply services has put good governance and the *woreda's* relations with the community in danger. However, water projects, be they large or small, take about five to ten years to complete; what is more, the *woreda* has no resources or mandate for deep-well water projects – although it has adequate underground water, it cannot even undertake shallow well-water schemes.

15 Interview: 2 February, 2018, Dukem.

16 Interview: Mr. Takele Tafese, community participation process owner, 4 February, 2018, Dukem.

17 Interview: 1 February, 2018, Dukem.

In essence, the *woreda's* water-supply challenges stem from severe capacity constraints. It has no power to design and run water projects other than hand-dug wells. The zonal water office does not have the capacity to run water projects. Hence, the design and technical capacity exists basically at the level of the Regional Water Bureau. The administrative and capital budget allocated for the water sector is small compared to that for other sectors. In terms of material capacity, the Akaki Woreda water office (as mentioned) has no vehicles, only two motorbikes (one of which is not working). Structurally, as the information from the office shows, there are 38 positions, yet in actuality only 13 people are employed – positions such as that of geologist, hydrologist, electrical engineer and economist have not been filled.

Yadata Roba¹⁸ says Akaki has huge underground water resources but the people still drink untreated river and lake water. Water is a highly demand-related good – it is targetable, territorial and visible, plays a role in populist or patronage politics, and consumption varies with price and availability. Politicians at *woreda* level have long promised water-service improvements to rural communities to win votes, but these promises have not been kept and the population is no longer tolerant of promises without action. This has become a major concern for the *woreda* leadership, which is no longer even able to assemble the local community, including members of the *kebele* council. The community's viewpoint can be rendered as follows:

We are not going to attend pointless meetings anymore. The problems we have are clear: lack of access to clean drinking water, as well as to roads, electricity and quality health services. What we need is also clear. We do not need leadership that calls for fruitless meetings. We need leadership beyond the woreda with the budget or capital to respond to our problems. In a nutshell, the woreda government has been unable to respond to our community's service demands.

4.2 Local Health Service Delivery

4.2.1 Bishoftu City

EshetuAdemu¹⁹ explained that the planned budget from the *wore-*

18 Interview: MrYadata Roba, head, Akaki Woreda Tourism and Culture Office, 5 February 2018.

19 Interview: Expert in planning and evaluation of the city health office, 02 January, 2018, Bishoftu.

da for 2010 Ethiopian fiscal year was 5 million ETB, whereas the approved and allocated budget was 2 million. The allocation of the budget to the health sector was said to be especially problematic: the allocators did not prioritize health services, with some of these officials heard opining that, because the health sector has support from NGOs, it has no budgetary problem. Ademmu described Bishoftu's incapacity as follows:

The city has four health centers. One of these is newly constructed, but it has not started working. The city cannot deploy human resources; rather, it requests the Oromia health bureau to deploy human resources for the new health center, but the city pays the salary. The city has been waiting for recruitment from above, as there is no mandate to fill the staff [positions]. Moreover, the bureau has the responsibility to build the capacity of the city. The city administration has no decision-making power on staffing and human power structure; it is the region that has the power to deploy the staff. The city administration can only notify the existence of vacant posts and submit the requests to the regional health bureau.

The big problem in health-service delivery, according to the head of the office, Abebe Bekele, is the supply of medicine. Medicine is supplied at the federal level, where the Pharmaceutical Fund and Supply Agency (PFSA) has the responsibility to do so. Another informant in the Bishoftu City's Health Office, Mr. Eshetue said:

Because this distributor i.e. PFSA has centralized, we go a long way to buy medicine. There are instances when the city waited for two weeks even to buy gloves. Neither we did get the item we requested, nor is the quality of the item assured.

Since 2007 Ethiopian Fiscal Year, the regional health bureau has shifted its customer from the PFSA to the Biftu Adugna- a regional state-owned enterprise due to weak procurement processes in the former's supplies. Nonetheless, challenges in medical procurement have not been resolved. Biftu Adugna's pharmaceutical procurement is also weak, its prices are higher than the previous supplier's, and the medicine supplied has been of low quality. Essential drugs have thus not been reliably available, and there has also been wastage, given that what the company supplies is often not what has been requisitioned. It is a state of affairs which shows that the urban local government is not empowered to purchase and actively participate in the procurement of pharmaceuticals.

4.2.2 Ada'a Woreda

Problems in Ada'a Woreda's health service, according to the planner and programmer of the health office,²⁰ are due to budget constraints. For example, the health sector used up all its administrative budget in the first quarter of the fiscal year. In addition, Ada'a has begun a health insurance system: 40 percent of households in it bought this insurance, but due to tensions in the region in recent years, the *woreda* could not collect the insurance contributions, as communities have been dissatisfied with government action and lack of good governance. Also, in the past, NGOs assisted with health services, but are no longer operating in the *woreda*.

The other challenge relates to human resources, specifically the scarcity of health professionals. For example, a former head of Ada'a Woreda Health Office²¹ said that "inasmuch as we could not find pharmacists, we have been using nurses instead". In turn, the coordinator of family health²² described health-service delivery as follows:

The *woreda* health bureau makes relations with the zonal health office, and it is through the zone that the bureau communicates the *woreda*. The *woreda* is dependent on the regional health bureau. It is the bureau that deploys the health staff and provides capacity-building activities for the *woreda*. The structure for deploying human [resources] is adequate, but there is no budget for recruiting the required health professionals. Nonetheless, the *woreda* health sector has wide material and logistical incapacity. The office has four motor bicycles but no vehicle. There are two ambulances: the community contributed and bought one ambulance, and the other was bought by the government contribution. Both the human and material capacities didn't go with the increasing demands of the population.

Ada'a Woreda introduced the health insurance system, but this has not fared well, with tension in the regional state of Oromia obstructing its full implementation. Informants emphasized that communities have been reluctant to join the insurance system because they believe the *woreda* leadership has a record of failing

20 Interview: Mr Jima Danansa, expert, Ada'a Woreda Health Office, 11 January, 2018, Bishoftu.

21 Interview: Mr Ebissa, former head of Ada'a Woreda Health Office, 11 February, 2018, Bishoftu.

22 Interview: Mr Munanesh, 11 February, 2018, Bishoftu.

to keep its promises. Hence, tension in the region in general and the *woreda* in particular have detrimentally affected community participation in efforts to improve health services, and for the part of the *woreda* leadership, attempts to mobilize the community in this regard have become a futile exercise.

4.2.3 Akaki Woreda

The Akaki Woreda health extension officer outlined its severe capacity problems:

The administrative cost allocated for the health sector has been finished in the first quarter of the fiscal year. Because of the tension in the region, the budget allocated in the fiscal year is less than the previous year. For example, following the *Irreecha* incident on October 02, 2016, eight health posts were burned down, along [with] the health equipment therein. In terms of human [resources], the *woreda* has no medical doctor, no laboratory technologist, no midwifery, and no Msc in public health. Material and logistics is another problem ... There is no vehicle for reaching out the widely dispersed rural *kebeles* of the *woreda*. The *woreda* has no medical doctor. Though it repeatedly requested [this from] the zone or the bureau, the *woreda* couldn't get [a] laboratory and pharmacist. Though the *woreda* submitted its request to the Oromia health Bureau, the bureau couldn't find these professions. The health staff have also repeatedly submitted ... complaints that they were not paid for the duty or overtime.²³

Despite significant improvement in community access to local-government health services since the introduction of *woreda*-level decentralization, several factors hamper local governments in providing these services. They include financial circumstances (high dependence on regional or federal block grants), inadequate numbers of health professionals in health centers, and limited ability to purchase and procure medical equipment.

23 Interview: Mr. Mengistu Kebede, head of Akaki Woreda Health Office, 02 February, 2018, Dukem.

Table 9: Akaki Woreda Health-Sector Human Resources

Health sector	Level of education			On duty in actuality	Structural requirement
	>Degree	Degree	Level II-IV		
Woreda Health Office	10	11	-	21	52
Health centers	13	50		63	170
Health posts	-	54		54	56

Source: Akaki Woreda Health Office, January 2018

The table shows that the *woreda* lacks the human resources required in terms of the structure of the sector. Barring the health posts, which are occupied by health extension workers, the health center and woreda health office are about 50 percent staffed (and 50 percent unstaffed) relative to structural requirements. Key informants²⁴ cite the acute shortage of administrative and capital budget as the number-one factor affecting Akaki Woreda’s capacity to provide health services. This problem has existed for the past three years, but was even more serious in 2010.

The *woreda* has weak staffing capacity since it cannot deploy health professionals – this is the mandate instead of the regional or zonal health bureau. Akaki health providers identify the lack of material capacity and logistics as key obstacles in the provision of health services to the rural community. On the one hand, the local executive (health officials) relies heavily on zonal and regional officials for professional staff, training, finances and health facilities. On the other, health-care clients and consumers lack the power to hold local officials accountable, given that the capacity to bring meaningful change to the health sector resides at zonal or regional level.

In-depth interviews with public officials and health providers show that block-grant financing does not meet *woreda*- and municipal-level capital and recurrent needs. Another significant problems is that the technical complexity and professional skill associated with the health sector results in information asymmetries between providers, users and regulators. Policy incoherence

24 Interview: MrMengistu Kebede, head of Akaki Woreda Health Office, 2 February, 2018; Mr EbisaGidissa, planner and programmer, Akaki Woreda Health Office, 2 February, 2018, Dukem.

is key governance constraint, since health care requires considerable coordination within government and among providers. Unlike the case in urban areas, rural *woreda* service provision is often hampered by a shortage of staff and resources

Informants in both Ada'a and Akaki believe that the lack of resources (or budget) and access to better service provision is due to the rapid urbanization of Bishoftu, Dukem, Gelan and Addis Ababa. They argue that these urban areas have been absorbing into their own boundaries what are potential investment and revenue-raising sites for the *woredas*; for their part, the rural population take the view that they can access better services if they fall under the jurisdiction of an urban local government, this on the grounds that the *woreda* administration is seen as lacking the capacity to advance development by making clean drinking water and quality health services available. The *woreda* is regarded as a burden, an institution which has failed to keep its promises and now cannot be trusted; the rural population wants to engage instead with the top-level zonal and Oromia authorities.

Given their fiscal incapacity, *woredas* cannot bring about visible improvements, and hence far-reaching fiscal reforms are needed to ensure mutual interdependence between urban centers and the surrounding rural spaces: currently, urban centers seem like islands in the rural space, adrift without clear lines of coordination and partnership for improving people's lives.

DagimKumsa²⁵ notes:

The Akaki Woreda Administration had written several letters to zonal level and regional levels requesting ... access to electricity for Abusera town of Akaki. Akaki and Abichu have voted for Alemayehu Tegenu in [the] 2002 elections. He came there and visited the town and within week or so the town got electricity. Since then Abusera people view the *woreda* administration as a blockage to their popular request, as if the local leadership has kept their question at *woreda* level. This and similar cases have impacted the relationship between the *woreda* leadership and the local community.

25 Head of the Budget and Finance Standing Committee of Akaki Woreda, 3 February, 2018.

5. Conclusion

This research finds that local governments are not faring well in delivering public services. In the case of water supply, three factors related to governance, management and capacity have created problems in the provision of services.

First, it is clear from the water policy and institutional arrangements of the federation that overall water-resource planning and the development of water projects are beyond the jurisdiction of the *woreda* or local government. The three case studies of local government in Oromia show that water-supply services could not be delivered by the local (urban and *woreda*) governments. In addition, the Regional Water Bureaus play weak supervision and capacity-building roles. The local governments' functioning in the provision of water supply has not been under public control, as these units are not held accountable for their performance in the provision of the service. In the urban local context of Bishoftu, for example, the management board of the WSSE is established by, and accountable to, the Regional Water Bureau; the Bureau in turn is accountable to the regional cabinet, which is accountable to the regional council, creating a long and upward-facing accountability mechanisms.

Secondly, the challenges of water-supply services, particularly in urban areas, are associated with management problems, including inefficient organizational structure; under-staffing of the technical department; weak vertical institutional coordination in the water sector; and lack of sufficient funding for water projects. Thirdly, the local units have inadequate capacity because the regional state of Oromia has retained the power to determine the structure, human resources and funding of water-supply projects. Although the actual function of water supply service delivery is at the local level, it is the Oromia Regional Water Bureau that has meaningful technical and financial capacities. In fact, it has been the Regional Water Resources Bureau that studies the structure of the water sector and urban water enterprise and performs capacity-building tasks.

The technical department of the local water enterprise is meant to have the capacity for integrating the hydrological and governance aspects of urban water-supply provision. Nonetheless, the professionals in this department cannot upgrade the water-sup-

ply design at local level. Due to structural reasons, the urban water enterprise relies on the expertise and material support of the Regional Water Bureau and beyond. Similarly, the enterprise has to rely on the Bureau and its technical expertise to study the design and fund the required water project. Furthermore, the enterprise cannot finance much more than recurrent expenditure and small operational and maintenance costs. The revenue that the enterprise collect does not enable it to undertake design upgrading or redesigning as water projects require huge funds.

Weak revenue-raising capacity is also a barrier to water-supply services that are more responsive to changes in demand for water due to urbanization. The revenue generated by the enterprise cannot cover the additional water infrastructural expansion. Thus, the evidence from the city of Bishoftu shows that the enterprise cannot function autonomously because the capacity of the enterprise to deliver urban water service is undermined by the lack of the required human, material and financial resources at the local level, with the result that it cannot cope with changes in urban demography, settlement and the demand for water-supply services.

On balance, the city of Bishoftu, this study revealed, has faced a problem of incapacity for providing water supply services due to three reasons, including: 1) the design has been found incompatible with rapid urbanization due to population increase and physical-horizontal expansion; 2) inadequate numbers of professionals to carry out the design upgrading at the local-city or the enterprise level; and 3) the revenue the enterprise collects does not enable it to undertake design upgrading, given that water projects require huge funds. Unlike the other case studies, Akaki Woreda is closely situated to Finfinnee and Addis Ababa, but suffers from a lack of access to water-supply services. Instead of resolving water shortages, the water projects in this *woreda* have been a key source of public dissatisfaction. The city of Bishoftu, on the other hand, has been unable to meet the demands for water-supply services in the context of urban population growth and horizontal physical expansion or suburbanization. Beyond the capacity factor, all the three local governments – Bishoftu, Ada’a and Akaki – have no problem in terms of water sources, both underground and on the surface.

Furthermore, the water-supply service varies between urban

and rural areas. As it stands now, urban spaces get better access to water services due to the spatial density of the population and the political salience of such spaces. The efforts to develop urban areas have not brought significant change to the surrounding rural hinterlands in terms of access to water, though water for the former often comes from the latter.

Turning to decentralization and health-service provision, all the legal, policy and regulatory frameworks as well as standards for health service emanate from the federal level. The regional government has no health policy of its own. The major decision-making on hiring providers and procuring medical equipment and pharmaceuticals rests with the Regional Health Bureau. However, the preventive health policy of Ethiopia has brought great awareness of health services and the demands and behaviour of the community have been influenced accordingly, with the people attending health centers more often than not.

The main factor that impedes effective health services by urban- and *woreda*-level governments is the issue of capacity. No decentralization of health services can be effective unless there is adequate structural, financial, human and material capacity among the relevant lower-level units of government. What is the case, instead, is that the functional responsibilities assigned to local governments are out of alignment with their capabilities. Of special note is that the case studies reveal that community participation in health-service provision has declined thanks to a loss of confidence in it. This, according to the empirical evidence, is due to governments' lack of accountability and inability to meet promises in improving health provision in terms of equity and quality, if not coverage. Communities even refuse to pay for health insurance because they believe their money will be stolen by corrupt officials and trust neither service providers nor local leadership. The delivery of primary health care depends ultimately on how facilities are managed within the constraints and capabilities of *woreda* and municipal governance and the support it gets from above. Hence, it is the contention of this study, for local governments to deliver public services effectively, there should be adequate structural, financial, human and material capabilities at their disposal.

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