

ABSTRACT

The aim of this study was to assess challenges facing projects financing in local governments in Tanzania with specific focus in Arusha District Council. Both secondary and primary data were used. Primary data were collected by using a questionnaire. Secondary data were obtained from the District's annual financial reports for various years. The study involved a total of 60 respondents who were council employees employed under different job categories. Findings revealed that contributions showed that contribution of own sources of revenue to the total budget was consistently low at less than 5% of total budget. Largely Arusha DC budget was driven by donors and central government transfers. Findings revealed that there were some years when some projects did not receive any fund. Some major challenges facing implementation of development projects included inadequate experience and management skills of technical personnel for projects managers, political interference and influence from higher authorities, budget constraints, low deployment of skills of personnel, and lack of capital by the council. The study recommended that Arusha DC should: widen revenue collection base by creating better environment for small and medium enterprises (SMEs) to operate, should innovate other sources of own revenue and construct of bus stands and so forth as alternative and sustainable sources of income

