



Towards a Local Governance and Development Agenda

**DGP-Net electronic forum – September-October 2007
Mind-Map Synthesis**

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UNDP and UNDCF organised in September/October 2007, an electronic forum entitled “Towards a Local governance and Development Agenda - Lessons and Challenges”. The objective of the Forum was to promote better understanding of the way to support national and local governments in their effort to improve local governance and manage decentralisation processes. The e-discussion gathered the contributions of more than a hundred UNDP offices from around the world. By defining the main obstacles encountered in the implementation of decentralisation and local governance programs, these contributions have collectively shaped the existence of common challenges.

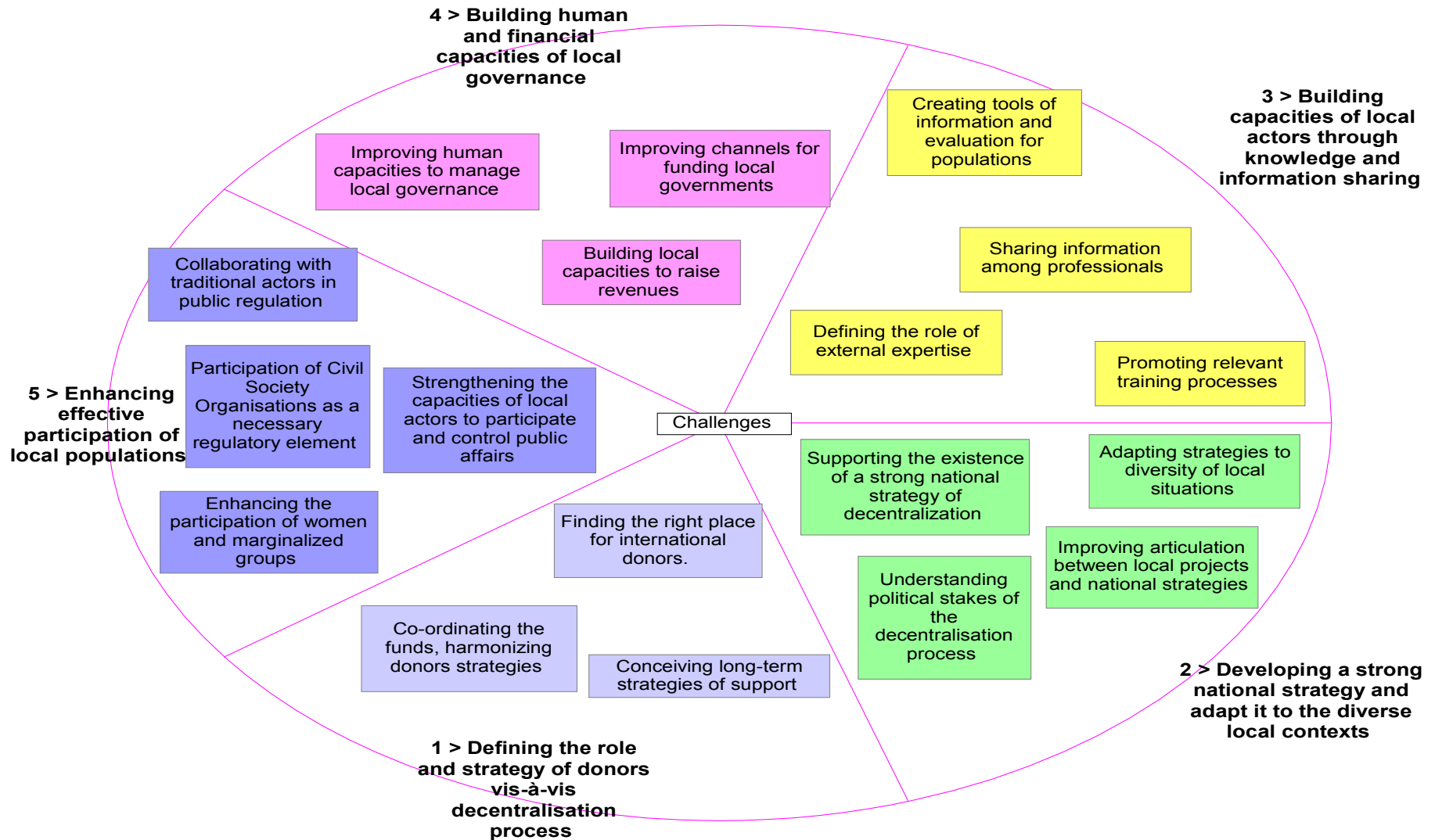
Despite the diversity of national and regional contexts, five common challenges indeed seem to emerge from these discussions:

- 1 – Defining the role and strategy of donors in the decentralisation process
- 2 - Developing a strong national strategy and adapting it to diverse local contexts
- 3 - Building capacities of local actors through knowledge and information sharing
- 4 - Building human and financial capacities of local governance
- 5 - Enhancing effective participation of local populations

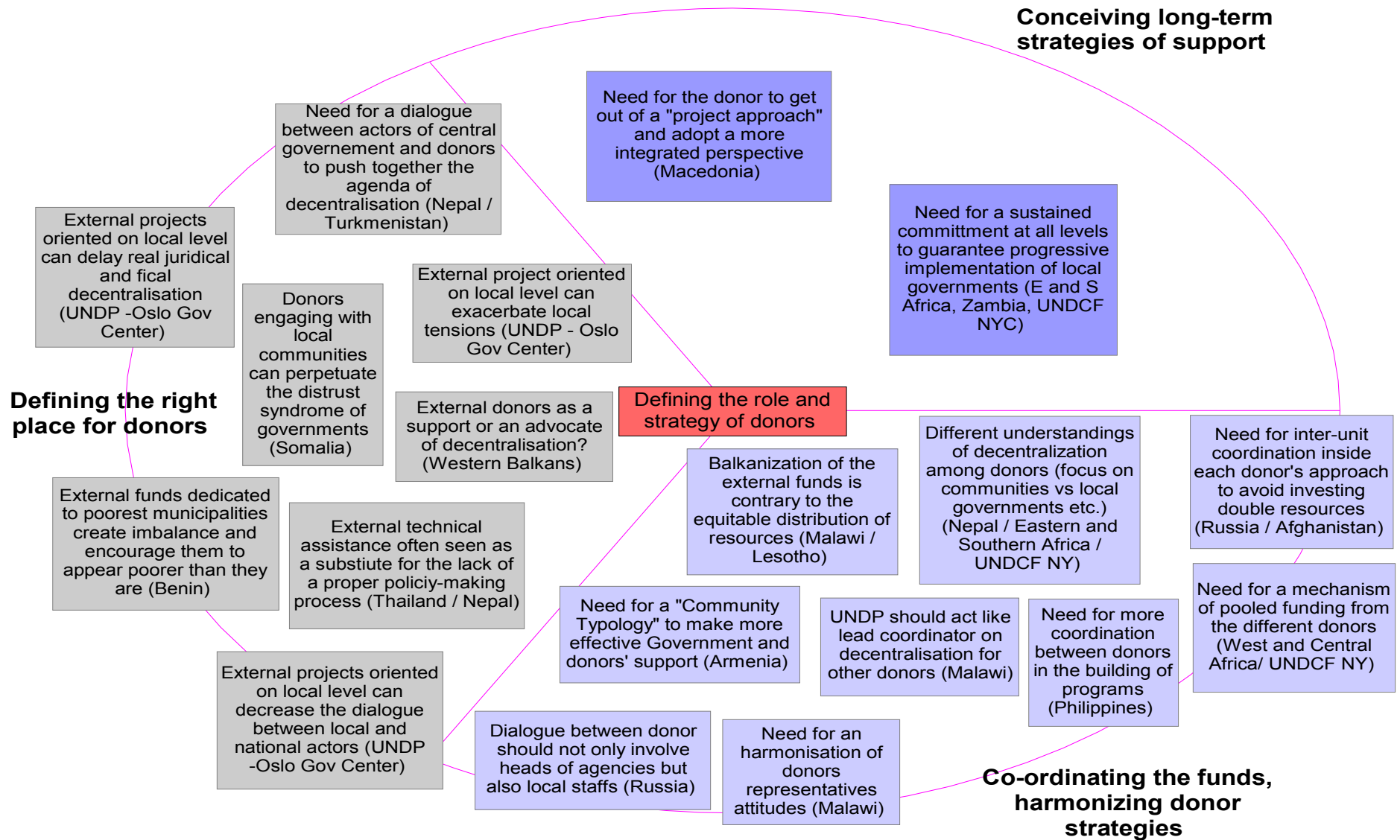
This mind-map synthesis proposes to develop the common reflections that resulted from the Forum. It will present the diversity of local and national responses to these common challenges.

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The challenges



1 – Defining the role and strategy of donors in the decentralisation process



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The reflection concerning the strategies adopted by international donors, and especially by UNDP, concerning decentralisation programs was one of the most consensual ones among participants. On the one hand, most contributions underlined the central role of UNDP in decentralisation processes in their countries and shed light on the specific programs that have supported local governance (community participation, plat-forms of information, external expertise etc.) On the other hand, many also stressed the complex position of external donors vis-à-vis local and national institutions, as well as the relative lack of coherence or strategy of local governance programs.

The contributions converge around three main issues:

- **Defining the right place for donors**

There is a need for external donors to measure the risk at stake when external activities like technical assistance, juridical or fiscal expertise, development projects, are implemented directly at the local level. These risks are notably : Increasing the competition between municipalities to get funding, exacerbating local tensions, but also delaying the institutional capacities to assume these activities and, as a consequence, creating growing distrust among local actors towards the State.

Many contributions thus insist on the role of external donors as mediators of the necessary dialogue between local and national institutions, and as capacity builders of local actors, in order to strengthen the basis of the decentralisation process.

- **Co-ordinating funds, harmonising donors strategies**

One shared assessment among national and regional offices is the relative balkanisation of the funds from different donors, as a result of different visions and strategies around decentralisation programs. In order to avoid a collection of local projects working in parallel, as it is the case in many regions, there is a need for a more integrated strategy, following two orientations:

- Promoting a closer co-ordination and a closer dialogue between donors, including not only the heads of agencies but also the local staff.
- Supporting programs of pooled funding, and establishing common typologies of actors in order to improve the coherence in the allocation of resources.

In that perspective, UNDP seems to have a central role to play as co-ordinators of decentralisation programs of different donors. In order to reach that goal, the first step for UNDP is still to improve inter-unit co-ordination and ensure internal coherence of the programs inside the institution.

- **Conceiving long-term strategies of support**

Decentralisation being a slow process, involving the progressive change of mentalities inside central and local institutions and the progressive construction of local capacities, there is a need for a more sustained commitment of the donors in that field. Many contributions still put into question a support mainly oriented towards a “project approach” that does not match the long-term perspective of these institutional reforms.

2 - Developing a strong national strategy and adapting it to diverse local contexts



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There is an inherent and necessary tension between local and national scales of governance: a tension between unity and diversity. Indeed, one of the main challenges evoked by the contributors concerning decentralisation processes is the necessity to conciliate: The existence of a strong national strategy, able to ensure the coherence of the decentralisation process / The adaptation of this strategy to the diversity of local contexts

- **Supporting the existence of a strong national strategy of decentralisation**

The lack of co-ordination between different dimensions of decentralisation (institutional, fiscal etc.) and the weakness of inter-ministerial mechanisms in that field are the symptoms of the relative absence of a strong national strategy on decentralisation in many countries. External donors thus have to support the necessity of a “big bag approach”, and the identification of a clear “decentralisation champion” among the government (Designated ministry for instance), able to assume the leadership of the integrated process.

- **Improving the articulation between local projects and national strategies**

The necessity of coherence of decentralisation strategies also implies the harmonisation of local and national budget cycles, and of the methods of financial management. More generally, there is a need, expressed by most of the participants, for enhanced efforts to make local orientations correspond more closely to national strategies. This need goes in line with the necessity of clarification of the functions of each level of power in order to avoid overlapping and competing activities.

- **Adapting strategies to the diversity of local situations**

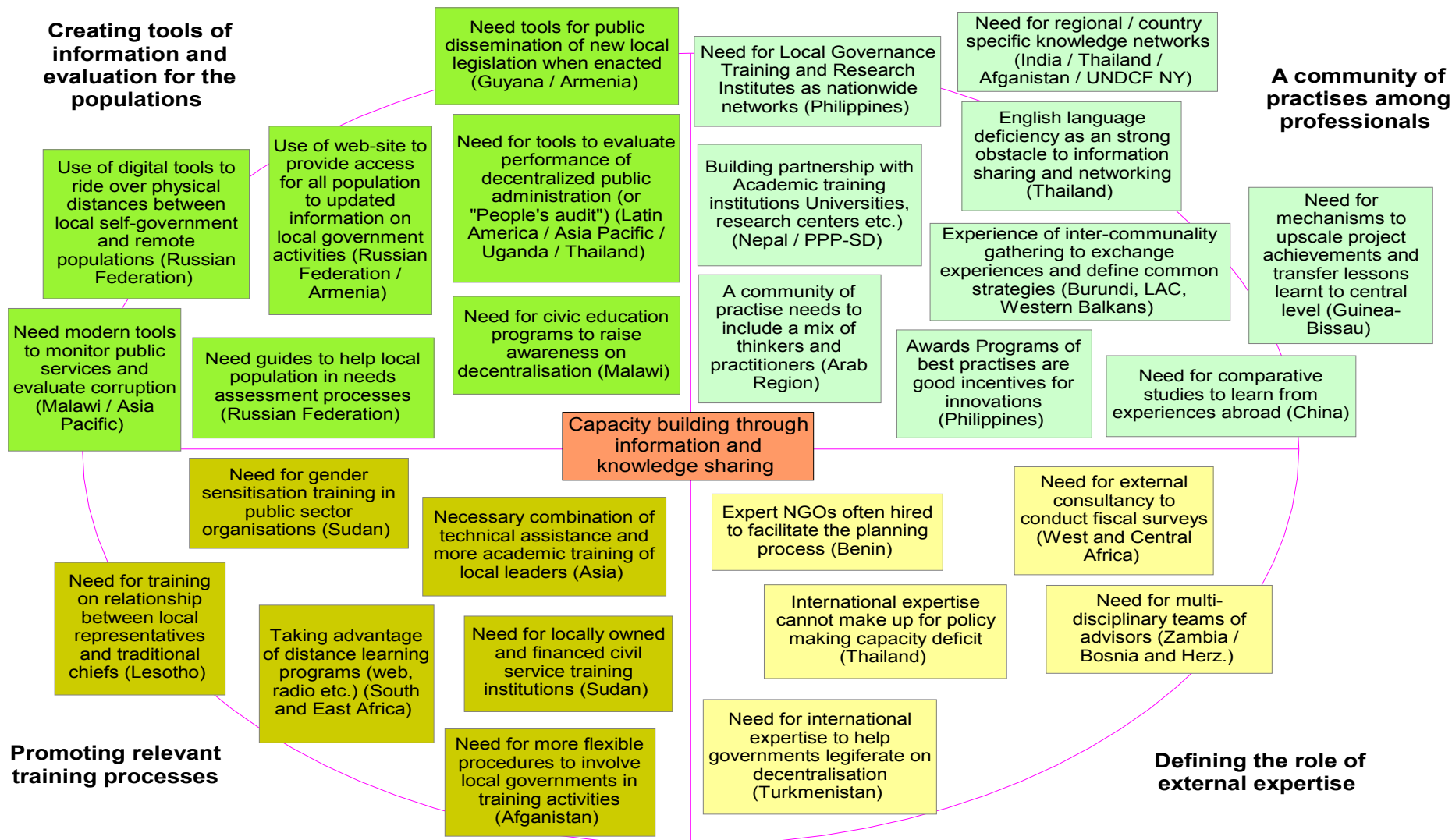
This strong national strategy has to be implemented through flexible and adaptable tools. There is not only one model of local governance and instead of imposing rigid processes at the local level, governments and donors should progressively evolve from “best practise” to “best fit”. This necessary adaptation was justified in two ways by the contributors:

- There is a need to recognise the diversity of profiles, resources and competencies among municipalities and local institutions, and, as a consequence, the diversity of responsibilities that these actors can undertake. The idea of a typology of these local actors, evoked by several contributors, is a first response to that challenge.
- A good knowledge of the complexity of ethnic and political contexts at the local level is necessary to prevent decentralisation from restarting local tensions

- **Understanding the political stakes of decentralisation processes**

As it was reminded by many contributions, decentralisation is largely a political process, and a way for the political opposition to confront the dominant party at the local level. There is thus a great resistance from many central governments to “give up” some power to local governments, as it can be considered as a loss of political control at the local level. This resistance is especially strong in countries with a strong tradition of centralism. More generally, there is a need to be careful of the potential political instrumentalisation of decentralisation processes by local actors, and the political interference concerning notably tax implementation.

3 - Building capacities of local actors through knowledge and information sharing



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One of the main challenges underlined by the participants concerns the capacities of local and national actors to undertake and manage decentralisation processes. A lack of information and specific training indeed seems to be one common assessment in that field. Information and knowledge sharing concerns, on the one hand, the training of the professionals to better manage the process, and on the other hand the raising of awareness of local populations in order to give them the tools to participate and evaluate local policies. It also raises the question of the role of external expertise, as a necessary, but ambiguous tool for local actors.

- **A community of practises among professionals**

A community of practices is necessary to improve evaluation and innovation in the field of local governance. It has to include both a sharing of experiences from different municipalities, regions, or even countries, as well as the promotion of local academic expertise to frame this experimental approach. In that perspective, a partnership with national universities and research centres has been successfully experienced in many countries. Award programs have also been a good incentive for local actors to innovate on their practises.

- **Promoting relevant training processes**

This sharing of experiences goes hand in hand with the promotion of a more comprehensive training system for professionals. This training has to concern both technical aspects (fiscal management, institutional expertise etc.) and more social ones (two main types of training were evoked in that field: sensitisation on the role of women in the local arena, and training on the relationship between local representatives and traditional chiefs.) This training has to be conceived on the national level but still be adapted to diverse local contexts. The need for locally owned and financed training institutions also seems to be an issue raised by several contributors.

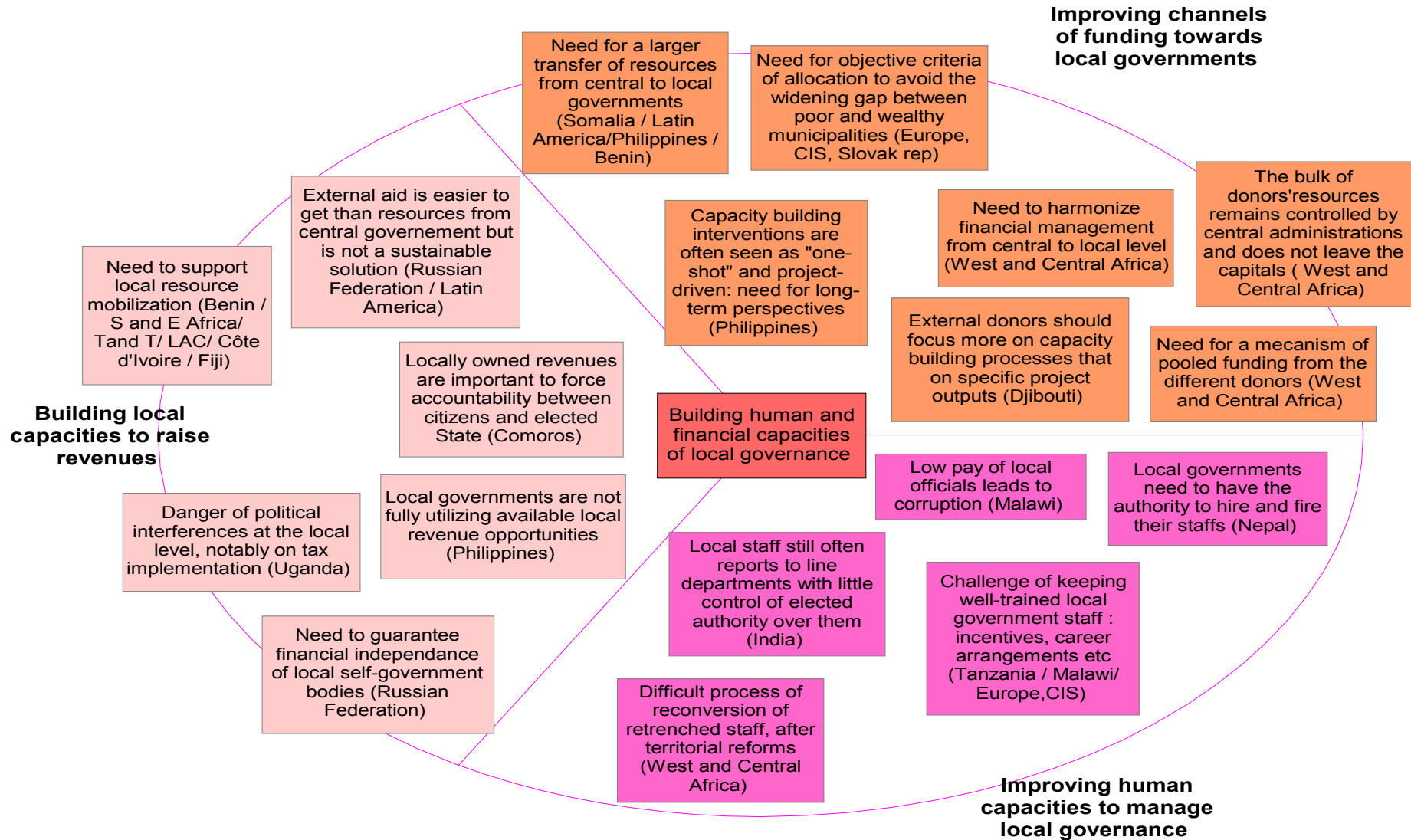
- **Creating tools of information and evaluation for the populations**

Local populations also have to be “trained” to interact with local representatives in order to be able to control and participate in local public policies. Civic education programs are a first way to raise awareness among local populations on the emerging issues of local governance. Another way of involving these populations is the promotion of digital tools to disseminate information on the activities of local governments. Such tools give a better opportunity for local populations to evaluate these activities. They are also especially relevant to reach remote parts of the population that get very few contacts with local governments. More developed guides are also necessary to help people evaluate both their own needs (needs assessments), and the activities of public administration (notably “people’s audit”).

- **Defining the role of external expertise**

Finally, international expertise is also necessary at the local and the national level to facilitate the planning process, help conduct fiscal surveys, and support the emergence of a new legislation on decentralisation. However, this external expertise also represents the risk of undermining the development of local technical capacities by replacing them on the short term. There is thus a need to conceive external expertise in parallel with the promotion of the local capacities in order to avoid a long term dependence in that field.

4 - Building human and financial capacities of local governance



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Nearly all of the contributions of this Forum insisted strongly on the weakness of financial and human resources as the main cause of the difficulties encountered through the decentralisation processes. They all converge on the necessity of supporting more deeply the process of local resource mobilisation, but also the improvement of financial devolution from central to local governments. Identifying and retaining human resources at the local level is also a major challenge that needs to be addressed through the promotion of new forms of incentives for local staff, and a more independent approach of local authorities.

- **Building the local capacities to raise revenues**

The existence of local resources that can be mobilised by local governments depends largely on the situation of the countries, and the contributions of the Forum did not reach any consensus on this point. However, they all acknowledged the strong necessity to base local governance partly on local revenues, in order to strengthen the independence of local governments, as well as to improve their accountability towards citizens. Few concrete experiences of tax implementation were reported during the Forum. This specific exchange of experiences could be very beneficial for local actors to find innovative ways of addressing local revenue opportunities.

- **Improving the channels for funding local governments**

This local mobilisation of resources has to be better articulated with a more integrated and long-term transfer of funds from central government and international donors.

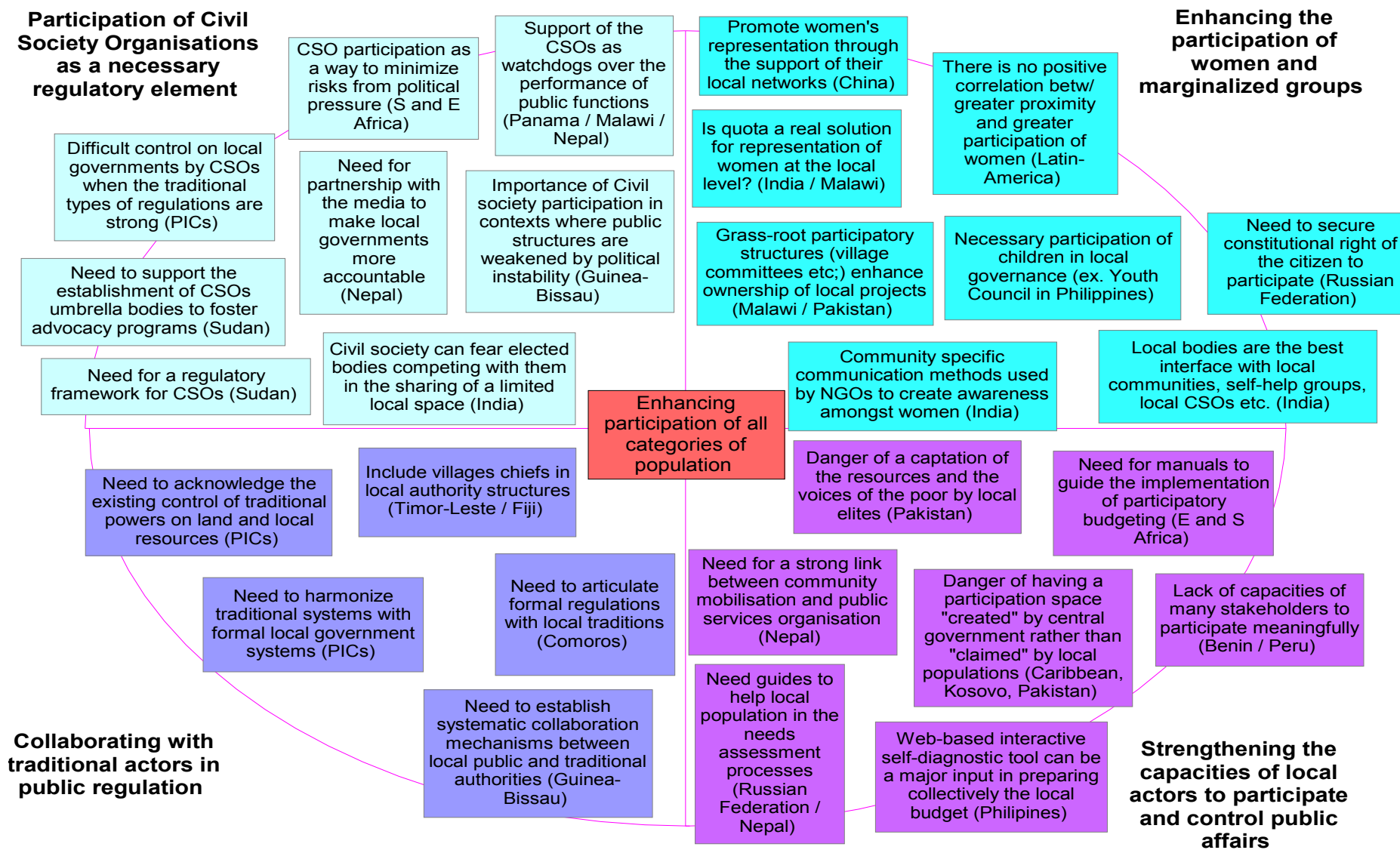
The tradition of centralism of many governments has left very little space for a real form of financial devolution accompanying the institutional reform of decentralisation. Moreover, the bulk of donor's resources often remains controlled by central administrations that can sometimes prevent them from going out of the capital.

On the side of external donors, the priority seems to be the funding of long-term capacity-building projects rather than short development projects. Finally, the issue of ensuring equity in the allocation of resources was largely raised, in parallel with a concern on the establishment of objective criteria of allocation that would address the widening gap between poor and rich municipalities.

- **Improving the human capacities to manage local governance**

The financial dimension of decentralisation is also at stake concerning the training and the identification of incentive to keep local staff. Low pay and little incentive can indeed increase corruption at the local level but also foster local staff to leave for a higher level of public administration. Career arrangements and financial incentives are the best means to counter this dynamic. The issue of reconverting staff, notably after territorial reforms, is also a complex one that needs to be addressed in terms of innovative training and financial incentives.

5 - Enhancing effective participation of local populations



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Participation of local populations obviously appears as one of the pre-requisites, but also one of the justifications of the decentralisation processes. Most contributions largely insisted on these two dimensions. They notably raised two questions around this issue:

- Why is participation necessary? What kind of risk is at stake when the voice and the needs of local population cannot be properly represented? How can CSO actions appear as a regulatory framework in that field?
- What types of populations need to be addressed in that perspective? The contributions have especially insisted on two specific actors: the role of women, and the role of traditional authorities in the local public sphere.

- **Strengthening the capacities of local actors to participate and control public affairs**

There is a risk for “participation” to be an empty word if the space for dialogue between citizens and local representatives is implemented from the outside and not properly appropriated by local populations. This risk is also at stake when local populations do not have the proper means to participate, or the technical abilities to play a part in participatory budgeting for instance. There is thus a need for manuals and web-tools to help both the participation and the needs assessment of local populations.

The challenge of this participation is notably to avoid a form of instrumentalisation of the local space by local elites and a lack of accountability of local governments towards their citizens.

- **Participation of Civil Society Organisations as a necessary regulatory element**

CSOs as well as local media can appear as watchdogs of this necessary accountability of local administration. CSO participation can notably be seen as a way to minimise risks from political pressure notably in contexts where public structures are weakened by political instability.

However, the development of CSOs largely depends on the political culture of the region and the regulatory framework implemented by central governments. UNDP programs thus need to keep supporting the development of CSOs as necessary mediators of the voice of the citizens. They should also promote the emergence of umbrella bodies for CSOs in order to strengthen their positions vis-à-vis public powers.

- **Enhancing the participation of women and marginalised groups**

The greater proximity between the citizen and the State at the local level has not always been the guarantee of a better representation of women. Many contributions have indeed shed light on the difficulty of defining the right methods for ensuring the participation of women at the local level. The system of quotas can appear as a very superficial one if women do not have the knowledge and abilities to properly participate in the public sphere. New communication methods thus need to be implemented. The promotion of “women networks” can also be a good vector of representation and an innovative means to make their voice heard.

- **Collaborating with traditional actors in public regulation**

The existence of traditional forms of regulation can undermine the legitimacy of formal institutions and compete with the authority of local representatives. The establishment of a close dialogue with traditional chiefs, and their inclusion in the participation process are the pre-requisites to better harmonise traditional and more modern systems of regulation. This is especially true concerning the management of land and local resources on which traditional authorities often keep a strong control.