EGEVal II
European Group for Evaluation EEIG

European Group for Evaluation EEIG Germany			Framework contract for Multi-country thematic and regional/country-level strategy evaluation studies and synthesis in the area of external co-operation
ADE ANALYSIS FOR ECONOMIC DECISIONS Aide à la Décision Economique Belgium			LOT 1: Multi-Country Evaluation Studies of Economic sectors/themes of EC External Co-operation
particip PARTICIP GmbH Germany			Ref.: EuropeAid/122888/C/SER/Multi Request for Service: 2009/226838
DRN Development Researchers' Network Italy			**Thematic global evaluation of the Commission support to decentralisation processes**
d·i·e Deutsches Institut für Entwicklungspolitik German Development Institute Deutsches Institut für Entwicklungspolitik Germany			
ecdpm European Centre for Development Policy Management Belgium			Minutes of the seminar
odi Overseas Development Institute, United Kingdom			
A consortium of EGEVAL II (ADE–Particip)–DRN– DIE–ECDPM-ODI c/o ADE, leading company: ADE s.a. Rue de Clairvaux, 40, Bte 101 B – 1348 Louvain-La-Neuve / Belgium Phone: +32 10 45 45 10 Fax: +32 10 45 40 99 Email: ade@ade.be EGEVAL II Headquarters Merzhauser Str. 183 D - 79100 Freiburg / Germany Phone: +49-761-79074-0 Fax: +49-761-79074-90 Email: info@egeval.org		particip	March 2012 This evaluation was carried out by Particip GmbH

Table of Contents

1   Introduction

1.1   Introduction

This document presents the minutes of the seminar that took place in Brussels on 12/03/2012. The purpose of the seminar was to present the results, the conclusions and the recommendations of the "*Thematic global evaluation of the EC support to decentralisation processes*" to the main stakeholders concerned. The seminar was co-chaired by Mr Pennington, Head of Unit - Evaluation Unit (DEVCO B2) and Mr Baglio, Head of Unit – Civil society and local authorities (DEVCO D2), who also represented the EC services. The discussions were facilitated by Mr. Bossuyt from the European Centre for Development Policy Management.

The seminar consisted in five parts:

- Part 1: Introduction and opening statements.
- Part 2: Presentation of the evaluation approach and main results, conclusions and recommendations.
- Part 3: Follow up on recommendations and on-going work.
- Part 4: Roundtable discussions.
- Part 5: Concluding remarks.

1.2   Opening statement by Klaus Rudischhauser, DEVCO, Director B Quality and Impact

In his opening statements, Mr Rudischhauser highlighted the importance of evaluation and dissemination of results for the EC external action.

He also underlined the increasing importance of decentralisation in the development context and stressed that decentralisation was by nature related to two broad objectives: enhancing of democratic governance and the improvement of local service delivery. The particular importance of the transfer of resources to local authorities was also emphasised. Moreover, Mr Rudischhauser pointed out that the support to decentralisation processes was linked to a number of challenges in terms of aid delivery such as for budget support and the questions of the transfer and use of resources at local level. Finally, he mentioned that decentralisation was an important theme also in Europe and it is interesting to share the lessons learnt from inner-European experience at global level.

Mr Rudischhauser further noted that the present evaluation highlighted the strengths and weaknesses of the EU action and how improvements can be made in the support to decentralisation processes.

He concluded by saying that decentralisation would remain an important topic for the EC, especially given the fact that the EU can provide both the critical mass needed for a successful support in this area and the predictability that is generally required in decentralisation processes. Finally, he stressed the fact that the evaluation would be used in the coming months for the preparation of the next programming cycle.

1.3   Opening statement by Martyn Pennington, Head of Unit - Evaluation (DEVCO B2)

Mr Pennington presented the mandate and work of DG DEVCO's Evaluation Unit and showed how the evaluations are used in DEVCO's quality management system. He gave a general presentation of the evaluation methodology used for thematic and sector evaluations and presented the evaluation unit's pluriannual programme. Moreover, he gave an overview of the thematic, geographic and aid modalities evaluations published in 2011 by DEVCO. He also pointed out the link between the evaluation activities and the work of the "capacity4dev.eu" community. Finally, he described the involvement of the Evaluation Unit in cooperation and exchange fora, e.g. at EU level or within the OECD Development Assistance Committee (DAC), promoting development evaluations. *PPT presentation attached:*

Martyn P presentation decentralization.pdf

1.4 Opening statement by Angelo Baglio, Head of Unit – Civil society and local authorities (DEVCO D2)

Mr Baglio,– mentioned his experience with previous evaluations and audits, such as the Evaluation of EC support through Civil Society Organisation (CSO) and a recent report of the Court of Auditors and the challenges these studies imply. In response to these studies, the Structured Dialogue on Civil Society Organisation & Local Authorities was launched. This intensive dialogue lasted 14 months and aimed at 1) identifying the specificities of these actors in the area of the Aid Effectiveness agenda, 2) better understanding the value added of working with Civil Society Organisation & Local Authorities, and 3) improving the aid delivery mechanism and make it more efficient. Today, the EC can be considered as a leading donor towards CSO (not only in terms of financial flows but also in terms of thematic and methodological inputs).

Mr Baglio reminded the audience of recent evolutions in the overall policy framework. In particular, he mentioned the fact that the "Agenda for change" places governance, democratisation and human rights issues at the forefront. Moreover, the "Busan conference" explicitly reiterated the importance of local authorities as actors for development.

Mr Baglio highlighted the importance of evaluations and the use of the related conclusions for improving the EC action. In this regard, he mentioned that the conclusions of the current report would be taken seriously. He also highlighted that the EC did not necessarily agree completely with all the conclusions but the fact that the evaluation challenges certain aspects of the EC action would certainly lead the EC to present a new set of proposals to improve its action.

As for the multiannual programming framework 2014-20, Mr Baglio pointed out that EC support will concentrate on three main sectors depending on the priorities defined by each partner country; this. is precisely why it is important to consider decentralisation in a larger frame of public sector reform. Finally, Mr Baglio stated that the current evaluation did not encompass decentralised co-operation but that the specific expertise of local authorities themselves and their networks could be better used in the future.

Mr Baglio concluded that the evaluation report would be a source of inspiration and would be followed up by specific proposals for co-operation improvement.

2 PART I – Presentation of the evaluation approach and main findings

2.1 Presentation of the evaluation - Evaluation approach and Main Findings - Per Tidemand, Team Leader

Dr Tidemand, the Team Leader of the evaluation, presented the main findings, conclusions and recommendations of the evaluation along three parts:

- The first part covered the evaluation approach and the methodology used.

- The second part presented the key findings for each evaluation question.

- The third part described the main conclusions and recommendations of the evaluation.

Dec eval - Seminar presentation - final.pdf

2.2 Questions and Answers

After the presentation, time was allowed for discussion. The following points were raised by the participants and the discussants.

Question: The ambassador of the Philippines asked **how this evaluation would relate to the future Multi Annual programming cycle.**

Answer: It was emphasised by the EC representative that for the next generation of programming 2014-2020, it would be up to the partner countries to make proposals for the programming. The EC will use the national government plan as a basis for the co-operation strategy. The key consideration will be the country ownership. Furthermore, the aim is to make extensive use of joint programming between the EC and EU Member States, always in alignment with the proposals of the national governments. This joint approach will also raise the question of who will be the main development partner for which sector/issue in line with the principle of subsidiarity. Decentralisation may not be considered as a sector but as a way of doing things and, for this reason, it should be mainstreamed into the EC action.

Question: A representative of the Tanzanian embassy asked how the **civil society and the local authorities in Tanzania had been involved** in the evaluation, and what had been their reactions?

Answer: The evaluation team leader summarised the reform processes especially regarding the transfer of fiscal resources to the local level. in Tanzania and the role of the EU; in order to harmonise the funding of local authorities, the Government of Tanzania developed the "Local Government Development Grant Support System", which was supported by various development partners, including the EU. The EU has recently withdrawn from its direct support to local authorities due to an explicit division of labour with other donors. Local authorities were significantly consulted and actively involved during the whole reform process that took place in Tanzania and the evaluation team has visited several local governments and met with the Association of Local Governments of Tanzania (ALAT). LG were both consulted during the design of the interventions and during the evaluation. The LG association appreciated the overall direction taken by the reform despite some criticisms on some specific aspects.

Question: A representative of DG Regio expressed the fact that it was interesting to see that the evaluation demonstrated that support through **sector budget support** or specific aid delivery modality was not a main factor of impact. She highlighted that, in regional policies, the use of special tools can actually strongly improve participation in local governance.

Answer: The evaluation team leader replied that the conclusion on aid delivery methods was the result of an elaborated analytical process and showed that sector budget support was not always more effective than other aid delivery modalities. This does not mean that budget support is not an interesting or adapted aid modality but that depends on the context and the way budget support is delivered.

Question: A representative of the Swedish Association of Municipalities referred to the conclusion 11 on **EC support to bottom-up demands of local accountability** and asked whether there would be examples in which local initiatives were connected to broader issues and, if yes, with which results?

Answer: The team leader explained that the evaluation showed that support to Non State Actors has helped to increase accountability at local level. Regarding conclusion 11 on the missing link between support for the bottom-up demand for accountability and wider systemic decentralisation reforms, the most illustrative example concerns the support to Local Government Associations (LGA). LGA could improve dialogue on decentralisation reform issues. However, the EU support has been relatively short term and focused on specific objectives and not on the long term. This contrasts with example of support provided by other organizations (e.g. in Uganda) where the support was provided on the long term with a high degree of flexibility.

Question: A representative of the Sierra Leone embassy asked for clarification on the conclusions and recommendations related to the support to infrastructures and commented that the importance of local infrastructure did not clearly appear as a crucial issue in the evaluation. The representative asked how to address the key issues related to **rural infrastructures**.

Answer: The team leader confirmed the importance of a balance between the support to the 'software' issues and the support to the 'hardware' issues, depending on the contexts. He acknowledged that some decentralisation reforms are almost exclusively dealing with software aspects (capacity building, etc), but also highlighted that certain 'hardware' aspects fall outside of the decentralisation mandate (e.g. supply of electricity is often outside the mandate of local governments). The EU has the advantage to be able to play a role both on the hardware and the software aspects. Related to the hardware component, the issues of provision of physical infrastructures are usually

covered in sector specific programmes and not so much in decentralisation programmes. More generally, the evaluation showed that the EC support proved to be most successful in those countries in which the EC managed to combine the two levels of support.

Answer: The EC representative added, on the next programming cycle, that in parallel to the geographical programming, there will also be two major global thematic programmes: one on Public goods (incl. climate change, food security, energy, migration, social and human development, etc.) and one on CSO & Local Authorities. These thematic programmes should be complementary to the geographic programmes. For instance, in ACP countries, support to improving local infrastructures could be financed under the thematic budget line. Furthermore, it is also via these thematic budget lines that advocacy related to decentralisation could be ensured.

Question: A representative of the DeLog group raised concerns about the fact that **EC HQ decreased expertise on decentralisation** and asked for explanation on the choices behind this decision. The same representative of DeLog commented that decentralisation was not clearly part of the Agenda for Change and wanted to know, **what importance the EC would place in this policy area within its future development action**.

Answer: Regarding the allocation of resources, the EC representative emphasised that this topic was an internal issue. He further considered that figures provided on technical staff at HQ were not accurate. The EC considers decentralisation as a mainstreaming issue: in this sense, creating a central unit in charge of decentralisation would not improve the situation but, on the contrary, would be a strategic error. During the restructuring process of EC headquarters in 2011, a first idea was to allocate the thematic issues related to decentralisation to the governance unit. It was finally decided to rather allocate these thematic issues to another unit in order not to marginalise this issue. Currently, there are five persons working on decentralisation and local authorities issues. Moreover, it was mentioned that around 10 consultants were regularly working for the EC on decentralisation, which remains an important topic for the EC.

Question: A representative of the DeLog group quoted the conclusions and recommendations on ownership and accountability and commented the observation of the evaluation report that EC support had only little impact on **local accountability**.

Answer: The team leader explained that the EC has been most effective in providing the framework conditions for local accountability. There are some examples of EC contributions to more transparency in the allocation of funds and to better PFM at local level. However, effective local accountability does not only need improved framework conditions but also requires more involvement of citizens. The question is then whether the EC has a comparative advantage to be really active in this area.

*Question***:** A representative from the European Centre for Development Policy Management raised a question related to the **difficulty to deal with the political dimension of decentralisation**. He asked why it was so difficult to deal with this given the fact that the difficulty was actually well identified.

Answer: The team leader explained that the question would be whether the expectations of the support have been realistic. Decentralisation is defined as a transfer of power. Referring to a theoretical concept of devolution, it entails that the whole central government has the wish to transfer this power. In practice, this political will may come only from the main political party in the partner country or may not necessarily be shared by the line ministries. On the development partners' side, it should be understood that reforms should be fully and explicitly politically supported by the partner country, from the beginning. That is why more attention should be paid to identify properly and consider the right counterparts. Sometimes, the ministry of local government is taken as the focal point although it is not the one who actually has the mandate to initiate the reform; it has just an implementing role.

Final remarks of the session

The **final remarks of this session** were made by Mr. Bossuyt. He highlighted that, since 2007, the discussion on whether decentralisation is a sector or not remains open. Furthermore and in the perspective of the next parts of the seminar, he pointed out that there was a need to discuss what exactly was meant by the recommendation 3 which focused on the fact that an EC's advocacy role may lead to inclusive policy dialogue. With regard to the recommendation 4 "EC needs to provide a

specific response to each partner countries", Mr Bossuyt raised the issue of how to best deal with decentralisation in countries where there was a hostile environment to decentralisation.

3   PART II – Follow up on Recommendations and On-going Work

3.1   Answer of the Commission on the recommendations of the evaluation - Angelo Baglio, Head of Unit – Civil society and local authorities (DEVCO D2)

The follow-up of the EC on the recommendation of the evaluation was provided by Mr Baglio. He answered following the four clusters of the evaluation recommendations.

Cluster Policy framework:

Decentralisation has to be seen as a component of service public management. This includes the question of mainstreaming. In order to reinforce the coherence with sector policies, it is intended to enhance the EC dialogue with partners (e.g. DeLog or strategic partnership with Local Authorities association – PLATFORMA). The first cluster will be operationalised through the enhancement of knowledge sharing and development of best practices.

Cluster Response to specific context:

This cluster is related to the issues of thematic guidance and quality support to geographical instruments. The aim is to continue taking into account the country's ownership and develop more specific response to country context. The initiative taken by partner country will be a key component and should come out through appropriate dialogue.

Thematic programmes will be used to further develop innovative approaches. The EC will support initiatives focusing on actors in partner countries, at regional level or via decentralised cooperation.

Cluster Strategic focus:

To answer this cluster, it will again be important to take into account the country specific approaches. The objective is to build on the strengths that have been made clear in the evaluation report, which includes IGFT.

The EC will work together with other donors to promote donor harmonisation mainly through joint programming. The concept of "comparative advantage" will be used in this context with EU MS.

M&E of decentralisation reform processes is a question at country level, but goes also beyond the country perspective. The EC recognises the need to develop knowledge about relevant indicators also at global level. While reading the report, one might have the impression that each intervention aims at solving the whole problem. This is not really the case. The question actually is how to address the relevant issues in a realistic manner and to avoid one-shot-events. This is also related to the question of continuity in the provision of support.

Cluster Operational management:

The EC agrees that there is a need to strengthen EC's staff expertise at all levels, from EUD to HQ. The EC has already started to initiate actions in terms of training, developing specific tools, etc.

Overall remark on the recommendations of the evaluations

It is not possible to take into account all recommendations in the short term and in one shot. The evaluation is forward looking, and the EC aims to deal with these issues over a period of around seven years. This time period corresponds to the new strategic cycle. In this period, monitoring will be in the centre of EC's activities.

Moreover, the initiatives are expected from the partner country; however through "thematic programmes" the EC may support advocacy, strengthening downward accountability and also making the bridge between top-down and bottom-up approaches.

In addition, the EC acknowledges that the challenge of bridging the gap between top down and bottom up approach remains. One possible solution to close this gap would be the territorial approach, as the question of territorial dynamics/ the territorial dimension is a key issue for future support.

Mr Baglio's concluding remarks stressed the fact that when providing the EC support we always have to keep in mind the ultimate objective of poverty reduction and that this final objective should not be forgotten in the details of the future discussions.

3.2   Questions and Answers

The presentation of Mr Baglio was followed by a short round of comments. The following points where highlighted:

- A representative of the Global observatory on decentralisation stressed the fact that besides institutional capacity building, especially related to financial aspects of decentralisation, the dimension of **human resources** was also a key issue and that brain drain of trained human resources is a significant problem.

- The same representative felt no contradiction between top-down and bottom-up approaches, but highlighted the **necessity to take into account both entry points.** Otherwise there would be the risk that the overall political architecture developed would not integrate all the regions of the partner country and would thus not play an overarching role.

- Furthermore, the Global observatory representative noted that when we talk about joint programmes, we often talk about **budget support** but in this respect special attention should be provided to local governments' autonomy.

- A representative of an EU Member State regional government asked how there could be a better linkage between the decentralisation agenda in partner country and thematic programmes. In particular, she was wondering how (European) local authorities participating in EU call for proposals could better coordinate with other ongoing EC initiatives implemented in the partner country. She also highlighted the importance of the link with the EC geographical programme and, in general, the need for better exchanges with the EUDs.

- The Philippines' ambassador requested further clarifications on the link between sector programmes and decentralisation in the Philippines.

Answer from the team leader on the request of clarification related to the Philippines case: The Philippines was included in the case studies not because the EC implemented a wide decentralisation programme, but because it was expected that the health sector programme would have some impact on the decentralisation reform. The evaluation showed that without doubt that the sectoral approach was a relevant entry point to support the Philippines development agenda. However, the health sector support programme of the Philippines led only to limited improvements of the overall decentralisation process. The team leader concluded that there are limits to what can be achieved in terms of decentralisation through a sectoral support.

4   Part III - Roundtable discussion

The round table consisted of three panel members representing:

- the EC (Angelo Baglio, Head of Unit - Civil society and local authorities - DEVCO D2);

- the Committee of the Regions (Christophe Rouillon, Membre of the Committee of the Regions and "Vice-président de l'Association des Maires de France et président de la Commission Europe"); and

- the local authorities in partner countries (Jean-Pierre Elong Mbassi, president of the "United Cities and Local Governments – Africa").

- The round table was facilitated by Jean Bossuyt, ECDPM.

The panel discussion was divided in three parts that could be summarised as described below:

- Part 1: What are the current dynamics in terms of decentralisation in partner countries?

- Part 2: What could be the EU action in the next years (ambition, role to be played and priority topics)?
- Part 3: What tools, instruments and capacities can be used by the EU?

4.1 Part 1 - What are the current local dynamics in terms of decentralisation in partner countries?

Statement of Jean-Pierre Elong Mbassi

The issue of the future of decentralisation is the same question as the future of democracy. In Africa, the independence was the issue of the state, while decentralisation means the autonomy of the people. In this sense, decentralisation is a "second independence". Decentralisation will be a lasting question, as more people fulfil their basic needs in a second step request more participation. In addition, decentralisation is the daughter of urbanisation. In Africa, taking into account the path of demographic growth, "secondary cities" are becoming important and represent higher and higher share of population .These municipalities should be autonomous players within the state but also in their relations with the international community e.g. negotiation related to climate change, even more as some local levels do already implement theses decisions. Furthermore, local governments and especially municipalities are places where the world is learning how to deal with scarce resources

Statement of Christophe Rouillon

The speaker agreed with Mr Elong Mbassi on the statement related to the direct link between democracy and decentralisation and appreciated the future use of the thematic budget lines which provides also support to very small local authorities. He explained in brief the actions of the Committee of the Regions in the field of development cooperation: the CoR is pushing a wide variety of documentation since many years in order not to forget the role of local governments in international development and it has developed two internet websites regrouping the activities taking place around decentralised cooperation. The internet platforms can be used to exchange best practises and to advise on certain management rules applicable for local authorities or give ideas on how to design and implement public policies. This being understood as a two ways exchange and transfer knowledge from the North to the South, but also to help European local authorities to learn from their Southern partners.

On the topic of multi-level governance, Mr Rouillon emphasised that this did not mean a fragmentation of the national state and that there existed not only one type of decentralisation, as the example of the European countries showed. Having the knowledge of the European decentralisation processes, the CoR could enrich the discussion with methods to actively design decentralisation reforms in partner countries.

Statement of Angelo Baglio

The recent EC "Agenda for Change" makes reference to local authorities and there are two main entry points to decentralisation: 1) Governance and the promotion of human rights and democracy; 2) Service delivery. There is no question about the fact that the autonomy of local authorities is an important issue and that it is gaining ground. However, the limits of the transfer of powers should be considered. The national government is the only stakeholder that can ensure a balance between the different perspectives within the country and as such it has to ensure equalisation between regions, where necessary (e.g. rural and urban areas, rich and less advantaged areas).

Question from the floor and additional remarks of the panellists

A participant highlighted that both levels – central and local – are important. Unfortunately, this is not reflected in the national budgets of the partner countries. On the paper, decentralisation is there. But different distribution of financial resources and a revival of centralisation tendencies, as a result of the economic crises, led to a certain frustration.

4.2 Part 2 - What could be the EU action in the next years (ambition, role to be played and priority topics)?

Statement of Jean-Pierre Elong Mbassi

The EC should refer to the values promoted in the "Agenda for Change". For instance, "fight against poverty" can be translated as "access to local basic services for all" and "inclusive growth" could be translated as "participatory local economic development".

Decentralisation should not be seen as a sector but as a public policy that is a part of the state reform processes and is related to concept of ownership and empowerment. Therefore, it is important that this topic is mainstreamed in all EC policies. But, if everybody is in principle responsible for promoting decentralisation, there is also a risk of blurring the lines of responsibility. If the EC wants to impact, it needs to define precisely how to mainstream decentralisation in its policies.

Statement of Christophe Rouillon

Decentralisation should be a tool to improve aid effectiveness. Hence, good decentralisation processes should also include safeguards to avoid misuse of resources by the most powerful stakeholders. It is therefore important to develop rules for equalisation. Furthermore, decentralisation is a tool for territorial management, especially in the context of rural migration.

Statement of Angelo Baglio

The speaker emphasised the concept of ownership of each partner country and the fact that the request for decentralisation support had to come from the partner country. This concept of ownership should be transformed into the concept of democratic ownership. Decentralisation is an indicator for the progress of democracy and the EC has potential role to address all relevant actors together and decentralisation reforms are on the agenda..

In the framework of the strategy 2014-2020, the EC will aim to promote pilot innovations and support the relevant stakeholders.

Countries are not always ready to move towards decentralised systems, it is important to adopt pragmatic approaches, based on dialogue: for the moment, the Structured Dialogue only involved CSOs and Local Authorities from Europe. In the future such dialogue should focus on Country level and involve the Union of municipalities and local governments as well as the National governments.

Question from the floor and additional remarks of the panellists

- A representative of the Brittany region in France highlighted that the concept of "territorial approach to development" had to be mentioned in the discussion and that decentralisation was not a goal in itself but a mean to achieve poverty reduction.

- A representative of DeLog stated that the EC has been a key promoter of the idea of bridging the gap between top down and bottom up approaches. The future approach to focus solely on NSA support is seen as probably inadequate. The representative highlighted that the EC has the potential to influence also the policy level and expressed the hope that there would still the possibility to achieve a two-level entry through a useful division of labour with other donors.

- A representative of the World Bank brought into the discussion the aspect of "deconcentration" which is a main element to successful reforms that should be appraised and monitored throughout the process of supporting such public reforms.

Additional remark by Jean-Pierre Elong Mbassi

"Localism" should not be considered as a tool to fight against the central government, as this would mean going against development goals. On the questions of decentralisation vs. deconcentration, there is a need at some stage to choose one entry in some cases the EC by supporting decentralisation processes has positively influenced the Central state willingness to engage also in deconcetration reforms.

Furthermore, there is a need to be aware of two types of authorities, especially in Africa: the ones related to the modern state and the ones related to the traditional representations. Today, "traditional

authorities" are placed within the group "civil society actors". It might be good to rethink whether this is their right place.

Additional remark by Christophe Rouillon

The speaker reminded that decentralisation processes take time (e.g. France just celebrated its 30 years of decentralisation). Today, it is important to convince the partner countries to break up their central systems. This can be done via exchange of best practices and learning, e.g. through students/training of civil servants or using new e-learning tools.

Additional remark by Angelo Baglio

On the question related to the division of labour between donors, nothing prevents a Member State to support decentralisation process The need for joint programming is highlighted in the Multi annual Programming framework.

Part 3 - What tools, instruments and capacities can be used by the EU?

Statement of Jean-Pierre Elong Mbassi

The speaker expected the EC to recognise that local authorities have an important expertise and are key actors in development co-operation.. For the future, the wish would be to have an increased NSA&LA budget line. Furthermore, Budget Support interventions should lead to visibly increased resources at local level, which means creating specific mechanisms to use local budget support.

Statement of Christophe Rouillon

According to the speaker, the aim would not be to confront the central state with the local level. On the contrary, the central level should acknowledge that local governments have to take part in development cooperation. Furthermore, there is a need for local authorities to have increased and more adequate financial resources. One possibility to increase the revenues of local authorities would be the introduction of a tax on financial transactions Another would be that every European local authority uses one Euro per inhabitant per year for projects in the field of decentralised cooperation. Local fiscal systems are crucial and partner countries should be convinced to develop a fiscal system based on small financial contributions.

The speaker also highlighted the need for simplified procedures of EC funding. There could be two different procedures: one for big projects that are implemented at global level and another one for small project that could be managed by EUDs.

Statement of Angelo Baglio

The EC budget line NSA & LA exists since 2007 Today, this budget line is evolving in order to be used in a more strategic way, meaning that calls for proposals are more focused, aiming at strengthening the stakeholders. It will focus more and more on capacity building of local authorities.

For the moment, the EC's aim has been to open more spaces for local authorities and civil society in order to foster local democracy, participation and accountability. Democratic ownership means the participation of all the layers of the institutions and the civil society. Local authorities are part of the institutional setting and a balance will have to be found to support all administrative layers.

On the issues of the calls for proposals, the speaker clarified the fact that it was not the role of the EC to finance stand-alone micro-projects.

5 Concluding remarks, Kristian Schmidt, DEVCO, Director D Human and society development

In his closure remarks, Mr Schmidt quoted the evaluation results which underlined that the EC had been right to support decentralisation and that this support should continue.

A key point is the support to the central level, especially the improvement of central government capacities for managing decentralisation reforms. The evaluation pointed to this area as one of the weakest areas of EC support. It is an area that deserves more attention in the future.

He furthermore stressed that it is fundamental to take into account the country context. There is effectively the risk of breaking a country in two if the central level is weakened.

The EC shall not pretend to be able to work on decentralisation in all countries around the world. This would mean resources at different level which are not available for the moment. This implies that the EC will need to identify the countries which are willing to work on decentralisation.

In relation to the support to non-state-actors, Mr Schmidt highlighted that there was the wish to move away from a short term perspective focus towards a higher level dialogue. In those countries where the state is weak and NGOs are replacing it, the aim would be to gradually empower state administrations. It is important to keep the civil society in the process, as they guarantee strong accountability. Accountability and transparent management at local level should remain a priority, as local authorities are not only executing orders from the central level, but are actors on their own who demand accountability to the central government.

Mr Schmidt concluded with the remark that local authorities are an important part of EC's work in the future which, in particular, is linked to broader issues such as good governance and the sound management of public resources. Finally, he re-emphasised the fact that the EC welcomed the evaluation and the work related to it.