

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

**For the Informal Donor Working Group on Local Governance
and Decentralisation**

Final Report



December 2006

EXECUTIVE SUMMARY I

1. INTRODUCTION 1

1.1 BACKGROUND AND OBJECTIVE 1

1.2 CONCEPTS AND KEY ISSUES..... 2

1.3 METHODOLOGY..... 8

2. DONOR PROGRAMME PORTFOLIO 10

2.1 BELGIUM/BTC 10

2.1.1 ORGANISATION 10

2.1.2 DONOR POLICY ON LOCAL GOVERNANCE/DECENTRALISATION 11

2.1.3 DECENTRALISATION/LOCAL GOVERNANCE PROGRAMME PORTFOLIO 15

2.2 DENMARK/DANIDA 18

2.2.1 ORGANISATION 18

2.2.2 DONOR POLICY ON LOCAL GOVERNANCE/DECENTRALISATION 19

2.2.3 DECENTRALISATION/LOCAL GOVERNANCE PROGRAMME PORTFOLIO 21

2.3 EUROPEAN COMMISSION/EUROPEAid 22

2.3.1 ORGANISATION 22

2.3.2 DONOR POLICY ON LOCAL GOVERNANCE/DECENTRALISATION 23

2.3.3 DECENTRALISATION/LOCAL GOVERNANCE PROGRAMME PORTFOLIO 27

2.4 FRANCE/DIRECTION GENERALE DE LA COOPERATION INTERNATIONALE ET DU DEVELOPPEMENT (DGCID)/AFD 28

2.4.1 ORGANISATION 28

2.4.2 DONOR POLICY ON LOCAL GOVERNANCE/DECENTRALISATION 29

2.4.3 DECENTRALISATION/LOCAL GOVERNANCE PROGRAMME PORTFOLIO 34

2.5 GERMANY/BMZ/GTZ/KfW 37

2.5.1 ORGANISATION 37

2.5.2 DONOR POLICY ON LOCAL GOVERNANCE/DECENTRALISATION 40

2.5.3 DECENTRALISATION/LOCAL GOVERNANCE PROGRAMME PORTFOLIO 43

2.6 THE NETHERLANDS/DGIS 46

2.6.1 ORGANISATION 46

2.6.2 DONOR POLICY ON LOCAL GOVERNANCE/DECENTRALISATION 47

2.6.3 DECENTRALISATION/LOCAL GOVERNANCE PROGRAMME PORTFOLIO 51

2.7 SWITZERLAND/SDC 61

2.7.1 ORGANISATION 61

2.7.2 DONOR POLICY ON LOCAL GOVERNANCE/DECENTRALISATION 61

2.7.3 DECENTRALISATION/LOCAL GOVERNANCE PROGRAMME PORTFOLIO 63

<u>3. OVERVIEW OF DONOR SUPPORT MODALITIES</u>	<u>69</u>
3.1 ANALYSIS OF TYPES OF PROGRAMMES AND SUPPORT MODALITIES	69
3.2 CONCLUSION AND LESSONS	73
<u>4. THE WAY FORWARD</u>	<u>78</u>
4.1 PARIS DECLARATION AND SUPPORT TO DECENTRALISATION	78
4.1.1 OWNERSHIP - DEVELOPING COUNTRY LEADERSHIP	78
4.1.2 ALIGNMENT OF DONOR SUPPORT	81
4.1.3 HARMONISATION	82
4.1.4 RESULTS	83
4.1.5 MUTUAL ACCOUNTABILITY	83
4.2 RECOMMENDED HARMONISATION INITIATIVES	84
4.2.1 COUNTRY LEVEL ACTIVITIES	84
4.2.2 INTERNATIONAL ACTIVITIES	85
4.2.3 FURTHER STUDIES	86
<u>ANNEX 1: REFERENCES</u>	<u>89</u>
<u>ANNEX 2: TERMS OF REFERENCE</u>	<u>91</u>
<u>ANNEX 3: COUNTRY LEVEL HARMONISATION INITIATIVES</u>	<u>94</u>
<u>ANNEX 4: WEB-BASED RESOURCES ON DECENTRALISATION</u>	<u>99</u>
<u>ANNEX 5: SHORT DESCRIPTION OF ADDITIONAL DONORS</u>	<u>103</u>
<u>ANNEX 6: DETAILED LIST OF EUROPEAID PROGRAMMES/PROJECTS</u>	<u>105</u>

Abbreviations

AFD	Agence Française de Développement
BMZ	Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung
BTC	Belgien Technical Cooperation
CDD	Community Driven Development
CHF	Swiss Franc
CIS	Commonwealth of Independent States
CSO	Civil Society Organisation
DAC	Development Assistance Committee
Danida	Danish International Development Assistance
DG	Directorate Generaal
DGCID	La Direction Générale de la Coopération Internationale et du Développement
DGIS	Directoraat-Generaal Internationale Samenwerking
EC	European Commission
EDF	European Development Fund
GTZ	Germand Technical Cooperation
HRM	Human Resources Management
IMF	International Monetary Fund
KfW	Kreditanstalt für Wiederaufbau
LG	Local Government
MDG	Millenium Development Goals
MTEF	Medium Term Expenditure Framework
NGO	Non Government Organisation
OECD	Organisation for Economic Cooperation and Development
O&M	Operations and Maintenance
PARAD	Programme for Public Administration Reform and Decentralisation, Mali
PIU	Project Implementation Unit
PRS	Poverty Reduction Strategy
SDC	Swiss Agency for Development and Cooperation
SNV	Dutch Development Organisation
SPA	Strategic Partnership with Africa

SWAp	Sector-wide Approach
UNDP	United Nations Development Programme
VNG	Association of Netherlands Municipalities
WB	World Bank
WG	Working Group
ZSP	Priority Solidarity Zone

EXECUTIVE SUMMARY

Background

Decentralisation reforms are currently ongoing in the majority of developing countries. However, the nature of reforms varies greatly and the concept of decentralisation covers many different forms of public sector reorganisation. Local governance is an even wider concept that describes the relationship between decentralised local governments civil society and private sector.

International and bilateral donor agencies have increasingly recognised the importance of working with decentralisation, either through direct support to decentralisation reforms, as part of support to a wider public sector reforms or good governance programmes, or as part of other sector programmes. In many countries there are a substantial number of individual projects supported by different donors with corresponding problems of overlap, lack of coordination or even occasional conflicting programming. In recognition of this, a Donor Working Group on Local Governance and Decentralisation met April 26 2006 at the KfW headquarters in Frankfurt to share experiences and progress work in support of harmonisation of donor support to decentralisation and local governance; the commissioned study is a first step towards this objective.

Study Objective and Methodology

The aim of the study was to analyse donor rationale, strategies, practices and lessons learned with support to local governance and decentralisation reforms and processes in order to facilitate harmonisation and alignment of the support in the partner countries. The specific objective of the survey was to generate a basic overview of donor support to decentralisation and local governance.

The survey covered 7 organisations and countries assistance:

- 1) Belgium Technical Cooperation (BTC)
- 2) Danish International Development Assistance (Danida)
- 3) European Commission/ Europe Aid
- 4) France /Direction Generale de la Cooperation Internationale et du Development (DGCID)/ AFD
- 5) Germany/ BMZ/GTZ/KfW
- 6) The Netherlands/DGIS
- 7) Switzerland/SDC

Information on donors' project portfolio was gathered using two questionnaires. However, early in the survey it was realised that the requested information was not readily available from many of the donor organisations. Subsequently it was agreed to base the survey on the existing project lists from each organisation in whatever

format each organisation had compiled it, thus leaving classification of many projects/programmes to the judgement of the consultant based on scanty information. With these caveats the main results from the survey on donors' project portfolio in support to decentralisation and local governance can be summarised as follows:

- ◆ A total of 500 projects were identified from the 7 organisations as projects with significant elements of support to decentralisation and local governance. Summary data on these projects are included in the report and analysed.
- ◆ In spite of donors general commitment to joint financing and programming, then the dominating approach for delivering donor support to decentralisation and local governance is still a project approach where each donor supports a discrete project with its own project institutional arrangements,
- ◆ Project budget size varies, but many of the projects surveyed are very small – and the average budget of the 500 projects surveyed is 4-6 million Euros with a substantial number of projects with budgets below 500,000 Euro.
- ◆ From the information availed it is not always clear how many of these projects are supporting comprehensive national decentralisation reform efforts where major decentralisation reform aspects (legal, policy, political, fiscal, and human resources) are addressed in a substantive manner. Only approximately 10% of the projects surveyed can be categorised in this manner.
- ◆ A significant – most likely the majority – of projects analysed have a particular focus on selected geographical areas: selected regions, districts or urban local governments. These projects appear to have limited or no relation to national efforts for systematic reforms of the public sector and focus instead primarily on local level improvements of planning and service delivery, often with significant local capital investments.
- ◆ A significant part of the projects support broader “local governance”: support to civic society, “communities” and local development. From the available project information it is not always clear how these initiatives relate to formal local government structures.

Key Issues and Lessons on Donor Strategies for support to decentralisation

Some of the donors surveyed (DGCD/BTC, SDC, EuropeAid) have initiated more comprehensive assessments of its own support in this area up to date. However, some studies are in the pipeline (Danida, DGCID) and some donors have (in draft form/almost finalised) developed tentative policy papers (Danida, DGCID, EuropeAid). From these in combination with interviews and the documents reviewed it can be noted that:

- A) While it is recognised that decentralisation is a wide concept that cover many different processes, then there is broad consensus in policy papers on

terminology and also emphasis on the importance of decentralisation by devolution to elected local governments as the most radical form of decentralisation from a governance and public sector reform perspective.

- B) In development practice decentralisation is considered as integral part of poverty reduction strategies and thus expected to be part of sector support programmes in key sectors such as education, health, agriculture, water, roads etc, where local governments in many partner countries are given substantive functions for service delivery. However, many donors have expressed concerns regarding how decentralisation reform effectively is articulated and supported through sector programme modalities. It is recognised that some sector programmes are not implemented fully in compliance with national stated decentralisation reform objectives.
- C) The programmes that provide comprehensive support to all key aspects of decentralisation reforms (policy, legal, political, fiscal and human resource management aspects) are few, but those identified are most often supported jointly by several donors through basket funding or similar arrangements. From the available documentation it appears that all these programmes are anchored around some form of national country owned decentralisation strategy.
- D) However, even when joint programmes are supported it is often found that donors continue with separate discrete area based programmes. The rationale for this seems to be a desire to preserve a local presence and direct donor specific engagement in order to inform the donor agency on “realities of development” and provide concrete examples of results to donor country constituents: the tax payers funding development assistance. Donors do not have an explicit policy on use of area based programmes, but it seems generally recognised that such area based programmes run the risk of distorting resource allocations across areas/local governments and adding to reporting and planning formats applied by local governments.
- E) A very significant part of the projects surveyed support broader “local governance”: support to civic society, “communities” and local development. From the available project information it is not always clear how these initiatives relate to formal local government structures. However, while such initiatives may complement public sector decentralisation reforms and support to formal local government structures they may also establish parallel planning and service delivery modalities, which in turn have negative governance outcomes. There appears to be no explicit donor policy on this type of support.
- F) Problems of aid harmonisation within donor support to decentralisation and local governance is hampered by the fact that decentralisation and local governance are very broad concepts and interpreted differently within different departments of the same donor organisation. Departments of the same donor organisation have limited knowledge of activities implemented elsewhere in the organisation.

- G) Efforts by international organisations to generate lessons and good practices for support to decentralisation and local governance are not well-disseminated or internalised in donor organisations. This includes findings of OECD 2004 (Lessons Learned on Donor Support to Decentralisation and Local Governance) and work by UNCDF, UNDP, World Bank and others.

Way Forward

Country Level Aid Harmonisation

In accordance with the Paris Declaration on Aid Harmonisation it is realised that the key to improved aid harmonisation for more effective aid to decentralisation and local governance is to enhance country ownership of decentralisation reforms.

A key recommendation would therefore be to give priority for support to country owned national decentralisation strategies that subsequently will guide donor agencies support to decentralisation and local governance as well as country sector support programmes.

It is observed that the nature of decentralisation reform strategies differs substantially across countries and time; with subsequent impact on the potentials for donor harmonisation. Selected cases of national decentralisation strategies are identified in the report, but more work is required to identify good practices and lessons in this regard.

International Activities

Several international initiatives have been launched to support decentralisation reforms in developing and transitional countries. A complete overview of all these initiatives is beyond the scope of the current assignment, but the report provides a selective overview of some major international institutions working on decentralisation and local governance.

These organisations provide a rich source of documentation of practices and experiences on support to decentralisation reforms and local governance. For donor organisations it would be worthwhile to consider use of pooled technical resources to avoid duplication of efforts. A number of bilateral and individual donor initiatives have been undertaken for development of guidelines, best practices, etc., which might have benefited from joint analytical work or by delegation to more specialised international organisations.

It is therefore recommended that individual donor organisations and bilateral donors consider some delegation of various analytical works to specialised international organisations. In a similar manner it is recommended to strengthen the technical capacities of donor organisations for work on decentralisation and local governance by joint capacity building of staff – possibly provided by specialised international organisations.

Further Studies

Within the broad area of support to decentralisation reforms and local governance it is for purposes of harmonisation of donor approaches foremost recommended to undertake a review of partner country developments of national decentralisation strategies (detailed case studies) and their effectiveness in guiding donor harmonisation.

Furthermore, it is recommended to support generation of comparable cross-national statistics on decentralisation and local governance issues to enhance cross country sharing of experiences, enable documentation of impact of decentralisation and generation of good practices.

1. INTRODUCTION

1.1 Background and Objective

Decentralisation reforms are currently ongoing in the majority of developing countries. The nature of reforms vary greatly – ranging from mundane technical adjustments of the public administration largely in the form of deconcentration to far-reaching redistribution of political power between central governments and autonomous local governments.

Decentralisation reforms hold many promises, including local level democratisation and improved service delivery for the poor. However, effective implementation lacks behind rhetoric and the effective delivery of promises also depends on a range of preconditions and the country specific context for reforms. In several countries it can be observed that decentralisation reforms are pursued in an uneven manner. Some elements of the Government may wish to undertake substantial reforms; other elements will intentionally or unintentionally counter such reforms. Several different forms of decentralisation – foremost elements of devolution and deconcentration – may be undertaken in a contradictory manner.

International and bilateral donor agencies have increasingly recognised the importance of working with decentralisation, either through direct support to decentralisation reforms, or as part of support to a wider public sector reforms or good governance programmes, or as part of other sector programmes. In some countries there are a number of individual projects supported by different donors, and only few efforts have been taken to pursue better harmonised and better aligned programmatic support, in line with the statements of the Paris Declaration on Aid Effectiveness.

In the view of this, a planning meeting for the Donor Working Group on Local Governance and Decentralisation took place on April 26 at the KfW headquarters in Frankfurt. Thirteen donors participated in the meeting. In accordance with the minutes from the meeting¹ the following four topics were considered the most important for the future work of the WG:

- Stock-taking of operations, strategies and approaches including a brief overview of portfolios;
- Decentralisation as comprehensive state reform process and the political dimension of the decentralisation process;
- Monitoring decentralisation / appropriate indicators;

¹ Minutes of Meeting of the planning workshop for the Donor Working Group Series on Local Governance and Decentralisation, Frankfurt, April 26 2006.

- Aid delivery / sector approach.

Based on the above, one of the conclusions of the meeting was consequently to conduct a survey on donors' support to local governance and decentralisation reforms and processes. The following Survey Report has been completed following a request from the Informal Donor Group on Local Governance and Decentralisation and represents a preliminary and not exhaustive exploration of the donor's portfolios, strategies and lessons learned.

The **objective** of the survey can be summarised as:

to document donor strategies, practices, and lessons learned with support to local governance and decentralisation reforms and processes in order to facilitate the future discussion and activities of the Working Group, and to facilitate harmonisation and alignment of the support in the partner countries.

1.2 Concepts and Key Issues

Decentralisation and Local Governance are often used as concepts without strict definitions.

The World Bank for instance uses the term “decentralisation” to describe a broad range of public sector reorganisations:

Decentralisation -- the transfer of authority and responsibility for public functions from the central government to intermediate and local governments or quasi-independent government organizations and/or the private sector -- is a complex multifaceted concept. Different types of decentralisation should be distinguished because they have different characteristics, policy implications, and conditions for success.

There is a broad agreement to this statement although it may be debated whether “privatisation” rightly should be included or the term reserved exclusively for transfer of functions and powers within the public sector itself².

It is also generally accepted to make a distinction between at least three main types of decentralisation³ - a distinction we will use throughout this study:

Deconcentration is often considered a controlled form of decentralisation and is used most frequently in unitary states – redistributes decision making authority and financial and management responsibilities among different levels of the central government. It can merely shift responsibilities from central government officials in

² UNDP 2004 also includes privatisation as part of its definition of decentralisation. See http://www.undp.org/governance/docs/DI.GUD_PN_English.pdf

³ The definitions below follow the World Bank Decentralisation Briefing Notes (www.worldbank.org/html/fpd/urban/decent/decent.htm)

the capital city to those working in regions, provinces or districts, or it can create strong field administration or local administrative capacity under the supervision of central government ministries.

Delegation is a more extensive form of decentralisation. Through delegation central governments transfer responsibility for decision-making and administration of public functions to semi-autonomous organisations not wholly controlled by the central government, but ultimately accountable to it. Governments delegate responsibilities when they create public enterprises or corporations, housing authorities, transportation authorities, special service districts, semi-autonomous school districts, regional development corporations, or special project implementation units. Usually these organisations have a great deal of discretion in decision-making. They may be exempt from constraints on regular civil service personnel and may be able to charge users directly for services.

Devolution a third type of decentralisation is devolution or the most radical form of decentralisation. When governments devolve functions, they transfer authority for decision-making, finance, and management to quasi-autonomous units of local government with corporate status. Devolution usually transfers responsibilities for services to municipalities/district councils that elect their own mayors and councils, raise their own revenues and have independent authority to make investment decisions. In a devolved system local governments have clear and legally recognized geographical boundaries over which they exercise authority and within which they perform public functions. It is this type of decentralisation that underlies most political decentralisation.

OECD (2004)⁴ uses slightly different terms to distinguish between main types of decentralisation and for instance introduces a distinction between “integrated decentralisation” which means the transfer of tasks and authority to multi-purpose institutions and “Sectoral decentralisation” where responsibilities for only one sector is transferred to a local institution with this task as its single responsibility.

Local Governance is used even more interchangeably than decentralisation and the OECD study (2004), conducted in 2002-03, suggested to apply the UNDP definition at this point of time covering “decentralised governance”⁵. UNDP has subsequently (2004) defined local governance as:

- **Local governance** comprises a set of institutions, mechanisms and processes, through which citizens and their groups can articulate their interests and needs, mediate their differences and exercise their rights and obligations at the local level. The building blocks of good local governance are many: citizen participation, partnerships among key actors at the local level, capacity of local

⁴ OECD 2004: Lessons learned on donor support to decentralisation and local governance.

⁵ OECD op. cit. page 17.

actors across all sectors, multiple flows of information, institutions of accountability, and a pro-poor orientation (UNDP 2004, page 4).

For our purpose we will in this study use Local Governance in a pragmatic manner that refers to a common practice among the development partners we have worked with which makes the distinction between:

Table 1: Definition of Decentralisation and Local Governance Support

<u><i>Decentralisation Reforms</i></u>	<u><i>Local Governance</i></u>
Support to the formal public sector elements of a decentralisation reform	Support to the wider involvement of citizens, NGOs, private sector in relation to local development and service delivery
<p>Examples include:</p> <ul style="list-style-type: none"> • Assistance to central ministries responsible for reform to develop new policies and legislation • Capacity building of local governments for improved planning, financial management etc • Provision of development funding to local governments for water, roads, health etc. 	<p>Examples include:</p> <ul style="list-style-type: none"> • Assistance to private sector contractors to enable them to bid for decentralised works contracts • Civic education and support to CBOs to strengthen the capacity of local communities to hold their local governments accountable

It is worth mentioning here that EC/EuropeAid Concept Paper for Support to Decentralisation and Local Governance in Third Countries states the following on page 14:

“The notions of devolution and deconcentration are both relevant to different decentralisation contexts around the globe, including Anglophone, Francophone, Lusophone and Spanish-speaking regions. But there are some differences in the way in which the terms are used. In the Anglophone countries, decentralisation embraces both deconcentration and devolution, whereas in the French and Spanish literature there are no specific terms for devolution and democratic decentralisation. The French term “dévolution” is normally used in another context in the literature (as a juridical term: to leave a heritage to the State). Commentators in Latin American and Lusophone countries also use the word “municipalisation”, which is basically a form of devolution in which powers and responsibilities are transferred to municipalities (i.e. urban and/or rural). In Russian-speaking countries, the concept

of devolution is not easy to communicate as there is no direct translation of the term available.”

Decentralisation holds many promises in the form of possibilities for:

- More accountable administration;
- More participatory planning and delivery of services which in turn may lead to:
 - More efficient use of local resources, addressing local needs, improved O&M and local resource mobilisation;
 - More equitable distribution of resources across the country.

However, these promises may only be realised if decentralisation reforms are pursued and practically implemented in a manner whereby decentralisation of functions are undertaken in a balanced manner commensurate with the capacity of decentralised units, balancing the decentralisation of functions with decentralisation of financial and human resources, development of oversight and support mechanisms, effective mechanisms for local accountability and participation.

In reality, we rarely find decentralisation reforms pursued in the pure form of devolution and some of the most challenging issues often pertain to the inter-relationship between various forms of decentralisation. Often these forms may be mutually supporting, but equally often they may be contradictory. Different lines of accountability often constitute the major source of contradiction.

Table 2: Forms of decentralisation and accountability

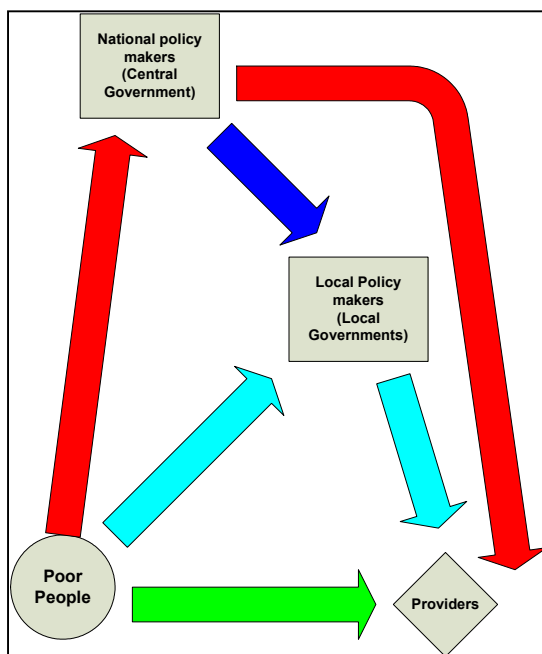
		Decision-makers located at	
		Central level	Local level
Decision-makers	Central body	<u>Centralisation</u> The Ministry of Health HQ centrally deploys health staff among different administrative units in the country. <u>Delegation:</u> A relative autonomous central health board or health service commission manage staff deployments nationally. Also executive agency with delegated powers under ministries.	<u>Deconcentration</u> Health field officer is granted discretion by the HQ regarding the assignment of responsibilities and duty stations to subordinate staffs.
	Local body	<u>Delegation with participation</u> A relative autonomous local /district health board or health service commission manage staff deployments locally.	<u>Devolution</u> An elected local government is given the responsibility for the recruitment, deployment and discipline of local health staff (in addition to other relevant sector staff). User participation - a health committee formed around a local clinic is given responsibility for managing the clinic – including some discretion on recruitment of support staff and certain aspects of general staff welfare.

Most commonly conflicts occur between three main strands of decentralisation:

- Decentralisation by devolution where elected local governments are given responsibilities for a wide range of functions and sectors as well as various financial resources and some elements of local control over local staff.
- Sector specific arrangements for decentralisation of powers not fully integrated into LG systems – this could entail some form of deconcentration or tight sector control of sectoral finances within the LG system. It can also entail the establishment of some sector specific local institutions that are locally accountable – for instance a local board or committee for specific health units. These can be relatively well associated with LG structures (for instance health boards in Tanzania that are established through LG) or relatively centrally controlled (e.g. the water boards in Tanzania that are under tight control of the Minister responsible for water development).
- Approaches for Community Driven Development (CDD) whereby it is attempted to support community groups directly through special interim institutional arrangements such as social action funds.

There is a growing body of literature dealing with discussion of possible synergies and conflicts between these strands of decentralisation and local development approaches⁶.

Figure 1: Basic Accountability Relationships



The red lines demonstrate the “long route of accountability” whereby citizens only very indirectly influence service providers through their elected government and possible deconcentrated structures.

The blue lines demonstrate the relatively shorter route of accountability through a devolved system of local service provision and finally

The green line refers to more direct voice by citizens in

⁶ See for instance: Linking Community Empowerment, Decentralised Governance and Public Service Provision through a Local development Framework, World Bank (Human Development, Social development and Public Sector Management Networks) March 2005.

service delivery planning and management through user groups
etc.

In general it must be recognised that whereas for instance social action funds and user specific committees in donor funded programmes have provided some substantial benefits in terms of direct community involvement in project planning and execution it is primarily decentralisation by devolution that ensures the establishment of sustainable public sector institutions which allow for the establishment of structures for continuous local accountability and decisions taken which reflect local priorities and needs.

However, sector specific modalities for decentralisation through forms of deconcentration or establishment of sector specific user committees may have specific technical merits - for instance establishing of offices for issuance of water rights according to water catchments areas rather than administrative units have obvious advantages. Likewise a range of user committees of a sector specific nature may have obvious advantages if the relationships with the LG structures, which most often have multi-sectoral responsibilities, are clearly defined.

Main differences in donor approaches for support

In reality, it is of course the actual process of decentralisation itself that is of importance, rather than definitions. Too much emphasis should therefore not be put on discussing definitions. However, the variety of concepts and definitions does point to a need to be clear about what is meant and/or referred to when discussing decentralisation and local governance. Not only are there different types and forms of decentralisation, there are also different definitions for each type of decentralisation.

All different types of decentralisation together with other concepts for which definitions have been found in the guiding documents when discussing decentralisation and local governance are listed in the Box below.

Box 1: Concepts

- Decentralisation
- Administrative decentralisation / Deconcentration
- Fiscal decentralisation
- Political decentralisation
- Democratic decentralisation / Devolution
- Integrated decentralisation
- Sectoral decentralisation
- Delegation
- Divestment / Market Decentralisation
- Privatisation / Deregulation
- Local Governance
- Local self-government
- Decentralised governance
- Subsidiarity
- Levels
- Participation
- Accountability

Different donor organisations have different mandates, capacities and operating modalities. When this is combined with the many interpretations of decentralisation and related concepts as well as the significant variation in recipient countries regarding their economies, nature of public administration, political intentions for reform, local capacities etc., it is not surprising to find many differences to donor support for decentralisation and local governance.

1.3 Methodology

The Inception Report was finalised in early August 2006 and visits to donor headquarters were carried out between August and October. Interviews were conducted with Danida (16th August), SWISS/SDC (by telephone 24th August), GTZ/KfW (23rd August), EC/EuropeAid (29th August), DGIS/VNG/SNV (30th August), BTC (22nd September) and finally DGCID/AFD (17th of October).

The level of ambition for the survey was rather high at the outset of this assignment. As outlined below it was hoped that information regarding the most common different forms applied for support to decentralisation could be assessed. This would include:

- ♣ Support to national projects. These may in turn be supported as:
 - Individual projects (e.g. Danida support to decentralisation 1993-97 in Uganda),
 - Basket funded or pooled programmes (e.g. 8 different donors currently support a basket funded Local Government reform programme in Tanzania),
 - Support to national reform programmes to (earmarked) budget support.
- ♣ Support to Area Based Programmes (ABP). An area-based programme will typically include capacity building of one or more districts possibly in combination with some additional development funding to the district or support to urban municipalities with infrastructure development, land management and general service delivery. This type of support can, as mentioned above, be in the form of: individual projects (e.g. BTC support to Public Administrative reforms in Vietnam or the Danida support to Rakai District in Uganda).

In an analysis of donor approaches it would further be important to review different approaches to:

- The use of technical advisors and programme management support modalities

- Whether project management units or similar institutions are established in parallel to normal Government operations
- Whether international or national technical advisors are recruited on long term basis or only used for more short term inputs
- The relative costs of TA and operations compared to total programme budgets

However, from the inception phase of this assignment, it was clear that such a level of detail is not readily available with the individual donors. Some could give information regarding TA components, others not. Some had information regarding PMUs/PIUs others not. The nature of the programmes/projects and the internal donor management of these makes it particularly difficult to ascertain exactly how much decentralisation and local governance support goes through sector support within education, health, water/sanitation, agriculture, infrastructure investments, environment support and many other areas.

The requested data as proposed in the detailed Excel sheet sent to all participating donors/organisations could not be completed. A more thorough assessment of the actual level of decentralisation and local governance support by individual donors would need considerable more inputs in terms of manpower and archive searches. In agreement with the donors the Consultant received soft and hard copies of what data the organisation had available and in which ever form they have it, on their on-going support to decentralisation and local governance. The following analysis, therefore, is based on this available material. In the first instance we only concentrate on the "pure" projects/programmes, and then explore the various forms and modalities of these. However, the main focus of the study is to describe the trend over the past years within each organisation in terms of policies, support modalities, and to explore the extent to which there is a common ground where work can be initiated or strengthened in terms of harmonisation and alignment possibilities in line with the Paris Declaration.

The survey team was composed of:

Per Tidemand – Dege Consult, overall Team Leader

Hans B Olsen – Dege Consult, chief report writer and editor.

Jesper Steffensen – Nordic Consulting Group, overall quality assurance.

2. DONOR PROGRAMME PORTFOLIO

2.1 *Belgium/BTC*

2.1.1 Organisation

The Directorate-General for Development Cooperation (DGDC) is responsible for overall policy and strategy of Belgian development cooperation. The DGDC is placed directly under the Federal Minister of Development Cooperation and is divided into five directorates (i) Management, (ii) Governmental Programmes, (iii) Non-governmental Programmes, (iv) Multilateral and European Programmes, (v) Sensitisation Programmes.

The Directorate of Governmental Programmes is responsible in consultation with embassy attachés to develop policy guidelines and to translate these into development cooperation programmes. This directorate is also charged with following up the cooperation budget. In conjunction with the attachés, it makes the necessary preparations for the review and follow-up meetings on the cooperation programmes, which are held with the 18 partner countries and with the Joint Committees. Belgian Technical Cooperation (BTC) is the executive arm of Belgium's bilateral cooperation. BTC, however, only deals with direct bilateral aid and multilateral aid for local governance and decentralisation is given through multi-lateral organisations such as UNCDF.

BTC was established in 1998 as a public-law company with social purposes. Its relations with the Belgian Government are set down in a management contract. As a public service provider, and on behalf of the Federal Public Service of Foreign Affairs, Foreign Trade and Development Cooperation, BTC has as its foremost objective the fight against poverty in developing countries. BTC manages more than 270 programs in 34 countries in Africa, Asia and Latin America. The planned overall spending for 2006 is EURO 180 million and BTC employs about 300 staff, with roughly 40% working at headquarters in Brussels and 60% in countries where projects and programmes are being implemented. BTC has 23 representations abroad.

Three changes in BTC operations during 2005 are seen as crucial. BTC has been undertaking a major internal reorganisation to adopt more process management systems and to deal with the growing problem of managing the internal organisation. The speed with which BTC originally took over hundreds of projects in its early days meant that the various procedures applied had tended to develop somewhat organically and, in some cases, lacked consistency and continuity.

The second major issue was to focus on the organisation's key tasks, namely preparation and implementation of cooperation programmes coordinated by the Belgian government and other donors. The entire formulation process is currently

being revised and now relies more on the capacities of local partners who duly play a central role.

The third and final challenge addressed was that of modernising BTC's tools to reflect changes in development cooperation paradigms at international level. The emergence of new forms of aid, such as budget support and the international commitments agreed under the OECD Paris Declaration to achieve harmonisation between donors and alignment with local management systems has meant that BTC must try to adapt to these changing demands.

2.1.2 Donor Policy on Local Governance/Decentralisation

BTC has increasingly been putting emphasis recently on democratic governance, and decentralisation figures among the key areas of support within this overall approach. Good governance, or democratic governance, including local governance and decentralisation is seen as the main support areas and about 15% of overall BTC spending is within this area⁷.

The decentralisation projects of DGDC/BTC are basically focusing on:

- A large part of BTC projects/programmes focus on support to large decentralisation development programmes in e.g. Mali, Niger and Rwanda.
- BTC has been focusing on projects with the objective to improve on small infrastructure development, improvement of basic social services and rural development.
- A growing number of decentralisation programmes are financed by Belgian Survival Fund, which is under the direct control of the Parliament (Rwanda, RDC, and Niger). The Survival Fund is aiming at impact for food security and particular interventions.

In terms of harmonisation and alignment more and more relies on the financing of local authorities put in place by governments (ANICT in Mali, CDF in Rwanda). Area based programmes – like in Uganda – are still supported by DGDC/BTC in its bilateral programmes. An increasing number of donors are focusing on local government financial management and fiscal capacity. The actions for decentralised development are to reinforce the management capacity of the local authorities and to put in place local development funds that enable local discretionary development planning and participation in e.g. planning, financial management matters. These are increasingly being addressed in interventions in Tanzania, Vietnam (second phase of PAR), and in Benin.

Some key strategic and lesson learned documents have been developed. These are:

⁷ See P.21: La Décentralisation et La Gouvernance Locale, Quelle Contribution de la CTB? Rapport D'Etude, Avril 2006.

- Democratic Governance – the Key to Development summarises experiences from Good Governance projects in 6 counties and discusses the issues raised in aid governance by the Paris Declaration.
- La Décentralisation et La Gouvernance Locale, Quelle Contribution de la CTB? April 2006 – is a very detailed study of BTC's approach to decentralisation and local governance and overview of interventions. Furthermore, the study focuses on the contributions of various Belgian institutions, universities, NGOs etc on decentralisation. Finally the study makes recommendations on strategic issues such as working with partner country financial procedures, rules and regulations, development of human capacities, working with regional and local government associations, and to strengthen the control and oversight functions of central ministries. In every phase of decentralisation there are three levels to concentrate on: the state (central services and deconcentration), the communities and the population. The development context can be at different stages of development but it is very important to simultaneously concentrate on all three levels.
- In 2005 DGCD initiated a study : Appui à la décentralisation et gouvernance locale, Etape 1-3: Eléments de stratégie pour l'intervention de la Coopération Belge en Appui à la Décentralisation et à la Gouvernance Locale. This guidance note gives the BTC perspective on how to deal with decentralisation issues in the context of project and programme development. It sums up Belgian experiences with decentralisation and local governance projects/programmes in 5 partner cooperation countries. The note focuses on key questions such as what should be the geographical/thematic focus of support interventions, which are the main partners, how the relationship between decentralisation and sector interventions is and finally which fiscal decentralisation aspects should be important to keep in mind.

The BTC offer Mali as a successful example of where donor harmonisation and a more programmatic approach are working well.

A real dynamic for institutional development

Mali is, without doubt, the best example among the countries of West Africa of a reform of governance undertaken resolutely both to further develop and enhance the political process of democratisation and to generate the framework for a new dynamic of local development.

Following the example of countries in the sub-region, a weary population of a State, which no longer appeared able to meet its basic social needs or to manage resources transparently and fairly, were crying out for the institutional and political reforms undertaken in the 1990s. On the other hand, the peace agreement signed with the rebel populations in the North clearly stipulated a degree of autonomy and freedom

for populations in managing their affairs.

Decentralisation was therefore proposed by President Alpha Oumar Konare as one of the country's key focus areas. Following the national conference and in accordance with the new Constitution subsequently adopted by referendum, it was considered a crucial reform in instigating democracy at local level. It provided the opportunity to focus on a new development dynamic based on making populations themselves responsible for managing local affairs. Administrative decentralisation also proved itself to be a key strategic lever in reforming the State, both in terms of the substance and the design of its role and of its form and organisation.

In line with this strong political approach and contrary to an administrative approach, a Decentralisation Mission drew up and implemented an overall nationwide reform strategy. It concentrated primarily on the principles of populations taking responsibility and becoming involved. In this way, in the context of a broad campaign to explain and communicate the plans, populations came to play a direct role in preparing for and implementing reform. Dialogue throughout the country enabled villages to decide on their groupings and the regional configuration of future municipalities. Legislative provisions were finalised in the context of national discussions. The country's entire lifeblood was mobilised to take part in launching the reform. These were the premises of a real governance-based approach since the government had turned to concerted public action in which all players in society (central administration, devolved state departments, non-state players, political parties, etc.) were working together to define and implement public policies.

In line with a Malian approach adopted by the players involved and in a harmonised fashion throughout the territory, Mali very rapidly offered partners and donors the national tools to manage and support the process. A Fonds national d'Investissement des Collectivités Territoriales (FICT) and the Agence Nationale d'Investissement des Collectivités Territoriales (ANICT) were set up to manage the process together with a national provision for technical support for the launch of municipalities with municipal advice centres. In addition to supporting and invigorating the process, these tools have made it possible to coherently federate and articulate external aid.

Following the launch of the process which centred primarily on a municipal level, the government and the local communities then entered a second stage of reform based on two main axes: enhancing supra-municipal levels (circles and regions) which constitute the framework of the new approach based on territorial development and linking decentralisation to a strategy of institutional development which comprises reforms of central administration, devolution and methods for managing public resources.

Action by Belgian cooperation

In this process, decentralisation plays the role of strategic lever in putting in place participative and democratic governance. In this vein and in line with the Poverty Reduction Strategy Paper, the project in support of decentralisation in the circles of Banamba, Kolokani and Nara in the Koulikoro region is anchored in the institutional framework of reform in Mali. It seeks to support the new institutional players (the municipalities) in their role at the local level, and at the national level the Fonds d'Investissement des Collectivités Territoriales and the technical support provision.

The project entails organising institutional support and providing municipal institutions with the tools to enhance their capabilities and to promote their management role. Consequently, it facilitates their access to financial resources in order to invest. These tools are both financial resources made available to the FICT at national level and advisory support and training at the level of municipal players. In compliance with a governance-based approach, the project is also designed to enhance the collaboration of municipal institutions with local players, in particular structures within civil society involved either directly or indirectly in supporting the municipalities.

In this way, the project has supported the process of drafting municipal development plans, relevant action plans and budgets, methods for mobilising local resources, local policies to promote the private sector, implementing a public service and many more – all by supporting in their action the institutional players and individuals directly concerned. A training fund in respect of which local communities have a "drawing right" has also enabled municipalities to use training and related support for their specific purposes. This is more a support-based approach rather than one based on substitution. This approach based on institutional development is a pilot approach. In fact, it is setting up a measure to provide resources and to respond to the needs of many players who, from the national level right down to municipal and even local level, are now directly involved in regional administration and development planning.

2.1.3 Decentralisation/Local Governance Programme Portfolio

Project/programme title	Country	Programme period		Total budget (Euro)	of which is TA	Of which is other capacity building	of which is operational costs	of which is development funding	Nature of programme and support modality	Support modality
		Start year	End year							
LGRP	Tanzania	2005-2006	2007/2008	10,000,000				10,000,000	Decentralisation Sector support	Basket funded programme
Appui décentralisation Koulikouro	Mali	2005	2009	7,000,000	1,000,000	3,000,000	500,000	2,500,000	Decentralisation Area based programme + BS to LG	mixt project/BS to LG
Appui aux entités décentralisées Région Dosso	Niger	2005	2009	5,500,000	1,000,000	9,000,000	400,000	3,200,000	Decentralisation Area based programme + BS to LG	mixt project/BS to LG (ANICT)
Appui district Gakenke	Rwanda	2005	2010	5,500,000	1,000,000			2,800,000	Decentralisation Area based programme + BS to LG	mixt project/BS to LG (CDF)
Local Infrastructure and capacity Building	Palestinian Territories	2002	2006	6,500,000	500,000	1,500,000	500,000	4,000,000	Area based support + IGFT	project
Programme d'appui au développement communautaire=> communal	RDC	2005	2010	35,000,000					Decentralisation reform + CB of local actors	project
Support to Ibarra Municipal Council	Equateur	2005	2007	2,900,000					Area based - Municipal Council support	project

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Support to Kasese district	Uganda	2001	2005	5,400,000					Area based - District support	project
Support to Bundibugyo District	Uganda	2005	2008	3,500,000					Area based - District support	project
LGSPH	Uganda	2007		4,000,000					Sector budget support	project
Provincial Administrative Reform	Vietnam			1,500,000					Area based - Provincial reform support	second phase in preparation
Programme d'appui à la mise en œuvre des plans de développement communaux dans les départements du benin	Benin	2007	2010	11,500,000					Decentralisation	
Programme d'Appui au Développement du secteur Eau potable et Assainissement en milieu Rural dans les départements de l'Atacora et de la Donga	Bénin	2003	2006	2,800,000					Area based	project
Programme d'appui au au Nettoyement de la ville de st louis	Sénégal	2004	2008	2,000,000					Area based	
Kampala Integrated Environmental Planning & Mgt Project (KCC)	Uganda	2006	2010	5,050,000					Area based	

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

« Desarrollo de la Producción de Cárnicos Sanos en el Norte de Ecuador (PROCANOR) »,	Ecuador	2004	2009	4,000,000	750,000				Sector support & strategic alliances with local and provincial authorities	
Programa de Infraestructura Social y Productiva para las Provincias de Loja y Zamora Chinchipe	Ecuador	2005	2007	7,400,000	445,000				Area based	
Projet de développement agricole durable dans la Province de Chayanta du département de Potosi	Bolivie	2005	2010	4,550,000	900,000			2,600,000	Area based	
Projet de filières productives agricoles durables dans la province d'Oropeza du département de Sucre	Bolivie	2006	2011	4,200,000	750,000				Area based	
Programme de dvlp rural intégral des bassins versants de la cordillère du Tunari : action complémentaires	Bolivie	2005	2008	3,000,000	750,000				Area based	
projet d'appui à la décentralisation de l'hydraulique dans la région de Gao	Mali	2004	2008	6,000,000	2000000		800000	3200000	Area based water sector support	
Total				137,300,000						

2.2 *Denmark/Danida*

2.2.1 Organisation

The Ministry of Foreign Affairs in Denmark is basically organised in a North Group and a South Group with relevant departments and sections. Danida's activities fall within the South Group. The reform of the Danish development system which took place in 2001/2002 meant that the Ministry of Foreign Affairs reinforced development assistance target and performance management in 2002 in order to record these results more accurately. One of the new tools is the conclusion of performance contracts between the Ministry of Foreign Affairs and the Danish Diplomatic Missions responsible for development assistance. These contracts are also an important part of the decentralisation of assistance administration, which is intended to contribute to ensuring better, more effective assistance. As part of target and performance management, a special pilot study has been started, the aim of which is to record the results of assistance in relation to the poverty strategies in each Danish programme country and, in the long term, in relation to the UN's Millennium Development Goals.

In the future, the Danish Diplomatic Missions will have their work assessed under so-called performance reviews. The overall goal of a performance review is to assess the extent to which the individual country programmes are proceeding according to plan. Such an assessment includes a look at the following: (i) compliance with overall policies and plans, (ii) documentation of activities implemented, (iii) documentation of results achieved, (iv) capacity of the Mission and the recipient organisations, and (v) financial management of the programmes.

In the internal structure of the Ministry of Foreign Affairs, the follow-up of target and performance management is anchored in a newly created Quality Assurance Unit. The major part (65%) of Danish bilateral development assistance is concentrated in 15 so-called programme countries in Africa, Asia and Latin America. These are Tanzania, Ghana, Mozambique, Uganda, Vietnam, Bangladesh, Bolivia, Zambia, Nicaragua, Nepal, Benin, Burkina Faso, Egypt, Kenya and Bhutan.

In addition to the development cooperation with the 15 programme countries, Denmark gives assistance to a number of other poor countries such as India, Kosovo, China, Serbia and Montenegro, Eritrea, South Africa, Cameroon, Afghanistan, Niger, Malawi. More than half of bilateral development assistance to the programme countries is now concentrated in major, long-term sector programmes in areas such as agriculture, health, education, water and sanitation and transport. Bilateral assistance is normally concentrated in 2–4 sectors in each programme country. Social infrastructure got 44% of total bilateral assistance. Support to Public administration reforms is part of this and is only 2% of total bilateral assistance.

2.2.2 Donor Policy on Local Governance/Decentralisation

Danida has formulated a Good Governance Strategy (Support to Good Governance – Some Issues and Challenges Regarding Analysis and Planning, Good Practice Paper, October 2004). Many developing countries – also Danida’s main partner countries – recognise that poverty reduction, in order to be effective and sustainable, must take place in a context of basic good governance. This is increasingly reflected in Poverty Reduction Strategies developed by the countries in question, where governance issues are given more prominence. Like-wise on the donor-side, support to governance – such as improving participation in policy making (e.g. PRSP-processes), accountability (e.g. financial management), ensuring rule of law (to safeguard human rights, and property rights), and transparency (publicising budgets and accounts etc.) – is seen as key to foster and sustain poverty reduction. There is no generally agreed categorisation, but for planning and exchange of knowledge purposes the following list based on previous Danida experience is provided as practical categorisation: (i) Public sector reform, (ii) Decentralisation, (iii) Human rights, (iv) Democratisation, (v) Access to Justice, (vi) Anti-corruption and (vii) Media.

Danida’s support to public sector reforms has been relatively limited. Most of the support to public sector reform has been at the level of sector ministries and other agencies linked to the sector support and support to decentralisation. The support has been more characterised by being gradual capacity building, than “reform”. However in recent years, more emphasis has been placed on public sector reforms, including civil service reforms, pay reforms, result oriented management and public sector reforms for improved service delivery. It has been increasingly recognised that comprehensive public sector reforms (a sector wide approach with flexible funding) are needed based on national processes, also for making sector programme support more effective.

Danida has furthermore prepared a Technical Note – Monitoring Systems within the Field of Good Governance – Applying the Harmonisation Agenda, November 2004. The Note discusses how Danida can best monitor development assistance especially within governance, which is known as a difficult area to monitor. Danida sees the need to align with national poverty reduction strategies and the MDGs which in turn will also help in harmonising with developing countries national processes for accountability.

Danida has also been underway since January 2005 with a Good Practice Paper – Decentralisation and Improved Service Delivery for the Poor. The purpose of the Paper is to assist practioners with decentralisation reforms (whether through sector programmes, which is the preferred support modality of Danida or specific decentralisation and local government programmes) in providing useful key concepts and analytical approaches as well as to summarize key lessons learned from Danida development assistance regarding the main challenges in addressing decentralisation

reforms and how best to tackle these. It is expected that Danida finalises the Good Practice Paper by the end of this year.

Finally, Danida has from August 2006 been working on translating the Government's New Strategic Priorities into a new Governance Strategy. The first draft of the Governance Strategy will be ready in December and it is expected that it will be finalised by the spring of 2007. The strategy is seen as needed to: i) focus Danida's strategic interventions in partner countries, ii) need for sharpening the Danish profile, and iii) need for competence development of staff at both headquarters and field level. The strategic priority areas and key principles of Danish support to decentralisation will have as its overall objective to alleviate poverty, improve service delivery, democratisation and public private partnerships. The main areas which will be supported within governance are: i) institutional reforms – including vertical reforms/decentralisation; ii) public finance management – focus on accounting/financial reporting, management control and internal audit, procurement; iii) anti-corruption. This means that areas that (at this moment) have been left out are civil service reforms and tax reforms. The guiding principle will be to as much as possible adhere to existing policies, systems and institutions in the countries and ensure compatibility with sector programmes.

Danida does therefore not have a separate strategy on decentralisation and often (as can be seen from list of programmes below) lump decentralisation together with overall Good Governance and Human Rights Support. Decentralisation is therefore seen as a means to achieve overall good governance and ensure more democratic participation at local levels but will according to the proposed New Governance Strategy also be seen as an end in itself. One of the challenges, therefore, has been to ensure that decentralisation reforms are getting sufficient attentions when lumped with the overall Human Rights and Good Governance Programmes.

- Other interesting support funded by Danida is the World Bank review (funded by Danida Trust Funds) on experiences and lessons learned from decentralisation in three African countries (2004).⁸

⁸ Steffensen, Jesper and Tidemand, Per: Synthesis Report: A Comparative Analysis of Decentralisation in Kenya, Uganda and Tanzania, 2004. The report has a chapter on the institutional arrangements and coordination for decentralisation reforms.

2.2.3 Decentralisation/Local Governance Programme Portfolio

Project/programme title	Country	Programme period		Total budget (EURO)	of which is TA	Nature of programme
		Start year	End year			
Human Rights and Good Governance Programme Phase II 104.bagladesh.204-200 Component II - Transparency and accountability - immediate objectives are: (i) Public institutions at national and local level are functioning better and are more responsive to public needs and demands; and (ii) emerging guardian institutions are gradually implementing their mandate.	Bangladesh	2006	2010	29,024,000 (of which decentralisation and support for local governance 4,221,636)	1,477,572	Sector programme support to decentralisation and local governance
Le Programme Gouvernance et droites de la Personne 104.Benin.32	Benin	2004	2008	8,548,812 (Component I: decentralisation: 3,403,694)	145,000	Sector programme support to decentralisation and local governance
Good governance/public administrative reform programme, Phase II, 104.Bhutan.21	Bhutan	2003	2008	5,870,712 (Component I: Support to decentralization and civil service, 1,846,965)		Sector programme support to decentralisation and local governance
Programme d'Appui danois aux processus de Décentralisation et de Déconcentration 104.BKF.35	Burkina Faso	2003	2008	7,321,900 Comp I: Support to consolidation of decentralisation 1,846,966 Component II: Support to local development 3,56,2000 Component III: Support to civil society 1,319,261		Sector programme support to decentralisation and local governance
Danish Support to District Assemblies 104.ghana.37	Ghana	1999	2003	6,616,507		Sector programme support to decentralisation and local governance
The Kenya Good Governance Programme, 104.kenya.141	Kenya	2006	2010	N/A, decentralization possibly ingoing, but in that case as an activity to fulfill objectives such as human rights, democracy, judicial sector, public sector reform etc. Not a component in it self		Sector programme support to local governance

Project/programme title	Country	Programme period		Total budget (EURO)	of which is TA	Nature of programme
		Start year	End year			
Human Rights and Good Governance Programme in Nepal 104.Nepal.54 from 1999-2005 a specific decentralization-programme but no data available on PDB.	Nepal	2003	2008	10,817,942 Component 7: Local governance 920,000		Sector programme support to decentralisation and local governance
Support for the process of decentralisation and local development in Nicaragua 104.Nicaragua.65.II	Nicaragua	2004	2009	National and regional decentralisation efforts, grand total of 16,490,765		Sector programme support to decentralisation and local governance
GBS - possible support to decentralization according to national PRSP, but unknown	Tanzania					
Support to the Decentralisation Reform, Phase III, 104.Uganda.47	Uganda	2003	2007	Entire program focused on decentralisation 6,596,306		Sector programme support to decentralisation and local governance
Thematic Programme for Good Governance and Democratisation 104.zam.62	Zambia	2005	2008	14,419,525 (Component C -subcomponent c2: support the finalization and early stages of implementation of a comprehensive 5-year National decentralisation Policy 2,044,855)	200,000	Sector programme support to decentralisation and local governance

2.3 European Commission/EuropeAid

2.3.1 Organisation

With the creation of EuropeAid in January 2001, all expertise in the area of project and programme management was brought together in one functional set-up. EuropeAid reports to the Commissioner responsible for external relations and development and is under the responsibility of the Commissioner for external relations. It is responsible for the implementation of all assistance to developing countries. Since the reform, DG External Relations and DG Development are responsible for multiannual programming and EuropeAid for the project cycle.

The wide-ranging reform included the devolution of responsibilities and resources to the Commission's Delegations in the partner countries, implemented in three waves from 2001 to 2004. Devolution concerned primarily the management of external assistance but also led to an increased role of delegations in other related matters such as the policy dialogue with the authorities and the coordination with donors. The responsibility for Decentralisation and Local Governance falls under Directorate E

and the Office E4, which is charged with looking after Governance, Human Rights, Democracy and Gender.

Today 80 delegations are devolved, of which 37 in Africa, 10 in the Mediterranean region, 11 in Asia and the Pacific, 15 in Latin America and the Caribbean and 7 in Europe. Before the reform, 55% of the funding was managed centrally at headquarters and 45% jointly with delegations. In 2005 around 70% of all funds were directly managed by delegations⁹.

The reform resulted in a harmonisation of working methods between cooperation instruments across regions. The Commission invested substantial time in developing manuals, guidelines and working tools. For all development priority sectors practical guides and orientation papers have been produced. The guidelines on EC support to sector programmes were presented to other donors, including the OECD/DAC forum, where they served as a basis for the preparation of Good Practice Papers on Sector and Budget Support. The Project Cycle Manual which is used by EuropeAid has been adopted by several international cooperation agencies.

In general, the preparation of programmes and projects is now done with a closer involvement of local authorities and other development partners (other donors, civil society). Assistance has also become more focussed and the average size of financing decisions (on an annual basis) has gone up. With the reorganisation of EuropeAid in 2005, a new directorate for general quality support was created, as well as a dedicated secretariat for all quality support activities.

2.3.2 Donor Policy on Local Governance/Decentralisation

Over the last 6-7 years the EC has increasingly been engaged within domestic processes of decentralisation and local governance. A growing number of Country and Regional Strategy Papers include programmes directly or indirectly related to decentralisation and local governance.

Until now there has not been a specific EC Communication on decentralisation and local governance, presenting a coherent and agreed policy framework as well as guidance for support to operations across the different regions. The main policy documents on decentralisation and local governance are:

- ◆ the EC Communication on Governance and Development (COM 2003, 615 final) recognises the importance to “decentralised power sharing” as well as the need to involve “municipal and other decentralised authorities in national dialogue processes on governance;
- ◆ the EC Draft Handbook on Governance (2004) considers decentralisation and local governments as one of the six ‘governance clusters’ and provides guidance on how to provide support;

⁹ See EU – Commission Staff Working Document, Qualitative Assessment of the reform of External Assistance, Brussels (November 2005)

- ◆ the EC Communication on the EU Strategy for Africa: Towards a Euro-African pact to accelerate Africa's development (COM 2005, 489 final) puts governance at the centre of the partnership relation. In this framework, it recognises the governance challenge at local level and calls for a "systematic dialogue with national governments and local authorities [...] on how best to support decentralisation processes; and
- ◆ the EC Communication on Governance in the European Consensus on Development. Towards a harmonised approach within the European Union (COM 2006, 421 final) recognises the existence of "different levels of governance (local, national, international)" as well as "the key role that local authorities can play in achieving the MDGs". The 'Governance Profile' for ACP countries (which will be key to accessing the Incentive Reserve for governance) also includes some indicators related to decentralisation.¹⁰

In addition to specific support to decentralisation the Commission provides support to local governance through different instruments. These are:

- Thematic Budget Lines such as EIDHR, NGO-cofinancing, Decentralised Cooperation and some other regional budget lines (e.g. URBAL), which are significant initiatives in third countries promoting partnerships between local authorities (EU and Third Countries) and civil society/NGOs, each programme having its specificities in terms of stakeholders and beneficiaries;
- Non state actors support programmes which have for some of them a component in terms of Local Governance (e.g. Mauritania PASOC);
- Microprojects programmes (MPPs) which have local governance component;
- Urban development programmes with local governance component.

In April of this year the EC/EuropeAid launched a decentralisation discussion group (D-group) with the aim of reviewing EC decentralisation and local governance experiences, challenges and realities in its project support to 20 countries. The underlying aim with the exercise is to come up with a concept paper/operational guideline and to conduct a workshop on EC support to decentralisation and local governance in developing countries. The background for this initiative is that there is a growing need for guidelines on how best to engage in support of decentralisation and local governance at the country level. The draft of the Concept Paper was ready in November 2006 and as mentioned above the Paper has a practical purpose, namely to:

- Present the rationale for investing in decentralisation and local governance
- Address the conceptual confusion that often characterises the field of decentralisation and local governance

¹⁰ See page 10 of Concept Paper on the European Commission's Support to Decentralisation and Local Governance in Third Countries, Draft Final version, November 2006.

- Give a guide to the decentralisation arena, which is to see decentralisation as part of a wider “system” of reforms, address country specific context, identify different actors for decentralisation
- Challenges to identifying and formulating a proper EC response strategy
- Give the nuts and bolts necessary for proper implementation
- Deal with the issues of effective monitoring and evaluation of progress
- Identify the role of EC/EuropeAid as an effective “change agent” in decentralisation and local governance

At the same time a Thematic Evaluation has been carried out this year of EC/EuropeAid support to good governance.¹¹ The main findings of this evaluation on the issue of decentralisation and local governance are:

- ◆ In a significant number of countries efforts are made to invest in decentralisation processes, either as an objective in itself or as a means to achieving wider objectives. Out of the 77 countries that signed the Cotonou Agreement, 42 foresee some kind of support to local authorities or the decentralisation process.
- ◆ EC support can be clustered in five main areas: (i) institutional development and capacity development, (ii) decentralisation of services in health, education, water and sanitation sector, (iii) rural development (including capacity development for rural structures to promote participatory community planning), (iv) decentralised cooperation and (v) good governance.
- ◆ In these programmes, local governments are increasingly seen as service delivery agents and a catalyst for local development.

Modes of EC support are either “Project approach” or “Sector Policy Support Programme (SPSP)”. SPSP means that EC supports a Sector Programme which addresses and satisfies a set of key criteria such as Sector strategy, Country leadership, Medium-Term Expenditure Framework/Budget, Donor coordination, Institution capacities. **Sector budget support** is one of the three possible financing modalities linked to Sector Policy Support Programme (SPSP). The EC is increasingly promoting, whenever possible, the use of sector budget support in governance-related processes (e.g. interventions in South Africa). The main reason is *the potential ‘trigger-effects’* that budget support may bring along in terms of enhancing ownership; facilitating dialogue; improving public financial management (at both central and local level); and increasing transparency and accountability. Budget support is always accompanied by some criteria in terms of public finance management issues. Under the 9th EDF budget support has increased to about 20% of total aid delivery and it is expected to rise even more during the coming 10th EDF.

¹¹ Thematic Evaluation of EC Support to Good Governance, Final Report Volume 1, June 2006.

The Commission has been working towards the harmonisation of donor practices in line with the Rome Declaration (February 2002) and now later the Paris Declaration. The Commission has been particularly active in the Working Party on Aid Effectiveness and Donor Practices of the OECD/DAC. The EU has been conducting a coordination pilots in four countries (Morocco, Mozambique, Nicaragua and Vietnam) who belong to the 14 partner countries associated to the follow-up of the Declaration of Rome¹². In all four countries structured dialogues took place on how to implement the Rome Declaration. Other good practices that came about were:

- Annual report on the state of coordination/harmonisation (Morocco)
- Structured coordination/harmonisation sector working groups (Mozambique)
- Formal system of information on detailed donors' activities (Vietnam, Nicaragua)
- Operational agreement, Memoranda of Understanding, Joint Financing Agreements, implementation modalities, (Mozambique, Morocco/MEDA)
- Structured Budget support mechanisms (Mozambique, Nicaragua)
- Harmonised cost norms, salaries (Nicaragua, Vietnam)

In 2004 a survey was conducted within the Strategic Partnership with Africa (SPA) on alignment of budget support programmes with national processes. This survey covered 15 African countries and all budget support providers (IMF, WB, ADB, EC and 14 bilateral donors). A particularly interesting and innovative feature is the ranking of donor behaviour: each African government was asked to rank from 1 (low) to 5 (high) the donors providing budget support to their country, on a set of specific issues (disbursing on time, reducing number of missions, etc). Overall, the EC scored best of the multilaterals but lower than most bilateral donors.

In terms of future harmonisation and alignment the EC has committed itself to work towards the following overall targets:

- √ To provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements
- √ To channel 50% of government-to-government assistance through country systems including by increasing the percentage of assistance provided through budget support or SWAp arrangements
- √ To avoid the establishment of any new PIUs (Programme Implementation Units)

¹² See Annex 3 to this report with an overview of lessons from 2003 from COUNTRY-LEVEL HARMONIZATION: EMERGING IMPLEMENTATION LESSONS FEBRUARY 2003, HIGH-LEVEL FORUM ROME, WORLD BANK AND SECRETARIAT OF DAC/OECD

√ To reduce the number of un-coordinated missions by 50%.

As one of the good examples of a successful support programme, which now includes sector budget support, EuropeAid points (as is the case with BTC) to the support Programme for public administration reform and decentralisation (PARAD) in Mali. The EC has been supporting decentralisation in Mali since 1999 with more than EURO 40 million.

In 2003 the Government approved an Institutional Development Programme which integrated both public administration reform elements and decentralisation processes. With the support for PARAD the EC wanted to reinforce the linkage between decentralisation, deconcentration and public sector reform.

EC/EuropeAid Approach in Mali for Support to Decentralisation

- 2 major innovations: PARAD supports all public powers (central administration, state services at local level and local authorities – districts, circles and regions and Programme implemented through sector budget support (Sector budget support is for the first time given in the ACP in the field of governance € 70 million over 4 years).
- Sector budget support: the funding is channelled directly through the National Treasury and not through the ANICT (grants); the national procedures are applied for services, works and procurements and not EDF procedures; the disbursement of instalments (tranches) are linked to indicators of performance.
- 2 ways of checking the Government commitment: (i) additionality of EC funds, the funds come in addition and do not substitute national funds, if national funds decrease proportionally then EC funds also do; (ii) indicators of performance, the disbursement of variable instalments are linked to specific indicators (fixed objective to be reached every year – these include 9 for decentralisation and 3 for state reform).
- Why did EC/EuropeAid decide to move to budget support: (i) conditions in place for sector budget support – eligible for macro economic budget support, clear sector policy, sectoral MTEF and comprehensive action plans, formalised process of donor coordination, performance monitoring system in place, (ii) advantages in comparison with project approach – better ownership, reinforced political dialogue, higher predictability of resources, reduction of transaction costs.

2.3.3 Decentralisation/Local Governance Programme Portfolio

(See Annex 6 for details)

2.4 France/Direction Generale de la Cooperation Internationale et du Developpement (DGCID)/AFD

2.4.1 Organisation

To implement its activities the Ministère des Affaires Étrangères (MAE) relies on its central administration and its local network. The reform of 1998 integrated the DGCID into MAE and since 2004, a new division of competencies was decided between MAE and l'Agence Française de Développement (AFD), which led MAE to reorganise DGCID as follows:

Direction Générale de la Coopération Internationale et du Développement (DGCID)

In the case of DGCID, the strategy for development cooperation is decided every year by the Comité Interministériel de la Coopération Internationale et du Développement (CICID), chaired by the Prime Minister.

The Direction des Politiques de Développement (DPDEV), at the centre of DGCID, is charged with implementing the strategy.

The Sous-Direction de la Gouvernance (DPDEV/G) assures that the strategic mission is followed in terms operations and administration in the domain of governance.

This Sous-Direction is structured with 4 offices:

- Bureau de l'Etat de Droit et des Libertés (GDL)
- Bureau de la Modernisation de l'Etat et Gouvernance Locale (GML)
- Bureau de la Prévention des Conflits et de la Reconstruction (GPC)
- Bureau de la gouvernance Financière et des Cadres Stratégiques de Lutte contre la Pauvreté (GFI)

The Service de Coopération et d'Action Culturelle (SCAC), within the embassies, ensures that day-to-day contact with the local development partners in areas such as culture, education, universities, science, institutional and technical cooperation.

The funding for these activities comes from:

- Le Fonds de Solidarité Prioritaire (FSP) is the funding modality for the MAE. It is to finance project interventions in the ZSP for institutional development and projects within the social, cultural and research fields.
- Le Fonds social de développement (FSD), is a de-concentrated fund which permits the Embassies to finance small activities especially civil society at local levels.

Agence Francaise de Developpement (AFD)

In the field of urban development the AFD finances activities in three strategic areas: 1) poverty reduction and informal settlements, 2) economic and environmental development of towns, 3) greater autonomy and resources for local authorities. The AFD is a financial institution and has as its overall mission to finance development initiatives. Basically the AFD was to be the principal implementer of projects and co-operation agreements were formalised through contracts with countries in what is known as the priority solidarity zone (ZSP). A Supreme Council for International Co-operation provides a voice for other non-state actors and ensures that operations have a social demension.

AFD's actions in favour of economic growth and preservation of the environment fall directly within the framework of the MDGs, which seek to reduce poverty by half by the year 2015. AFD is involved in Africa, Asia, the Mediterranean Basin, in the Middle East, and in Overseas France. The AFD's focus areas are land management, infrastructure and urban development, supporting the productive sector, modernising financial systems, rural development and environmental protection. Increasing interventions in favour of the social sectors throughout the last few years' means that today nearly a third of subsidies granted to poor countries go to education and health projects. Africa is the main recipient of AFD projects.

The AFD is divided into departments like Rural Development, Urban Development, Financial Development and Strategy Department. Therefore, it is only in recent times the boarder issues of local governance and decentralisation have been brought up and AFD still deals with both grants and loans within its mandate to fund local investments in the rural and urban sectors. The project list which has been included in this survey for AFD is mainly focused on projects in the rural areas. It includes neither urban nor public finance programmes nor the sector infrastructure projects (hydraulique villageoise et pastorale, irrigation, santé, éducation, pistes) implemented in the rural areas, whether at a national or decentralized level.

Other organisations that play an important role in decentralisation and local governance interventions in France are:

- French local authorities and associations of local authorities such as Cités Unies France (CUF), Association des Maires de France (AMF), Assemblée de Départements de France (ADF), Association des Régions de France (ARF), Association Internationale des Maires Francophones (AIMF), Association des Maires des Grandes Villes de France (AMGVF), Association Française du Conseil des Communes et Régions d'Europe (AFCCRE) and Cités et Gouvernements Locaux Unis (CGLU).

2.4.2 Donor Policy on Local Governance/Decentralisation

Just recently the DGCID has completed a Governance Strategy Paper (September 2006). The main aim of the French approach to Democratic Governance is the art of

governing, balanced with regulating relations within society and coordinating the action of a large number of stakeholders. This means the art of governing, by linking the management of public affairs at various territorial levels, from the local to the global level, regulating relations within society and coordinating the action of a large number of stakeholders. Therefore, democratic governance is seen as a process rather than a reform of fixed rules and regulations. It is now recognized by DGCID that not only the policy content is important but also the way they are drawn up and implemented. This means that stakeholder participation in policy development is necessary.

France's approach to governance looks beyond the issues of institutions and forms of government. It also encompasses the social coordination mechanisms that contribute to political action. The French definition of governance is therefore: the art of governing, coordinating, articulating the management of public affairs at different levels of government, regulating relationships within society and coordinating the actions of the many different stakeholders. That is why the Governance Strategy Paper stresses the process orientation in the French approach and the need for a long-term (not only financial) commitment to reform processes.

New Partners

The Governance Strategy Paper recognises the growing importance of non-governmental actors in international cooperation, and this calls for a strengthening of consultation mechanisms aimed at greater harmonisation and effectiveness of assistance. This is why the Paper stresses: 1) ***Decentralised cooperation***: Such cooperation plays a key role in developing local democracy and in capacity-strengthening (engineering, project management, etc.). Cooperation with AFD is sought to develop greater consistency; 2) ***Action by NGOs***: Promoting interactions between NGOs from the South and the North enhances the forums for dialogue between players and also makes it possible to give due consideration to social and cultural factors in development programmes, as can be seen in the programmes developed in the Priority Solidarity Zone. This means that NGOs have an important role to play in governance, when framing PRSPs and when examining Debt Reduction and Development Contracts (C2D), as well as when evaluating projects or as project operators. 3) ***The role of the private sector and social and environmental responsibility***: In addition to its critical contribution to growth and employment, the private sector is called on to work alongside civil society and public institutions to make a major contribution to the improvement of social, environmental and ethical practices. Support for the private sector is a means of promoting corporate best practices with regard to social and environmental responsibility and fighting money laundering. It complements multilateral action carried out by the OECD.

The private sector can also play a direct role in implementing the objectives of government policy through public-private partnerships (delegation of management under the terms of a contract with a transfer of liabilities and risks to the private

sector) or more complex structures based on various contractual arrangements to minimise risks or provide incentives.

France supports the improvement of the business climate in Africa through the Organisation to Harmonise Business Law in Africa (OHADA). It contributes to the IFC's Foreign Investment Advisory Services fund (FIAS), which works to reform the business environment, and to the Private Enterprise Partnership for the Middle East and North Africa (PEP-MENA).

Instruments

- **Partnership Framework Documents:** represent a key change in the French development policy. Ils définissent les orientations stratégiques de la coopération française sur 5 ans, en partenariat avec le pays concerné. They should ensure better governance of our different bilateral assistance instruments and incorporate governance as a cross-cutting aspect of our action.
- **Financial assistance:** Wherever possible, we must entrust implementation of programmes to the partner countries, regardless of which financial instruments are used to fund them. This will make true “ownership” of the programmes possible. Thus, plural-annual financial commitments (with the Priority Solidarity Fund – FSP), the budget grants managed by the French Treasury and political budget grants managed by the French Ministry of Foreign Affairs, will continue to incorporate governance concerns. The co-secretariat of the Inter-ministerial International Cooperation and Development Committee is holding specific discussions on the complementarities of these different instruments.
- **Depending on requests from partner countries,** Debt Reduction and Development Contracts (C2Ds) could now incorporate governance issues, even though their primary objective is still financial and they are intended to secure poverty reduction programmes. Furthermore, C2Ds will provide an opportunity to coordinate with other donors and intensify the dialogue with local authorities on monitoring and evaluating poverty reduction policies. The contracts will also make it possible to deepen the involvement of civil society players in framing and monitoring such policies.
- **Technical assistance:** Cooperation requires operators that help make the best use of French expertise, such as GIP-FCI, ADETEF and ACOJURIS. It is critical to promote an adaptation of technical assistance to practices related to governance and, more specifically, capacity-strengthening: training, sharing experiences, intermediation with donors and other networks, leading networks. This adaptation will require broader recruitment (with a priority on hiring French experts, other Europeans and experts from neighbouring countries), but more especially, broader use of experts to provide external assistance to non-State organisations, professional bodies, NGOs, foundations, etc. The use of technical assistance by “activity pole” is another form of support that should be explored, along with networking our technical assistance activities in a given sector and in a given area.

- International organisations: The major financial contributions that France makes to such organisations are consistent with and complementary to its bilateral action. Special attention is given to development banks, which have a growing list of governance-related projects.
- Measuring governance: Indicators were originally simple tools for ranking countries and conditionality. They should primarily be thought of as a method for observing and evaluating ongoing processes in a given society against its objectives. They constitute a helpful basis and a necessary signal for the reforms that are required for development assistance. They should also be used to evaluate France's assistance system whenever possible.
- Training: The emergence of governance that is suited to the situation of societies in the twenty-first century requires much more than institutional change; it calls for a profound cultural shift affecting all stakeholders. Such a transformation is possible when one generation hands over to the next. This is the strategic value of training systems, which must not only train senior managers, but also contribute to changes in administrative and management practices. The objective is also to help our partners develop their own capacity-strengthening resources. This involves two levels:
 - Senior government officials. Joint inter-ministerial training is a key prerequisite to complete more technical training needed in various areas of activity. An original training programme is to be designed in partnership with the countries concerned to increase the number of case studies and to expose trainees to a wide variety of responses, including international responses.
 - Training community players. This training is aimed at the grass roots governance players, involving central government personnel, local government personnel, public service managers and the heads of social organisations.

In the French Development Policies on Local Governance it is stated that the key policy objectives for support to decentralisation are the following:

- Support for decentralisation and delegation policies pursued by central government;
- Support for associations of local elected officials;
- Capacity-building for local authorities, mobilisation of human and financial resources;
- Improvement in the citizens living conditions via access to basic services and initiatives;

- Democratisation, respect for the rule of law and citizen participation, which create the conditions for peace, facilitate the resolution of disputes and encourage the link between representative and participatory democracy.

France has multi-year strategies in the seven priority sectors identified within the framework of the Millennium agreement: education, water and sanitation, health and the fight against AIDS, agriculture and food security, infrastructure development in sub-Saharan Africa, protection of the environment and biodiversity, and private sector development. As part of its holistic approach to development, France furthermore places special emphasis on consolidating the rule of law and democracy as well as on capacity building in research and higher education. Furthermore, France wants to enhance the involvement of civil society, especially NGOs, in the design and implementation of French cooperation policy. One of France's goals in this regard is to double the proportion of assistance that is implemented by international solidarity organisations over a period of five years (2004 - 2009).

It is worthwhile to highlight a few interesting studies, which have been completed recently by DGCID. These are:

- 1) Étude Comparée des Politiques D'aménagement du Territoire et de Développement Régional dans les Pays du Sud (2006) – which mentions dec and regionalisation as some of the main tendencies in development today and has case studies of South Africa, Benin, Brazil, Chile, China, Morocco, Niger and the Philippines.
- 2) Spatial Planning and Sustainable Development Policy in France (2006) – which in light of the support in developing countries for decentralisation and local governance is a detailed overview of decentralisation, local governance and planning in France as it is today.
- 3) Decentralisation Policies in Latin America (December 2005) – which is a very detailed look at decentralisation policies and issues in 8 countries (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Mexico and Nicaragua) which gives details of each country in terms of (i) Political and Administrative Structure, (ii) Current State of the Decentralisation Process, (iii) Human Resources and Support Structures.
- 4) DGCID plans to carry out a study in early 2007 regarding the Strengthening of Local Taxation in Africa. The study will be carried out in several Francophone West African countries (possibly an English speaking African country will be included for comparison reasons). The study will focus on assessing local level taxation rules and regulations and ascertain whether a more sustainable and equitable taxation systems can be developed at local levels in these countries. The problem is to develop a taxation system which is sustainable and allows for better financing of local level services.

Since 1991, France, Canada and the EU have helped to finance the Municipal Development Partnership (MDP) in West and Central Africa. The programme was

initiated to enable a consultative structure for municipal development. The programme was towards unification of African municipal movements and includes ECOFILOC (local economies and finances); CITATIONS (support for delivery of urban services); POLDEC (support for decentralisation policies) and AFRICITIES (summit of the African municipal movement).

Finally, it is also worth pointing out that French local authorities and the local authorities associations together with civil society organisations and NGOs play an increasing role in contributing to the overall development of human resources and capacities, especially within grassroots community development, particularly urban development, housing provision of basic public services and job-creating initiatives.

2.4.3 Decentralisation/Local Governance Programme Portfolio

List of Projects/Programmes from DGCID

Country	Description	Start Year	Project Nature and Modality	Funding (EURO)
Madagascar	Regional planning – Partnership to develop Greater Antananarivo**	2001	Local governance Decentralisation Area based	760,000
Morocco	Regional planning – Institutional support to implement regional planning in Morocco	2000	Local governance Decentralisation Area based	1,520,000
ZSP*	Regional Planning – Support for regional planning and local development policies in the ZSP	2001	Local governance Decentralisation Area based	1,520,000
Benin	Decentralisation – Support for decentralisation and urban management	2000	Local governance Decentralisation	1,220,000
Cape Verde	Decentralisation – Support for decentralisation and project ownership in local authorities	2001	Local governance Decentralisation	610,000
Madagascar	Decentralisation – Support for decentralised management of urban authorities	1998	Local governance Decentralisation Area based	1,520,000
Mali	Decentralisation – Support for devolution and decentralisation	2002	Decentralisation	2,700,000
Mauritania	Decentralisation – Support for devolution and decentralisation (PADDEM 2)	2003	Decentralisation	2,300,000
Namibia	Decentralisation – Support for decentralisation and regional development	2002	Decentralisation	910,000
Niger	Decentralisation – Support programme for the start-up of decentralisation (PADDEM)	2003	Decentralisation	1,525,000

Country	Description	Start Year	Project Nature and Modality	Funding (EURO)
Niger/Mauritania	Decentralisation – Project with UNCDF on Decentralisation/Local Development	2003	Decentralisation	3,000,000
Madagascar	Decentralisation – Support for legal compliance and financial controls of regional authorities	1999	Decentralisation Local governance	458,000
Senegal	Decentralisation – Support for local development in Casamance	2000	Decentralisation Area based	1,220,000
Chad	Decentralisation – Institutional support for the decentralisation process (PADECT)	2003	Decentralisation	1,000,000
Sub-Saharan Africa	Decentralisation – Support for decentralisation, local governance and urban management	2003	Local governance Decentralisation	3,000,000
Burundi	Urban Governance – Support for development of Bujumbura municipality	2002	Local governance Area based	610,000
Cambodia	Urban Governance – Support for development of city of Phnom-Penh	2001	Local governance Area based	1,220,000
Cameroon	Urban Governance – Support programme for urban development in cities of Yaounde and Douala (PADUDY)	2002	Local governance Area based	1,590,000
Congo	Urban Governance – Support for urban development (PRODEV)**	2002	Local governance Area based	5,000,000
Congo	Urban Governance – Support for urban development and municipal management	2001	Local governance Area based	1,220,000
Ethiopia	Urban Governance – Urban growth management in Addis Ababa**	2001	Local governance Area based	1,520,000
Equatorial Guinea	Urban Governance – Support for urban development and municipalities (PADUM)	2000	Local governance Area based	460,000
Niger	Urban Governance – Support urban and municipal development **	2000	Local governance Area based	910,000

* ZSP – Priority Solidarity Zone comprises 54 countries in Africa, Asia, the Pacific and Caribbean, 30 of which are among LDC's. ** These projects shifted to AFD in 2005.

List of Projects/Programmes from AFD¹³

Intitulé du projet/programme	Pays	EURO	Statut	Project Nature and modality/Cofinancements et financements parallèles
Appui à la Décentralisation et au Développement Local (ADDEL)	Sénégal	6,200,000	En cours	Decentralisation Basket funding (PSIDEL (UE), PNDL (BM), FENU, Canada, GTZ/KfW)
Programme d'Appui aux Communautés Rurales de la Vallée du Fleuve (PACR Fleuve)	Sénégal	7,000,000	2007	Local governance Area based Co-financing (PDMAS (BM), PNDL (BM), PSIDEL (UE))
Programme d'Appui au Développement Communal	Mali	7,500,000	Achevé en 2006	Decentralisation Basket funding Multi bailleurs
Projet d'Appui à la Consolidation de la Décentralisation	Mali	5,500,000	2006 (suite PADC)	Decentralisation
Programme National de Développement Participatif	Cameroun	20,000,000	En cours	Local Governance Basket funding Banque Mondiale
PROADEL (dév local)	Tchad	5,000,000	En cours	Local governance Banque Mondiale
Projet d'Appui aux Communautés Villageoises (PACV)	Guinée	5,800,000	En cours	Local Governance Basket funding Banque Mondiale/FIDA
P.A. Développement Local dans 9 provinces (PADL2 et PDLO)	Burkina Faso	16,400,000	En cours	Local governance Area based
Programme d'Appui au Développement des Communes Rurales	Burkina Faso	n.d.	Identification, envisagé en 2008	Local governance FENU
Projet de Développement Local de Tillabéry	Niger	7,700,000	En cours	Local governance Area based
Projet de Développement Local du Guidimakha	Mauritanie	4,400,000	En cours	Local governance Area based
Foncier et décentralisation	Bénin	15,000,000	identification	Decentralisation Basket funding GTZ, Banque Mondiale
Programme d'Appui aux Communes Rurales	Ghana	10,000,000	En cours	Local governance Basket funding Banque Mondiale

¹³ This list provided by AFD does not include urban sector programmes/projects. On the Website is a list of urban projects which amounts to 24 and focuses on issues like infrastructure development, urban planning, a.o.

2.5 *Germany/BMZ/GTZ/KfW*

2.5.1 Organisation

The Federal Ministry for Economic Cooperation and Development (BMZ) has the overall responsibility for formulating development policy and has three overall Directorate-General Departments with a total of about 600 employees. About 80 percent of them are based in the ministry's Bonn office, while the rest work in the Berlin office. A certain proportion of employees are always to be found outside the ministry, where they take on development-policy assignments worldwide for a period of a few years. Within the scope of this "rotation" of staff between Germany and other countries, about ten percent of BMZ employees work in German embassies and consulates abroad, for international organisations or in specific development projects.

The BMZ differs from other government bodies in that it does not have a typical institutional sub-structure. The ministry commissions the so-called implementing organisations to implement its projects. These organisations in turn work with project-executing organisations, which are nominated by the government of the partner country. Among the implementing agencies of official German development assistance which have projects/programmes within decentralisation and local governance are, GTZ - the Deutsche Gesellschaft für Technische Zusammenarbeit, KfW - The German Development Bank and InWent - Capacity Building International, Germany.

BMZ undertook a major organizational reform in 2003. At that time, the previous four key directorates (administration, regions, bilateral co-operation/instruments, and multilateral co-operation/sectors) were reduced to three directorates with blended responsibilities across regions, sectors and types of aid. The logic for this sharing of responsibility related to the need to better integrate functions, including the bilateral and multilateral ones, in order to strengthen the synergies between them. Issues are now dealt with by "teams" of BMZ staff which cut across the traditional bureaucratic boundaries of the separate directorates.

German embassies in developing countries are expected to have at least one "development co-operation officer" who handles local development co-operation. This person is either a Foreign Office official or a BMZ employee temporarily seconded to the Foreign Office. Chiefly due to budget constraints, only about half of these posts are currently occupied by BMZ full-time development specialists, with emphasis on embassies in "priority partner" countries. A total of 38 BMZ staff had been assigned to embassies or other permanent missions to international organisations at the end of 2005¹⁴.

¹⁴ See DAC Peer Review, Germany Development Assistance Committee, OECD 2006

GTZ

The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH is an international cooperation organisation which aims at sustainable development with worldwide focus. Capacity Development is one of its core competences. Involving all actors and partners in planning and implementation is a major principle of its work. GTZ often acts as a facilitator between state and society and as a mediator of interests in societal conflicts of interests. In addition, GTZ has experience with assisting partner governments' with formulating and implementing longterm strategies. GTZ has its primary focus at local, regional, national, and also international level, in order to achieve the maximum possible impact.

GTZ, as a federal enterprise was founded in 1975 as a company under private law. The BMZ is its major client. The organisation also operates on behalf of other German ministries, partner country governments and international clients, such as the European Commission, The United Nations and the World Bank, as well as on behalf of private enterprises. In 2005 GTZ had an income of around EUR 778 million in the public-sector and about EUR 171 million in international services.

GTZ's organisation is built essentially around geographic and sector themes. As with BMZ, collaboration among the different parts of the organisation is ensured by regular work in crosscutting teams. Although GTZ actually implements only 9% of total German ODA, it makes up the vast majority of front line German development expertise. GTZ places continuing emphasis on operational decentralisation to the field, both of delegation of authority and of resources. Some 900 full time staff is located in Eschborn headquarters, a small office in Berlin, or elsewhere in Germany and another 8,000 field staff (7,000 of which is local professional and support personnel) is located in 126 countries and 67 offices overseas. Currently, its worldwide portfolio of active projects is slowly declining consistent with the vision to work toward "fewer projects and larger programmes". The allocation of GTZ funds in 2005 was geographically very evenly focused on Sub-Saharan Africa (27%), Mediterranean and Middle East (7%), Asia (25%), Central and Eastern Europe (12%), Latin America (11%) and Supraregional projects (18%).¹⁵

KfW

KfW has been the German aid system's principal implementing agency for financial co-operation since 1960. The development branch of KfW now distinguishes itself from its much larger parent organisation, the KfW Banking Group, and is called "KfW Development Bank". Like GTZ, KfW operations largely service the specific implementation needs of BMZ development policy. Its operations are largely organised around two "regional" departments, each of which provides considerable space for a blend of geographic and sector divisions. As with sister organisations, KfW makes extensive use of cross-cutting teams to manage its workload. KfW

¹⁵ IBID

manages the largest share (18%) of German ODA, while doing so with a relatively modest 370 staff, located mainly in Frankfurt headquarters.

In keeping aligned with current emphasis on increasingly decentralised decision-making and the large number of countries (113) in which it works, KfW has increased the number of its staff in the field, currently numbering 24, who collaborate with 80 local experts and operate 46 field offices. Half of these offices are staffed exclusively by local professionals. KfW increasingly attempts to collaborate more closely with other German agencies, particularly GTZ, and its offices are located in joint “German Houses” with GTZ and - as far as possible - other German agencies.

KfW has been known by outsiders for its traditional focus on project-based loans for infrastructure. Today’s profile is significantly different. KfW has responsibility for a significant amount of grant funds, including the lead role for a rapidly growing German use of grant-based budget support schemes (Euro 300 million planned for the 2006-07). In 2004, KfW received Euro 1.3 billion in development funds from the BMZ budget, of which more than half was in the form of grants. In that same year, it also committed Euro 621 million of its own funds in the form of development and promotional loans. Currently, its total of almost 1500 projects is largely focused on social and economic infrastructure (69%). Commitments in 2004 geographically favoured Asia (40%) followed by Europe (20%), Africa (13%) and Latin America (11%).

At the field level, Germany continues to face the challenge of addressing multiple issues, including greater alignment with PRSs, the shift to programme-based approaches and greater delegation of authority to field representations. The German system of relying on a ministry for development co-operation and separate implementation agencies is now being considered as inefficient and under consideration. The complexity of the German aid system entails not only cost in terms of internal co-ordination but also increases the risk of a donor driven approach to programming and contributes to the burden on partner countries’ limited administrative capacity. To try to address this issue BMZ has introduced joint strategies and teams, which attempt to provide a more common and co-ordinated working environment. Similarly, it is now updating its “Guidelines for Financial and Technical Co-operation” to ensure clarity and relevance of federal government operational guidance. At the request of BMZ, GTZ and KfW have had a general agreement since 1993 that governs joint collaboration between them, including the implementation of joint projects and programmes.

InWent

Furthermore, within decentralisation and local governance InWent plays a significant role. InWent – Internationale Weiterbildung und Entwicklung gGmbH – (Capacity Building International, Germany) is an organisation for human resources development, further training and dialogue with worldwide operations. The programmes of InWent cover a wide spectrum of topics and tasks, as reflected below:

- Good Governance and Reform processes
- Peace and security
- Social Development
- Environment and Natural Resources
- Sustainable Business Development
- Foreign Trade and International Relations
- Regional Development and Urbanization
- Development Education

The main client is the Federal Ministry for Economic Cooperation and Development (BMZ), but InWent also works for other German federal ministries, the governments of individual German federal states, international clients including the European Commission, the United Nations and the World Bank, as well as for private-sector businesses. In order to achieve optimum results in development cooperation, InWent cooperates closely with other development-policy organisations, including KfW, GTZ and the German Development Service (DED).

2.5.2 Donor Policy on Local Governance/Decentralisation

Germany's Memorandum to the DAC (BMZ, 2005) provides a good sense of the government's vision for development policy and of the challenges ahead. The Federal Government is committed to conduct the necessary changes to be in a better position to fulfil international commitments, notably the MDGs, as well as the aid effectiveness agenda embedded in the *Paris Declaration on Aid Effectiveness*. Key strategic changes that are taking place are:

- ♣ A shift in the strategic focus of German assistance on the MDGs and efforts to align bilateral development co-operation with partner country-led poverty reduction strategies (PRSs), including participation in joint funding programmes.
- ♣ A stronger focus of German development co-operation through concentration on a smaller number of co-operation countries and fewer priority areas.
- ♣ Close links between bilateral and multilateral initiatives.
- ♣ The pursuit of a "joined-up" approach which better integrates the various instruments of German development co-operation.
- ♣ The shift of focus on results and impact.

BMZ published in August 2002 a document regarding – What are the Main Aims of Promoting Decentralisation and Strengthening local self-governance in development cooperation? – in which is outlined that German development assistance. It sees

decentralisation as going beyond only administrative aspects to being a reform which involves legal and institutional frameworks (including financial reform) institutional capacity building, reallocating tasks among government levels, involving the private sector and civil society and active citizen participation at local levels.

The document states that the German approach to supporting decentralisation and local governance is shaped by the German experience of a federal system and local self-government where local authorities enjoy a strong autonomy. The German system is very diverse in the sense of being able to draft local by-laws, planning and decision-making processes. The basic principle of German support to decentralisation is the principle of subsidiarity, where a higher level of government should only perform a task if the lower levels are unable to perform this task.

Therefore, the core of decentralisation and local governance support is to focus on:

- ♣ Relationship between government and individuals with less government and more incentives;
- ♣ Relationship between the individual political and administrative tiers with delegation of tasks and assignment of clear oversight and monitoring roles;
- ♣ Relationship between government, the market and civil society with institutional arrangements for allocation of tasks in regard of comparative advantages;
- ♣ Furthermore, local self-government requires regional equalisation, political will and participation and finally capacity building as the essential undertaking in relation to far-reaching legal and institutional reforms.

In line with this thinking BMZ, GTZ and KfW have agreed to a harmonised approach to supporting political decentralisation in sub-Saharan Africa¹⁶. The main principles of this support are:

- 1) Decentralisation must always observe the following principles: (i) legitimacy and co-determination, particularly gender equality, (ii) accountability, (iii) the rule of law (iv) efficiency and (v) development orientation of state action.
- 2) Influencing the national framework conditions that determine decentralisation
- 3) Focusing on country-wide approaches
- 4) Overcoming fragmentation of donor approaches
- 5) Linking policy advice with policy-based lending
- 6) Competitive elements in the domestic distribution of funds
- 7) Decentralisation as a cross-cutting issue

Other documents which it is worth mentioning here are:

¹⁶ See "Dezentralisierung politisch gestalten als eine Kernaktivität der EZ in Subsahara Afrika".

- GTZ, Priority area of “Democracy, Civil Society, Public Administration – Promotion of Good Governance. The document outlines the GTZ principles and policies on support to key areas of good governance, namely: (i) Law and justice, (ii) Public finance, (iii) Strengthening civil society, (iv) Gender, (v) Local governance, (vi) Decentralisation, (vii) Regionalisation, (viii) Promoting democracy, Reform of central government, (ix) Fighting corruption, (x) Human rights, (xi) Reform of the security sector.
- GTZ, Services for Sustainable Urban Development (November 2005) – Strengthening local actors and local governance to make cities worth living in, gives examples of GTZ support to sustainable urban development with particular focus on municipal services, environment and natural resources management and urbanisation and regionalisation issues.
- KfW, 2005 Cooperation Report with special focus on Good Governance – gives an overview of KfW activities around the world and also underlines the fact that good governance principles are the guiding principle behind all project/programme interventions and an aspect of all projects. It provides examples from cooperation around the world.

The Joint African Institute (JAI) in partnership with InWEnt the World Bank (WB), the African Development Bank (AfDB), and BMZ, KfW and IMF have recently organized the 2006 Kigali Senior Policy Makers Workshop on Local Governance and Pro-Poor Outcomes in Africa. The workshop gathered high level public officials, specifically Permanent Secretaries from 16 African Ministries of Finance and of Local Government, as well as representatives of national local government associations and local governance strengthening programmes from the same countries, along with representatives from donor agencies and international financial institutions. As a basis for discussion during the Senior Policy Workshop, a set of local governance indicators were prepared by consultants and development partners, based on a review of existing literature and practice. Over 100 suggested indicators of local governance were identified; these were reduced to 19 clusters of indicators based on a typical local governance/local development program log-frame.

2.5.3 Decentralisation/Local Governance Programme Portfolio

List of Projects/Programmes from GTZ - 8/2006		
Decentralisation	Current Projects Number	Current Projects Sum in €
Total:	55	242.164.213,21
Middle East:	3	9.889.000,00
Asia:	12	46.223.918,81
Latinamerica:	13	86.267.642,57
Sub-Saharan Africa:	15	83.442.332,00
Europe:	11	15.861.333,83
Supraregional:	1	479.986,00
Local/Municipal Governance	Current Projects Number	Current Projects Sum in €
Total:	24	40.593.724,92
Middle East:	3	8.233.559,92
Asia:	4	11.394.165,00
Latinamerica:	0	0
Sub-Saharan Africa:	3	4.516.000,00
Europe:	14	16.450.000,00
Public Finance	Current Projects Number	Current Projects SUM IN €
Total:	31	52.258.683,50
Middle East:	2	3.330.000,00
Asia:	4	5.972.000,00
Latinamerica:	3	5.976.500,00
Sub-Saharan Africa:	13	27.608.500,00
Europe:	9	9.371.683,05
Democracy	Current Projects Number	Current Projects SUM IN €
Total:	23	55.019.083,76
Middle East:	1	900.000,00
Asia:	3	2.530.000,00
Latinamerica:	5	17.506.500,00
Sub-Saharan Africa:	12	32.260.000,00
Europe:	1	800.000,00
Supraregional:	1	1.022.583,76

German Financial Cooperation Projects (KfW) on Decentralisation (September 2006) ¹⁷					
Continent	Current Projects	Planned Projects	Current Projects	Planned Projects	Total
	Number	Number	Sum <i>Euro</i>	Sum <i>Euro</i>	
Sub-saharan Africa	46	16	222,359,460	105,912,919	328,272,379
Asia	3	5	24,087,163	51,000,000	75,087,163
Europe/the Caucasus	14	4	52,926,174	13,500,000	66,426,174
Latin America	18	3	146,937,446	13,669,378	160,606,824
North Africa/Middle East	6	1	35,850,048	30,000,000	65,850,048
Total	87	29	482,160,291	214,082,297	

¹⁷ The overview of KfW's support to decentralisation processes in five continents, presented in the survey, does not take into account our sectoral support at decentralised level. The ongoing and planned programmes presented in the table have the primary objective to support decentralisation and local governance

InWent: Ongoing Projects in the Fields of Promotion of Democracy / Administrative Reforms / Urban Development

Central America
Sustainable Urban and Municipal Development - Central America (2006-2009)
South America
Strengthening of Local Agenda 21 in the Andean Region (2002-2005)
Strategic Investment Planning for Peruvian Water Utilities (2003-2006)
Strengthening the Management Capacities of Ecuadorean Water Utilities (2003-2006)
Recovery of Proteins from the Process-Water of the Peruvian Fish Meal Industry (PPP) (2003-2005)
Alternative Strategies for Water-Supply in Low-Income Areas (2004-2005)
Support of Municipal Development in Bolivia, Peru and Ecuador (till 2010)
Support of NGO capacities for local development (till 2010)
Strengthening of Local Agenda 21 in the Andean Region (2002-2005)
East Africa
Municipal Waste Management in selected African Countries (2004-2007)
Urban environmental management (till 2008)
Municipal Waste Management in selected African Countries (2004-2007)
Urban environmental management (till 2008)
Southern Africa
Strengthening Municipal Water Supply Systems in South Africa (2003-2006)
Strengthening Local Democracy in South Africa(2006-2008)
Support of Decentralization Process - Project Feasibility - Tanzania (planned till 2009)
Sub-Saharan Africa
Local Governance and Pro-Poor-Outcomes (2006-2007)
Follow Up GIS -Program (2006-2008)
Mediterranean / Middle East
Management of Urban Infrastructure - Maghreb (2004-2007)
Regional Environmental Administration (PPP) (2006-2007)
Strengthening administrative Reform Processes in Turkey (2005-2009)
South-East Asia
Municipal Budget Management Indonesia (2005-2006)
East Asia
Urban environmental management /P.R.China (till 2008)
New Independent States
Local and Regional Economic Promotion in the Caucasian Region (2005-2007)
Worldwide
Local Agenda 21 in Practice: Sustainable Urban Development (2002-2005)
Alternative Strategies for Low-Income Housing: Social Production of Habitat (2002-2006)
Global Cooperation for Sustainable Urban Development (2005-2008)

2.6 *The Netherlands/DGIS*

2.6.1 Organisation

Directorate General for International Cooperation (DGIS)

DGIS is responsible for development cooperation policy, its coordination, implementation, and funding. An important part of DGIS focus is the coherence between Dutch and EU policy on developing countries. In order to develop and carry out development policy, the Netherlands works with the governments of other countries and with international organisations such as the UN, the World Bank, and the EU. Civil society is another important source of partners, which include non-governmental organisations such as Oxfam/Novib, ICCO, Cordaid and Hivos and interest groups such as the employers' confederation, VNO/NCW, and the small and medium-sized enterprise lobby group, MKB-Nederland.

DGIS themes include health, water, gender, Aids, education, sustainable economic development, and the environment. The Secretary-General and the Directors-General are each responsible for several departments engaged in either policy-related or support activities. There are four types of departments:

- Regional departments develop and carry out coherent, effective policy on the world's regions and countries. They include the North Africa and Middle East Department (DAM), the Sub-Saharan Africa Department (DAF), and the Western and Central Europe Department (DWM), South and Eastern Europe (DZO), Western Hemisphere (including Latin America - DWH), Asia and Oceania (DAO).
- Policy theme departments combine knowledge and expertise in one foreign policy area or more. They include the Security Policy Department (DVB), the Human Rights and Peace building Department (DMV), and the Environment and Water Department (DMW), Social and Institutional Development (DSI), Sustainable Economic Development (DDE), and Cultural Cooperation, Education and Research (DCO).
- Multilateral departments deliver the Dutch contribution to multilateral forums. They also send Dutch delegates to international organisations. There are two: the European Integration Department (DIE) and the United Nations and International Financial Institutions Department (DVF).

Within the MFA, the Directorate General for International Cooperation (DGIS) is overall responsible for much of Dutch development co-operation. The main recent organisational change is the establishment, in 2005, of the Effectiveness and Quality Department (DEK). The MFA estimates that approximately 1,000 of the Foreign Service staff work specifically on development co-operation with about 50% of these based in The Hague and about 50% overseas.

The Netherlands relies on a “decentralised” system in which embassies are responsible for policy dialogue with partner country governments and other donors; formulation of Dutch country and sector policy, and assessment; approval and monitoring of implementation activities within the limits of the “delegated funds”. General budget support funds are no longer authorised centrally and have been delegated to embassies in the 15 partner countries where this funding modality is in use.

The Netherlands is committed to implementing the principles of the 2005 Paris Declaration on Aid Effectiveness. The Netherlands’ commitment to alignment and harmonisation is an important component of its policy framework and Paris Declaration targets are embedded in the annual budget process. DGIS has a strong preference for programme-based approaches and the sector-wide approach has been the organising principle for Dutch bilateral development co-operation since 1999. General budget support funding is still authorised centrally with DGIS but in the near future plans are that embassies will be given the authority to sanction general budget support locally.

Alongside concrete action on the ground to implement the Paris Declaration, the Netherlands is now moving to develop an aid effectiveness action plan, which will build on the outcome of the 2006 survey launched by the DAC to establish a baseline for monitoring the Paris Declaration.

2.6.2 Donor Policy on Local Governance/Decentralisation

In 1999, the Sector Wide Approach (SWAp) was introduced in Dutch bilateral development co-operation policy with the objective to create better conditions for sustainable poverty reduction in recipient countries. In 2003 the Evaluation Department of the Ministry of Foreign Affairs decided to carry out an evaluation¹⁸ to assess whether and to what extent this objective has been achieved. For the evaluation case studies were carried out in Bangladesh, Bolivia, Burkina Faso, Uganda and Zambia. The case study also clearly shows the problems and dilemmas that confront medium-sized donors like the Netherlands when implementing SWAp in their bilateral development programmes and trying to follow more closely a harmonisation agenda at country level. The main findings of the evaluation were:

- The selection of the countries where the SWAp approach was going to be implemented did not follow laid down rules.
- The process of concentrating the assistance in less countries and sectors has taken place (19+3).
- Difficulties at embassy level to make the change to concentrated sectors especially in terms of capacity issues.

¹⁸ Van projecthulp naar Sectorsteun, Evaluatie van de Sectorale Benadering 1998-2005, MinBuza April 2006

- The Netherlands has taken a leadership role among donors and has been better at harmonising its procedures to partner country systems.
- Programme assistance has been increasing in almost all cooperation countries but still 50% of development assistance is earmarked.
- In terms of ownership the evaluation found that it was expected that programme support would increase local ownership of programme support but that this has not yet materialised.
- In most of the sectors where the Dutch have concentrated their sector programmes the government's have great difficulty in reaching the poor.

The role of decentralisation in Dutch development policy is laid down in the document of June 2002 – Decentralisation and Local Governance, From the Perspective of Poverty Reduction. This memorandum/paper gives an overview of the main principles in Dutch development policy on decentralisation which is:

- Relationship to principles of good governance – decentralisation impacts on administrative structures and on governance at all levels
- Relationship to poverty reduction – because poverty has a spatial component (especially in rural and remote areas) decentralisation potentially provides tools to address these regional disparities. Local authorities through local knowledge are better at fighting poverty at local levels and sector interventions at local levels must be coordinated locally. It is recognised that the link between decentralisation and poverty reduction is not always obvious and/or automatically realised and that the development is often influenced by a mix of good macro-economic policies, combined with better focus on service delivery issues and strong systems for allocation of resources – areas which are needed for poverty reduction to happen. The jury is still out also in terms of link between impact on corruption and decentralisation.
- Decentralisation and SWAp – the issue of ownership is a key point for the Netherlands and the SWAp approach is seen as a coherent whole of support to many aspects and decentralisation fits in with an overall approach to issues of fiscal, legal and institutional problems and how to address these.
- Key issues that the Netherlands has had experience with when supporting decentralisation have been: (i) the budgetary framework – need to work with budgets/expenditure assignments, and the collection of taxes both centrally and locally. This also involves working with community groups in setting priorities in local budget processes; (ii) the legislative framework – decentralisation always entails creating entirely new legislation with new definitions of roles, functions and powers of administrative levels; (iii) capacity building – is a cornerstone of any decentralisation process as training of local politicians, civil society organisations, private sector and civil servants is a must; and the fourth issue (iv) supporting the fight against corruption in the decentralisation processes is

vital. There is a need to support transparent processes and accountability within both political as well as administrative processes.

The Paper also describes the main actors in the field of decentralisation in the Netherlands development assistance. These are: Association of Netherlands Municipalities (VNG), National Council for City Links Netherlands Nicaragua (LBSNN), Dutch Habitat Platform, Dutch Development Organisation (SNV) and a number of co-financing organisations such as Catholic Organisation for relief and Development (CORDAID), Foster Parents Plan Netherlands (FPPN), Inter-Church Organisation for Development Cooperation (ICCO), Humanistic Institute for Cooperation with Developing Countries (HIVOS), Netherlands Organisation for International Development Cooperation (NOVIB), International Union of Local Authorities (IULA), Municipal Development Programme (MDP), Partners for Democratic Change (PDC) and Urban Management Programme (UMP). Two of this group are briefly described below because of their relative importance to Dutch efforts within decentralisation and local governance in developing countries.

SNV

Strengthening local administrations and decentralised processes is one of three main priorities for SNV. SNV also focuses on private sector development and management of natural resources. SNV is now being “privatised” and has no longer a privileged association with the Ministry of Foreign Affairs/DGIS as the implementing arm of Dutch development assistance. SNV now offers advisory services on demand to partner countries and civil society organisations. Areas where SNV offers advice are: strengthening local administrations with respect to public participation, planning and financial management, rural development, town and country planning and public-private cooperation.

SNV advisors are often active in programmes financed through Dutch bilateral assistance but has been declining over the past 5 years. However, SNV has accumulated considerable experience within decentralisation and local governance over the years and there are many publications which share their experience with the public. Some of these can be mentioned here:

- Capacity Development Services – A Learning Approach to Enhancing Capacity in SNV East Africa (2005), basically sums up SNV’s experiences with its three main priority areas in East Africa and the links to capacity development services now being offered by the organisation.
- Strengthening Local Governance – Finding Quality Advisory Approaches (2004), gives an overview of SNV experience with decentralisation and local governance in East and Southern Africa.

VNG

In 1994 VNG International was established for the purpose of international municipal cooperation. VNG has formulated three overall policy guidelines which governs its cooperation with partners in developing countries:

- Strengthening associations of municipalities/local authorities and training institutes (mirror organisations)
- Strengthening municipalities in developing countries which involves strengthening administrative planning and implementation capacity (colleague to colleague approach)
- Supporting the cooperation efforts of Dutch municipalities by means of town twinning and other projects aiming at capacity building (twinning)

VNG is administrating and implementing a number of projects financed by Dutch development assistance funds. These are the Local Authority Cooperation with Developing Countries Programme (GSO) and the Local Governance International Cooperation Programme (LOGIC).

Finally, one more important point to note in terms of disseminating experiences, lessons learned and good practice is the Netherlands Royal Tropical Institute, which deals with current themes in international development cooperation in its KIT Bulletins. These bulletins are targeted towards the policy-makers, advisors, practitioners etc and deal with a range of subjects such as rural development, natural resource management, health, culture, gender and decentralisation and local governance. Some of the interesting publications on decentralisation and local governance are:

- Challenges for a Viable Decentralisation Process in Rural Burkina Faso, 2003.
- Financer la Décentralisation rurale: Taxes et Impôts à L'échelle locale au Bénin, Burkina Faso et mali, 2004.
- Decentralisation in Mali : Putting Policy into Practice, 2004

The Netherlands has also conducted a number of interesting evaluations of their district support programmes in Uganda and Tanzania, which have proved the problems and challenges with substantive support to specific areas, if not sufficiently linked to the overall national decentralisation strategy and programmes.

2.6.3 Decentralisation/Local Governance Programme Portfolio

Project Title	Project Description	Country	Start Date	End Date	Project nature and modality	Budget Euro
SKO TF WB-EMP	Trust Fund World Bank Education Modernisation Project	Macedonië	11-Dec-03	30-Sep-09	Local governance	10,000,000
JAK SIGP 2000	Verlichten van de effecten van de crisis op het basisonderwijs door beschikbaarstelling van beurzen voor scholieren en grants voor scholen om de kwaliteit van de leeromgeving te kunnen verbeteren	Indonesië	15-Jul-00	31-Dec-06	Local governance	30,000,000
JAK SIGP II	Verlichten van effecten van crisis op het Basis Onderwijs door beschikbaarstelling beurzen voor scholieren en grants voor scholen om de kwaliteit van de leeromgeving te verbeteren	Indonesië	01-Aug-02	30-Apr-06	Local governance	27,248,550
DAR Health Sector Support Prog	Reforming the health sector, using the Sector Wide Approach (SWAP) in combination with the Ministry of Health and other donor agencies.	Tanzania	01-Mar-00	31-Dec-06	Local governance Decentralisation	5,166,782
DSI MCNV/Community Health	Ondersteuning van basisgezondheidsdiensten op dorpsniveau in een aantal arme gebieden van Vietnam ism. overheid en lokale organisaties	Vietnam	31-Dec-02	31-Dec-06	Local governance Area based	2,400,000
OUA Cons Techn Renf Inst du MS	Mise à la disposition d'un Conseiller Technique dans le cadre du Renforcement Institutionnel de Ministère de la Santé à la DEP, DRH et CS/PNDS (CT/RI-MS)	Burkina Faso	01-Jan-06	30-Jun-07	Local governance	414,348
OUA Appui Pd'Action DS et DRS	Appuyer la mise en oeuvre des plans d'actions des districts et régions sanitaires	Burkina Faso	01-Nov-02	31-Dec-06	Local governance	3,963,694
BAM APPUI AMICAALL 2005-2009	Local response capacity HIV/AIDS control	Mali	01-Aug-05	31-May-10	Local governance	502,738
JAK integr. waterbeheer Indon.	Ondersteuning van de hervormingen in waterbeheer en irrigatie	Indonesië	15-May-01	31-Dec-06	Local governance	12,500,000
BAM-PNIR TA et financement	TA pour renforcer les institutions du PNIR et financement du fonctionnement du bureau	Mali	01-May-04	30-Nov-08	Local governance	1,041,517

Project Title	Project Description	Country	Start Date	End Date	Project nature and	Budget Euro
JAK Partic. irr. Sector. Progr.	Ondersteunen participatief waterbeheer bij irrigatie	Indonesië	31-Mar-03	31-Dec-11	Local governance	15,200,000
KAI Fa. Water & Sanitatn. 4/ca	To further assist FEGAWS to provide drink water & sanitation services to the population in Fayoum Governorate adhering to relevant health and environmental standards, whereby most of operation and maintenance costs are covered by revenues.	Egypte	01-Jan-00	30-Jun-07	Local governance Area based	4,445,362
NDE RWSS, SEUF Kerala	Improve drinking water and sanitation for lower income groups through capacity building of Panchayat, CBO's and User groups	India	01-Feb-02	31-Dec-06	Local governance	1,533,333
COT Approv.en Eau Potable 2004	Approvisionnement en eau potable en milieu rural en appui à la décentralisation	Benin	01-Oct-04	31-Dec-06	Decentralisation Local governance	2,594,749
COT_Appro. Eau Potable III	Soutien sectoriel pour l'atteinte des OMD eau potable et appui à la déconcentration budgétaire.	Benin	01-Dec-05	30-Jun-07	Local governance Decentralisation	4,652,966
COT Appro. Eau Potable II 2004	Approvisionnement en eau potable en appui à la déconcentration financière et sectorielle.	Benin	01-Dec-04	31-Dec-06	Local governance	2,255,636
JAK UNDP Papua ontwikkeling	Ondersteunen lokale overheid en maatschappelijk middenveld	Indonesië	01-Jul-06	30-Jun-09	Local governance	6,640,000
Renforcement capacités ASTER	Formation sur le progiciel ASTER de la DGTCP	Benin	10-Oct-05	30-Jan-06	Local governance	86,750
ISL GoP/ADB Access to Justice	Improved implementation of the GoP/ADB activity "Access to justice Programme"	Pakistan	01-Jul-03	31-Dec-06	Local governance	440,000
KAI Decentralisation MISR	Decentralization of development planning and financial management	Egypte	01-Jul-06	30-Jun-10	Decentralisation Local governance	2,075,000
DEK Municipal dev. partnership	DEVELOPMENT PARTNERSHIP	Regionaal Afrika	01-Jan-06	31-Jul-08	Local governance	450,000
BAM PDRK phase IV	Appui aux CCC de Banamba Dioŋla et Koulikoro	Mali	01-Dec-05	30-Jun-08	Local governance Area based	727,890

Project Title	Project Description	Country	Start Date	End Date	Project nature and	Budget Euro
SKO LOPAD II	Twinning and support to ZELS	Macedonië	15-Nov-05	14-Nov-07	Local governance	1,436,813
COT Appui a la deconcentration	Appui à la DGAT/MISD pour la mise en oeuvre de la déconcentration	Benin	01-Oct-05	30-Jun-07	Local governance	1,209,111
OUA Activités priorit décentr	Soutenir la mise en oeuvre de deux fiches prioritaires concernant communication et appropriation sociales, et transfert des competences et du patrimoine de l'Etat	Burkina Faso	22-Aug-05	31-Dec-06	Decentralisation Local governance	91,469
SAR SUTRA II	Sustainable transfer to return related authorities	Bosnië & Herzegovina	15-Aug-05	31-Dec-07	Local governance	2,101,900
HAN Capacity Building II	Upgrading the capacity of local authorities in planning and managing social-economic development in rural of Vietnam	Vietnam	01-Apr-05	31-Mar-07	Local governance Decentralisation	783,293
KAM: PSF Local Governance 2005	Cluster of activities geared towards improving and perfecting decentralisation.	Oeganda	01-Mar-05	31-Dec-07	Decentralisation	235,207
DEK VNG Goed Lokaal Bestuur	WW/VNG Lokaal Bestuursprogr	Wereldwijd	01-Jan-05	31-Jul-09	Local governance	9,486,245
BAM PDRK Phase III	Appui aux CCC de Banamba, Dioïla et Koulikoro	Mali	01-Dec-04	31-Mar-06	Local governance Area based	208,386
DMV/VG VNG lok. best. 2005-08	Bijdrage aan het door VNG-Internat. uit te voeren Goed Lokaal Bestuursprogramma voor de jaren 2005 t/m 2008, gericht op versterking van lokaal bestuur in aantal OS partnerlanden. Voor interimfinanciering gedurende 2004 zie 9335.	Wereldwijd	01-Nov-04	31-Dec-09	Local governance	12,266,260
SJO MM.RR. en decentralisatie	Bevordering MM.RR. in decentralisatieprocessen	Honduras	01-Oct-04	30-Apr-06	Decentralisation Local governance	429,000
BAM appui transf de competence	Appui à l'opérationnalisation des transferts de compétence et de ressources de l'Etat aux Collectivités Territoriales	Mali	01-Sep-04	31-Dec-06	Decentralisation	138,914
Kai MISR	Decentralisatie	Egypte	01-Sep-04	31-Dec-06	Decentralisation	328,500

Project Title	Project Description	Country	Start Date	End Date	Project nature and	Budget Euro
DAR LGRP / LGCDG / LG actors	Building and strengthening Local Governance institutions	Tanzania	01-Jul-04	30-Jun-08	Local governance	22,700,000
ADD PHASE 4 DSA Project	Donor Support of Decentralisation Support Activity Project (DSA-project)	Ethiopië	01-Jul-04	30-Nov-06	Decentralisation	3,960,000
RAM APLA Instit. Support – 3	Institutional support to the Association of Palestinian Local Authorities (APLA), phase 3	Palestijnse Autoriteit	01-Jun-04	31-Dec-06	Local governance	495,000
TIR Support to AAM	Supporting the decentralisation reform by empowering municipalities and the AAM	Albanië	01-May-04	31-Dec-06	Local governance	354,069
DMV/VG WW VNG ex GSO 2003	Versterking van lokaal bestuur in ontwikkelingslanden. Financiering van uitgaven voortvloeiende uit in 2003 en eerder ex GSO programma gestarte activiteiten. Voor interim financiering 2004 zie 9335.	Wereldwijd	01-Jan-04	01-Jul-08	Local governance	4,027,900
BAM PDRK Phase II	Centre de Conseil Communal pour les cercles de Dioïla, Banamba et Koulikoro	Mali	01-Dec-03	31-Dec-06	Local governance Area based	238,965
SJO GB Lempira Sur II	Consolidatie GB-activiteiten in Lempira	Honduras	01-Nov-03	31-Dec-06	Local governance Area based	515,974
DMV/VG RF MDP TMF 2004-07	Instellingssubsidie voor Municipal Development Partnership, gericht op ondersteuning van decentralisatie, democratisering en capaciteitsvergroting van lokaal bestuur. TMF 2004-2007	Regionaal Afrika	31-Oct-03	31-Dec-08	Local governance Decentralisation	1,080,000
SJO PROMUR II	Contribuir al fortalecimiento de municipios y mancomunidades para potenciar procesos de desarrollo con miras a reducir pobreza y mejorar desarrollo humano.	Honduras	01-Sep-03	31-Dec-06	Local governance	494,000

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Project Title	Project Description	Country	Start Date	End Date	Project nature and	Budget Euro
TIR Enabling Good Urban Gov 2	Bevordering van goede lokale governance middels training van (gouvernementele en civil society) 'stakeholders' in gemeentelijke planning. Praktische toepassing daarvan in twee voorbeeld-gemeenten. Disseminatie van opgedane ervaringen.	Albanië	28-Aug-03	14-Sep-06	Local governance	1,152,552
KAM LGDP 2	Local Government Development Programme phase 2	Oeganda	01-Jul-03	30-Jun-08	Decentralisation Basket funding	15,000,000
SJO PRIDEMUN II	Bijdragen aan het verminderen van armoede in drie van de armste departementen van Honduras, d.m.v. versterking v.d. institutionele capaciteit van "mancomunidades" van gemeenten, m.n. op het gebied van gender en milieu.	Honduras	01-Jul-03	31-Dec-07	Local governance	1,596,733
DAR Local Governance supp fund	Contribute to policy formulation, ID/OS, identification innovative activities	Tanzania	01-Jul-03	31-Dec-06	Local governance	600,000
ISL Decent. Support Programme	Improved implementation of the GoP/ADB activity "Decentralisation Support Programme"	Pakistan	01-Jul-03	31-Dec-06	Decentralisation	550,000
KAM TA Districts	Technical Assistance to districts in Northern Uganda	Oeganda	01-Jul-03	31-Dec-06	Local governance Area based	3,581,600
LAP PIM Support municipalities	Strengthening small municipalities	Bolivia	01-Jun-03	31-Dec-06	Local governance	751,722
KIG Decentralisation Fund	Decentralisation Programme Support Fund for Mission of consultants	Rwanda	30-May-03	31-Dec-06	Decentralisation	1,419,494
SJO Brugfase Goed Bestuur Lemp	Institutionalisering en consolidering van het lokaal bestuur in het kader van behoud duurzame hulpbronnen en territoriale planning	Honduras	15-Mar-03	31-Dec-06	Local governance	337,305
JAK loc.gov.capac.bld.decentr.	Supporting local government to increase capacity in functioning in the decentralised system.	Indonesië	01-Jan-03	31-Dec-09	Local governance	9,738,000

Project Title	Project Description	Country	Start Date	End Date	Project nature and	Budget Euro
DMV WW/VNG/TMF subsidie 03-06	Programma subsidie (TMF) voor VNG voor het onderdeel "Association building for good local Governance".	Wereldwijd	01-Jan-03	31-Dec-07	Local governance	2,000,000
BAM ADCM	Renforcer capacités CT et créer bases minimales de développement	Mali	01-Jan-03	31-Dec-07	Local governance	1,904,329
KAM LG Sector support	Local Governance Sector support	Oeganda	01-Jan-03	31-Dec-06	Local governance	600,000
SJO PROMUR 2de brugfase	Versterken rurale gemeenten in Honduras	Honduras	28-Nov-02	31-Dec-06	Local governance	140,826
KIG PADDEP Ruhengeri	Duurzame armoedebestrijding middels ondersteuning decentralisatie proces, goed bestuur en economische ontwikkeling binnen een klimaat van vredesopbouw en sociale gerechtigheid	Rwanda	01-Jul-02	31-Dec-06	Local governance	12,209,730
KAM TA Fiscal Decentralisation	Implementation of the Fiscal Decentralisation Strategy	Oeganda	01-Jul-02	31-Dec-06	Decentralisation	407,529
ADD UvA-CSC 2e fase	Strengthening the Civil service college, law department	Ethiopië	01-Jul-02	01-Jul-06	Local governance	1,142,668
SJO PROMUR brugfase	Versterken rurale gemeenten in Honduras	Honduras	01-May-02	31-Dec-06	Local governance	89,926
GUA Evaluatie decentralisatie	Evaluatie decentralisatieproces met nadruk op analyse van gebruikte conceptuele kader van het project, de pertinentie van de doelstellingen en van de gebruikte strategieën en de kwalitatieve resultaten.	Guatemala	25-Feb-02	31-Dec-06	Decentralisation	9,281
OUA PDRD-Assistance Technique	Renforcer les capacités locales et institutionnelles pour la mise oeuvre de la Politique de Développement Rural Décentralisé	Burkina Faso	11-Jan-02	31-Dec-07	Local governance	2,100,000
SAA Shabwah Support/financial	To improve the functioning of Shabwah local governments resulting in an improved living condition of its population.	Jemen	01-Jan-02	31-Dec-07	Local governance Area based	6,900,000

Project Title	Project Description	Country	Start Date	End Date	Project nature and	Budget Euro
OUA PDRD-Appui Institut.MED	Renforcer les capacités du Ministère de l'Économie et des Finances pour la mise en oeuvre et la coordination de la politique de Développement Rural Décentralisé	Burkina Faso	01-Jan-02	31-Dec-07	Decentralisation	400,180
MAP Dist Plann & Fin PPF II	Versterken planning capaciteitm op provinciaal niveau in Nampula	Mozambique	01-Jan-02	31-Dec-06	Local governance Area based	4,305,720
MAP Part. planning MAMM II	Strengthening of local and district authorities in planning and execution of their functions	Mozambique	01-Jan-02	31-Dec-06	Local governance Area based	2,000,258
JAK support decentralisation	Versterken capaciteit van ministeries van Financien en binnen landse zaken op het gebied van nieuwe bevoegdheden op het terrein van de decentralisatie	Indonesië	01-Dec-01	30-Jun-06	Local governance	6,931,829
DZO Kosovo:Urban Plan./Manage.	Versterken capaciteit op institutioneel en personeel vlak m.b.t. moderne ruimtelijke ordening/bestuur op gemeentelijk en centraal niveau Kosovo	Joegoslavië	01-Sep-01	31-Dec-06	Local governance	2,557,210
GUA Movimondo	Impulsar el proceso de descentralización del país, a través de la promoción de la participación y el fortalecimiento local.	Guatemala	25-Jan-01	31-Dec-06	Decentralisation	632,989
KIG PCA Cyangugu	Bijdrage aan de Rwandese overheid in het concretiseren van een decentralisatie en goed bestuur beleid met een directe ondersteuning aan lokaal bestuur met geprioriseerde activiteiten gericht op duurzame armoedebestrijding en economische ontw	Rwanda	01-Aug-00	31-Dec-06	Local governance	14,612,373
PRE Sect. Budgetsupport DPLG	Contribute to the capacity building initiatives of DPLG in the local governance area, more specifically regarding integrated development planning (IDP).	Zuid Afrika	01-Apr-00	30-Sep-07	Local governance	9,471,072

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Project Title	Project Description	Country	Start Date	End Date	Project nature and	Budget Euro
GUA Apoyo descentralización	Verbeteren van gemeentelijk bestuur in Departement Quiche d.m.v. instelling gemeentelijke planbureaus en versterking van participatie door gemeenschappen.	Guatemala	01-Nov-99	31-Dec-06	Local governance	547,478
LAP VPEPP/Budget support SNPP	Ondersteuning van het decentralisatieproces van de Boliviaanse staat	Bolivia	15-Aug-96	31-Dec-06	Decentralisation	9,817,014
OUA PDRD-Program.Provinciaux	Renforcement des capacités des populations et leur organisations pour pouvoir assurer la maitrise d'ouvrage de leur propre développement, dans une contexte de décentralisation et gouvernance local	Burkina Faso	01-Nov-01	31-Dec-07	Local governance	27,845,869
ISL SPO Baluchistan Programme	Capacity building of community based organisations for local governance in Baluchistan Province	Pakistan	01-Jan-04	31-Dec-10	Local governance	2,848,391
LUA fonga mensenrechten	reci-desc	Angola	01-May-06	31-Jan-08	Local governance	199,200
DAO capacity building URDI	capaciteitsversterking op gebied lokaal bestuur en urbane planning	Niet van toepassing	01-Aug-05	01-Jan-08	Local governance	354,050
ADD Woreda development Fund	ESRDF will expand the pilot on WDF	Ethiopië	01-Oct-03	31-Dec-06	Local governance	1,796,900
GUA PDHSL	Versterking van het vredesproces in Guatemala door het bevorderen lokale ontwikkelingsprocessen in Huehuetenango.	Guatemala	21-Mar-96	31-Dec-06	Local governance	1,240,654
RAM LIP RAFAH-KHANYOUNIS-DURA	Temporarily reduced unemployment in Rafah, Khan Younis and Dura/Samoua' municipalities and surrounding villages and practise more transparent and participatory municipal governance	Palestijnse Autoriteit	15-Sep-03	31-Dec-06	Local governance Area based	1,499,792
SKO Community Development	World Bank loan for community development project	Macedonië	01-Sep-03	30-Jun-06	Local governance	3,495,000

Project Title	Project Description	Country	Start Date	End Date	Project nature and modality	Euro
DDE Fonds Reg.Org.Paysannes	Capaciteitsversterking van nationale overlegstructuren van boerenorganisaties en boeren in West Africa	Regionaal Afrika	01-Jan-03	31-Dec-06	Local governance	544,536
KIG Operationalisation Minagri	Appui a la formulation d'un plan d'action	Rwanda	01-Oct-04	31-Dec-06	Local governance	185,048
KAI Better Irri. Service IIIMP	Joint funding of Integrated IrrigationImprovement & Management project (WB/KfW/NL)	Egypte	01-Nov-05	31-Dec-14	Local governance	20,000,000
KAI Fayoum Water Users Orgs.	Capacitate/empower water users all over Fayoum	Egypte	01-Jan-07	31-Dec-10	Local governance Area based	3,500,000
KIG PROP-RWA AGRITERRA	versterken organisatievorming en productieverhoging boerenorgani es binnen decentralisatieproces.	Rwanda	01-Jul-02	31-Dec-06	Local governance	3,731,401
KIG-Prop-Rwa	Strengthening Farmers Organisations	Rwanda	01-Jan-06	31-Dec-06	Local governance	1,171,716
QUI MAEC-P.Calidad Ambiental	Apoyar la gestión en Calidad Ambiental del MAEC, Cons. Prov., y Municipios	Ecuador	01-Sep-03	30-Dec-06	Local governance Area based	803,250
GUA Justicia Ambiental	Justicia Ambiental, empoderamiento comunitario y equidad social para la conservacion de la region Sarstun-Motagua	Guatemala	01-Nov-04	30-Jun-11	Local governance Area based	9,000,000
DDE Stichting Habitat Platform	1. stimuleren en coördineren van plannen tbv. de uitvoering van de Habitat Agenda in NL en daarbuiten 2. monitoren van de uitvoering van de Habitat Agenda 3. voortzetting samenwerking met Addis Abeba en Oost-Londo	Nederland	15-Feb-98	31-Dec-06	Local governance	1,374,954
DDE Habitat Platform 2004-2006	Habitat Platform beschikking 2004-2006	Nederland	01-Jan-04	31-Dec-06	Local governance	1,550,000
TIR Tirana Urban Plan	Opstellen van een stedelijk ontwikkelingsplan voor groot Tirana	Albanië	01-Sep-04	31-Dec-06	Local governance Area based	1,319,400

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Project Title	Project Description	Country	Start Date	End Date	Project nature and	Budget Euro
DDE Habitat Platform 2001-03	Stimuleren en coördineren van plannen tbv uitvoering Habitat Agenda in NL en daarbuiten. Monitoring van de uitvoering. Voorlichting en bewustmaking NL publiek mbt Habitat Agenda. Voortzetting samenwerking met Addis Abeba en Londen. Ondersteun	Nederland	01-Jan-01	31-Dec-06	Local governance	1,497,475
KAM district programme support	Monitoring and policy support to districts programma 2002	Oeganda	01-Jan-02	31-Dec-06	Local governance	521,000
ADD ABP Kaffa Dev Prog	Rural Development	Ethiopië	01-Jan-04	01-Jan-10	Local governance	8,890,500
KIG PIAD Gitarama	Programme intérimaire d'appui à la décentralisation Gitarama apr	Rwanda	01-Jul-03	31-Dec-06	Decentralisation	663,247
MAP Monitoring Nampula II	To identify the effectiveness of the Embassy development interventions in Nampula province	Mozambique	01-May-02	30-Apr-07	Local governance Area based	1,018,019
KAM Districts Developm 2000/03	Political, social and economical development of the rural people of each of the seven districts Arua, Adjumani, Moyo, Nebbi, Soroti, Katakwi, Lira	Oeganda	01-Jul-00	31-Dec-06	Local governance Area based	12,555,429
DZO Kosovo:Community Dev. Fund	Hulp aan kwetsbare gemeenschappen t.b.v. rehabilitatie en ontwikkeling van sociaal-economische basisinfrastructuur en lokale economie; steun aan opbouw van lokale bestuursstructuren	Joegoslavië	05-May-00	31-Dec-06	Local governance	6,000,000

2.7 Switzerland/SDC

2.7.1 Organisation

The Swiss Agency for Development and Cooperation (SDC) is Switzerland's international cooperation agency within the Swiss Ministry of Foreign Affairs. Together with other federal offices, the SDC is responsible for overall coordination of development activities and cooperation with developing countries and Eastern Europe, as well as humanitarian aid. The SDC employs a staff of around 550 people to carry out its activities in Switzerland and abroad, with an annual budget of CHF 1.3 billion (2005). The agency undertakes direct actions, supports the programmes of multilateral organisations, and helps to finance programmes run by Swiss and international aid organisations in the following areas:

- Bilateral and multilateral development cooperation
- Humanitarian aid, including the Swiss Humanitarian Aid Unit (SHA)
- Cooperation with Eastern Europe

Bilateral development cooperation is concentrated on 17 priority countries and eight special programmes in Africa, Asia and Latin America. At the multilateral level, the SDC collaborates in particular with UN organisations, the World Bank, and regional development banks. Cooperation with Eastern Europe and the Commonwealth of Independent States (CIS) supports partner countries in the transition to pluralistic democracy and a market economy. The main concerns are the development of democratic institutions, the sustainable exploitation of natural resources and reforms in the health and social sectors and especially private sector development. The focus is on the countries of South-East Europe which take up 70% of resources and the CIS which take up 30%, mainly for South Caucasus and Central Asia. There are currently more than 200 projects under way in 14 partner countries. Projects in Eastern Europe are implemented in close cooperation between the SDC and the State Secretariat for Economic Affairs (seco).

Sustainability is the overriding concern of SDC activities. In cooperation with partners this requires a mutual understanding of goals, values, procedures and education. Relations involving several countries and projects increase the demands on the partnership. The role and the responsibility of private participants are increasing, while cooperation between developing and transition countries is taking on ever-greater importance. The SDC concentrates its activities on a selection of geographical priorities. Presence and partnership ensure sustainable change as well as action which are both preventive and suited to the situation. Apart from that it aims to make the best use of scant resources by effectively concentrating them in priority areas.

2.7.2 Donor Policy on Local Governance/Decentralisation

SDC has been working on decentralisation for more than 15 years now in different countries. The focus of projects (this is however changing over the past 2-3 years) is more on local governance issues such as participatory planning, budgeting, public-private partnerships and less on decentralisation as state reform. The central document for SDC on

decentralisation and local governance is – Décentralisation, Document d’Orientation, which is from 2001. In it the Direction du Développement et de la Coopération under SDC outlines the Swiss approach to decentralisation support. The main experiences with supporting this area are:

- Need to focus on political decentralisation and power structures in society.
- Decentralisation encourages popular participation and empowerment and puts in place democratic structures in a larger sense.
- Decentralisation can be a protection for minorities’ rights and territorial integrity.
- Decentralisation can enhance the overall functioning of the state.
- If properly implemented decentralisation can contribute to a more equal distribution and better utilisation of public resources and generate sustainable outcomes.
- Decentralisation contributes to poverty reduction.
- Some of the possible negative sides are that decentralisation might destabilise an already weak state; decentralisation potentially increases local level corruption.

SDC’s efforts to continually increase its support of decentralisation projects, in the hope that:¹⁹

- It specifically supports good government leadership and thus contributes to the strengthening of democratic development – since they ensure that the local population can participate in development processes and share the results
- It provides locally adapted and requirement-oriented services for broad social classes
- It enables economical and selective usage of limited available resources
- It will increase the competence of weaker partner-countries and population segments to handle the challenges of globalization

It should also be mentioned that SDC is planning to have a review of their decentralisation and local governance portfolio, which will shed light on the advantages and disadvantages of various forms of SDC support for decentralisation and local governance. The below list is not complete as SDC supports decentralisation as a cross-cutting issue within many sector programmes.

¹⁹ Switzerland: Rossi, Marco: *Decentralization – Initial Experiences and Expectations of the SDC*, Head of the Policy and Research Section of the SDC.

2.7.3 Decentralisation/Local Governance Programme Portfolio

Country	Name of Project	Starting Date	In Phase no. (of total no.)	Focus	Implementation	Type of Project	Financial volume per phase & in total
Bolivia Peter Sulzer SUP	Padem	1996	3	Support to civil society at Municipal level (shift towards support to social accountability mechanisms)	SAH	Local governance Network with different level of organisations	1: 1'430'000 CHF 2: 2'370'000 CHF 3: 2'800'000 CHF Tot. 6'600'000 CHF
	PADER (former PLAREG)	1997	3	Support to local economic development, cooperation with mancomunidades	SDC direct implementation	Idem Local governance	1: 1'614'000 CHF 2: 1'500'000 CHF 3: 1'000'000 CHF Tot. 4'114'000 CHF
Bolivia Isabel Perich PER	GODEL-AOS (includes continuation of PADEM)	2005	1	Promotion of Good Governance an rule of law	SAH	Idem Local governance	1: 5'977'000 CHF
Perou Ursula Läubli LAU	APODER	15.10.2002	2	Support to different key-actor of decentr. at local, regional and central level in order to enhance their participation and social control in political processes and management of public funds Strengthening capacities for the promotion of local economic development Support of other SDC's programmes in Peru for working with decentralised structures and articulation with different actors	Direct, backstopping IC	Network Local governance	Ph. 1: CHF 600'000 Ph 2: CHF 3'700'000 Total: CHF 4'300'000
Ecuador Béatrice Ferrari FIB	PDDL: Proyecto de apoyo a la descentralizacion y desarrollo local NB the other projects didn't Stara with a	1.12.2004	1/1	2 main areas: - policy dialogue (meso and macro levels) and knowledge management about decentralisation and relative experiences in local development. - Democratic management of decentralisation and local development	Implemented by IC	Local governance Decentralisation ? I am not sure of what is meant - technical assistance - financial	Phase 1: 2'200'000 CHF

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Country	Name of Project	Starting Date	In Phase no. (of total no.)	Focus	Implementation	Type of Project	Financial volume per phase & in total
	main focus on decentralisation but slowly integrated decentralisation components			(implement local development and decentralisation processes) Projets opérationnels?		assistance - network	
Nicaragua Adrian Maître MTD	Governance support program	Phase 3: july 05, Phase 2: april 02	3	Support to municipalities though state institution (INIFOM), support to local civil society/organisations	National institute for support of municipalities; local NGO's	Local governance Technical assistance, financial assistance	Phase 3: 4.15 Mill CHF , Phase 2: 3.3. Mill. CHF
Serbia Shirin Sotoudeh SOV	MSP Support to civil society	1.5.2001 phase 2: 1.7.2004-31.12.2007 1.9.2005-31.12.2006	2 1	Support to municipalities Partnership with standing conference of municipalities, possible transfer of experience from Bulgaria	ITECO/IC Direct SDC, Partnership with standing conference of towns and municipalities	Local governance Area based Project at local level, direct cooperation with Municip. To be defined	Phase 2: 7'608'000 Phase 1: 264'000
Bosnia Beate Elsässer EBT	MDP	Ph.1: 01.11.02-31.08.04 Ph. 2.:01.09.04-31.12.07	2/2	Support to local governance (municipalities & civil society)	IC	Local governance Project at local level	Ph1: 3 Mio CHF Ph2: 3.4 Mio CHF Total: 6.4 Mio CHF
Bulgaria Jean-Pierre Egger EGR	Democratic Fiorum in Bulgaria	P I : 00-01 P II : 01-02 P III : 02-04 P IV : 05-07	4	Development of democratic culture Moderated discussion between various actors	Tulum , 2 local NGOs (Balkan assist, Foundation for Local Government Reform)	Local governance Organisation of cycles of 30 forums of discussion between municip. & civil society. & local econom. actor + emplementation of small project coming out of forum cycle Various forum in regional development	Phase I : 0.45 mio Phase II : 0.15 mio Phase III : 3.4 mio Phase IV 2.5 mio
Kosovo	Swiss Assistance	Mai 06 –		Local Governance Reform –	Open : Tender ongoing	To be defined	Approx. 1 Mio CHF

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Country	Name of Project	Starting Date	In Phase no. (of total no.)	Focus	Implementation	Type of Project	Financial volume per phase & in total
Alfred Fritschi FTI	to Local Governance (SALGO) (provisional title)	Inception phase		Decentralization - Civil Participation – Local Infrastructure			per year
Macedonia Georgette Bruchez BGE	Idem. transfer of experience from Bulgaria	2006	1	Bulgarian NGOs? to be defined 2006			295'865?
Albania Hanspeter Reiser RHP / Monteil Philippe MOP	Decentralisation and Local development Programme DLDP	July 2006	1 (of 3 – until ca. 2012) – without identification and preparation	Support to municipalities-region Shkodra: Strategic planning; mpal. Services; mpal. Finances; citizens' participation; horizontal and vertical integration	IC	Decentralisation Area based Project at municipal level 6 municipalities in the region Sokocha	1.2 mio CHF / year (phase 1 = 3 years)
Tadjikistan Derek Müller MDR	Local Development Muminabad	1.6.2000	3	Strengthening of local self-government and integrated development of Muminabad district	Caritas	Local governance Bilateral TA	Cumulated budet = 6.6. Mio. CHF
Pakistan Chloé Milner MIL	EIROP	01.01.2001	2	Support to the reform process at regional and local level	UNDP Backstopping Prof-Kälin/Erika Schläepfi?	Local governance Multilateral	Phase 1: 4'900'000 Phase 2: 3'150.'632
India Eliane Belser BAQ	Capacity Development for Decentralisation in Kerala (Capdeck) PRIA, Strengthening local self-governance in India	01.07.99 01.07.2000	2 2	Empowerment of Panchayat Raj institutions (local authorities) (including capacity development) Improve the functioning of Panchayat Raj institutions + strengthening of people's participation	SDC PRIA	Local governance Bilateral Local governance Bilateral	Phase 1: 4'605'000 Phase 2: 3'650'000 Phase 1: 720'000 Phase 2: 900'000

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Country	Name of Project	Starting Date	In Phase no. (of total no.)	Focus	Implementation	Type of Project	Financial volume per phase & in total
	PRISMO, Panchayati Raj institutions' support and mobilisation programme (Rajasthan)	01.07.2002	1	Support to people driven and centred democratic decentralisation (through mobilisation of people's assemblies; capacity building of elected members; advocacy)	IC originally, then SDC	Local governance Bilateral	4'700'000
	The Hunger Project, Decentralisation	01.06.2004	1	Empowerment of women elected representatives; advocacy	THP	Local governance Bilateral	3'500'000
	Indo-Swiss project Sikkim (since 2002: one project component = decentralisation)	01.04.2002 (original project dates back from 1993, but decentralisation component only from 2002)	1 (phase 1 of current project with decentralisation component)	Strengthen Panchayati Raj institutions and civil society organisations to become institutions of participatory self-governance	IC	Local governance Bilateral	3'000'000
	Community Rehabilitation and Empowerment in post-tsunami	01.08.2005	1	Empowerment and capacity building of Panchayats for effective local self-governance for disaster preparedness and management	3 local NGOs: THP; MSSRF; TVSG	Local governance Bilateral	1'450'000
Bangladesh Suzanne Zumstein ZSS	Local Gov Programme	Sept 1, 2006	Phase 1	Support Local Governments and Civil Society in carrying out their duties (local governments) and claiming their rights (civil society)	Intercooperation and Care Bangladesh	Decentralisation Local governance Area based Municipal support	Upcoming credit proposal / not known
Bhutan Jacques Mader MJQ	National Finance Services	01.07.2001	1	Training of Public Finance Managers at central, district and commune level Decentralisation is a cross-cutting issue in whole programme of Helvetas	Helvetas	Local governance Training	2'673'000.-
Mali Jean-Marie	Mali 35	01.07.2001	Phase 3	Prestations Helvetas PAD, Budget opérationnel PAD, Budget appui financier PAD, Contribution Buco à ANICT,	Helvetas	Local governance M35-DEVELOP.RURAL+DE	4,285,000.00

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Country	Name of Project	Starting Date	In Phase no. (of total no.)	Focus	Implementation	Type of Project	Financial volume per phase & in total
Byll BYL	Mali 35	01.10.2004	Phase 4	Evaluations PAD et Actions Bucu Helvetas Mali, Appui conseil, Dispositif CCC, Equipe PAAD terrain, Frais opérateur local, Opérations transitoires	Helvetas	Local governance CENTRALIS M35- DEVELOP.RURAL+DE CENTRALIS	2,480,000.00
Burkina Faso Pascal Fellay FY	Programme villes moyennes Appuis FODECOM, SOCEDECOM			1.Programme d'appui à la maîtrise d'ouvrage locale 2.Programme d'appui au développement économique local (ECOLOC) 3.Contribution au fond étatique d'appui aux investissements municipaux	SDC, club du Sahel SDC	Local governance Projet DDC (?)	
Niger Laura Bott BXL	Etat local Maradi (ex-PDLM) Etat local Gaya (ex-PADEL)	PDLM: 1.12.96 PADEL: 1.1.97 Etat local Maradi: 1.9.05 Etat local Gaya: 1.1.06	PDLM: 4 (+ 1 phase interm.) PADEL: 3 Etat local: entrées en matière	PDLM et PADEL : programmes de développement local travaillant entre autres à la structuration du milieu et à la concertation intervillageoise / intercommunautaire (associations intervillageoises, fora cantonaux). Suite à la mise en place du processus de décentralisation, réorientation en appui à la construction de la gouvernance locale.	PDLM-PADEL : SDC Etat local : A déterminer, mais pas de régie directe	Local governance PDLM et PADEL : projets ancrés localement dans les communautés. Etat local : tous les acteurs dans les communes des 2 départements	PADEL: 1'200'000 ; 2'900'000 ; 1'540'000 PDLM: 260'000; 1'543'000; 534'700; 1'080'000; 408'500 Etat local M: 150'000 Etat local G: 100'000
Mozambique Andrea Studer SAW	PADEM	01.03.01 03/2001 1 year preparatory phase in 2000.	2/3	Support programme to rural municipalities (north of the country)	SDC	Local governance Area based Project in partnership with several municipalities.	-1 Eröffnungskredit 0.6 Mio CHF -1: 4 Mio CHF -2: 4 Mio CHF total: 8 Mio CHF 4'000'000 per phase * 3 phases
Rwanda Yvan Pasteur PYV	Projet paix et décentralisation	01.08 - 31.12.2002	Phase d'entrée en matière	Projet d'appui aux municipalités de Kibuye Cooperation avec le Community development fund, fond étatique de	Tulum	Local governance Area based Project in partnership with several	CHF 500'000 CHF 3'900'000

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Country	Name of Project	Starting Date	In Phase no. (of total no.)	Focus	Implementation	Type of Project	Financial volume per phase & in total
		01.01.2003/ 31.12.2004	Phase 01	financement des investissement municipaux		municipalities, network with national level	CHF 2'150'000
		01.01.2005/ 28.02.2006	Phase 02				CHF 1'350'000
		01.03.2006/ 28.02.2007	Phase 03				

3. OVERVIEW OF DONOR SUPPORT MODALITIES

3.1 *Analysis of types of programmes and support modalities*

The focus of this survey is on projects and programmes that have decentralisation or local governance as their major objective or focus. Thus the survey excludes sector programmes (in health, education, etc) although they may have significant elements of sector decentralisation. In many ways the survey has demonstrated that a typology of projects/programmes within decentralisation and local governance often has both urban development type interventions (land management issues, infrastructure development, financing of services) and support to NGO's/CSO's especially at local levels. This is of course most evident in the lists of projects from the Dutch/DGIS and the German BMZ/GTZ/KfW (these donors alone came up with lists of more than 200 to 300 potential projects, which give an indication of the actual scope of assistance within this field if one was to try to describe all donor assistance in totality), but also BTC, EC/EuropeAid, France/DGCID, Danida and SDC seem to focus on both state and non-state actors in their projects/programmes of intervention within decentralisation and local governance.

In the analysis we make a distinction between three main different types of projects/programmes:

- “Decentralisation” projects/programmes that primarily aim to support wider public sector decentralisation reforms across sectors. This may include elements of local support, but a major emphasis is on systemic changes of laws, regulation, planning systems, financing systems, HRM systems etc;
- Local Governance projects/programmes that include significant elements of direct community support, NGO/CSO support and issues such as good governance, accountability and participation, anti-corruption, rule of law etc; with or without explicit links to formal local governments;
- Area based projects/programmes (these can be both rural and urban in nature) but of course also predominately support issues as described under the bullets above. The distinction is here between programmes and projects that only cover specific geographic areas (typically selected LGs, districts or municipalities) and those programmes that are national in scope. The former are referred to as “Area Based Programmes/project”.

Finally we sought to analyse the scope of TA assistance as part of the projects analysed.

It was difficult for the different donor organisations to submit information in a standard form with projects classified as above. The tables below have, therefore, been completed by the Consultant with a substantial degree of own assessment/guesstimate simply because the data obtained from the donors did not explicitly provide the detailed information on project typology and aid modalities.

However, it is an indication of where the donor support emphasis lies and is an interpretation of the available data. Programme support refers to donor programme focusing on several elements of decentralisation and local governance at the same time such as from ministries, LGs, Associations, CSOs and others but not necessarily financed through budget support or basket funding. The defining line between what is listed here as decentralisation support and what is local governance support is therefore quite thin, and a more detailed and thorough analysis of each and every project/programme would surely give a different perspective.

Table 3: Types of Programmes/Projects²⁰

	Total No	Decentralisation	Local Governance	Area based²¹ (Urban/Rural)	TA element
Belgium/BTC	21	5		16	Between 10-15 % of total where indicated
Denmark/Danida	10	2	8 (these programmes are part of larger Human Rights and Good Governance Programmes. Decentralisation is part of wider programme objectives)		No consistent indication between 10-25% of total where indicated
EC/EuropeAid	70	10	40	Seems that 20 projects are area based	The element of TA was not included.
France/DGCID/AFD	36	12	13	11	No info
Germany/GTZ/KFW	133 (BMZ/GTZ)	10 (55 in total)	78	(Over 1/3)	No info
	116 (KFW)	No info	no info	no info	
Netherlands/DGIS	100	10	62	28	When indicated it was often between 10-25% of total
Swiss/SDC	28	3	18	7	It seems that 6 of the projects are area based (could be more as project info scant)

²⁰ The KfW projects can not be broken down as the figure is only an aggregate figure for total amounts of projects support with a focus on decentralisation. Furthermore, the DGIS list included 343 projects/programmes but was reduced to 100 after only including projects/programmes with significant decentralisation and local governance support.

²¹ Not all donors have given information on this issue. However, many donors have area based elements in their support projects supporting urban or district authorities in various issues such as infrastructure development and planning and land management (sectors like agriculture, health, education, water and sanitation, environment and natural resource management would often be covered by other projects/programmes not included in this survey).

The below table tries to classify projects/programmes that are multi-donor funded and those which are stand-alone donor interventions.

Table 4: Support Modality

	Multi-donor/Basket /Budget Support	Individual Programme/Project Support
Belgium/BTC	4	17
Denmark/Danida	2 Joint funding under programme support	10 (many projects but they are within sectors and not reported)
EC/EuropeAid	3 (sectoral budget support) 1 basket funding 7 Multi-donor Trust Fund	54 of which 48 follow EC procedures and only 3 follow national procedures
France/DGCID/AFD	No info	36 (many more projects but they are within sectors and not reported)
Germany/GTZ/KFW/InWent	Info not sufficient to deduct how many of the supported programmes and projects have basket funding or budget support elements	276 (again many more projects with decentralisation and/or local governance might exist within sector support)
Netherlands/DGIS	(Earmarked 15) (Non-earmarked 4)	81 (as mentioned the full list submitted included a total of 343 projects)
Swiss/SDC	No info	28

The above table is indeed not a precise classification of all donor programmes/projects as a more thorough assessment would have shown that many programmes/projects are supporting wider sector programme support interventions within decentralisation in third countries. Finally, the table below just summaries the overall average project/programme size per donor as well as the highest and lowest support given to one project.

Table 5: Average Budgets for Decentralisation Projects/Programmes (Euro)

	Average budget per project	Highest	Lowest
Belgium/BTC	6,500,000	35,000,000	1,500,000
Denmark/Danida	4,850,000	16,500,000	900,000
EC/EuropeAid	11,510,000	72,000,000	750,000
France/DGCID/AFD	4,050,000	20,000,000	450,000
Germany/BMZ/GTZ/KFW	4,500,000	21,000,000 ²²	3,740
Netherlands/DGIS	4,240,000	30,000,000	90,000
Swiss/SDC	2,878,000	7,500,000	160,000

The tables give some degree of overview of the available donor data on projects and programmes within decentralisation and local governance and some preliminary findings are:

²² This amount is only BMZ/GTZ. Maybe one of the KfW projects is larger in volume but this can not be deduced from their aggregate table.

- The dominating approach for delivering decentralisation and local governance interventions is still the project approach. However, it seems that especially BTC, Danida, DGCID, DGIS and EuropeAid are moving towards increased use of sector programme support with more sector budget support and basket funding modalities. Countries like Tanzania, Uganda, Rwanda and Mali are good examples of an overall government decentralisation programme being supported by a multitude of donors in a coordinated manner. The BMZ is actively supporting the Paris Declaration and has directed that all development agencies in Germany start working together. This has led to joint representation in donor meetings etc., and a decision that in principle the German Government supports programme-based support (budget support and sector budget support) where this is feasible. KfW²³ is looking at ways in which it might be able to use this modality increasingly in support to urban development programmes (i.e. budget support to urban authorities). Germany, therefore, has as a policy goal that it can provide budget support either through the World Bank's support credit for poverty reduction strategies or by participating in multi-donor support arrangements. It will be interesting to see how quickly the number of projects can be reduced and a more programmatic approach introduced.
- Project interventions are by far the most dominating support modality. It is quite evident from the above lists of projects/programmes that national procedures for implementation and accountability are not yet being followed in the majority of interventions. Project interventions will often carry with them considerable degrees of reporting requirements, accountability rules and review systems that put a strain on government systems.
- A lot of the projects/programmes have a regional or local area focus which would indicate that these would have very varying impact on overall national decentralisation and local governance issues simply because only certain areas/sectors are addressed. It is not clear which connection these have with the approved national decentralisation and local governance policies and strategies. It is rarely clearly stated if local level interventions serve an explicit and realistic objective of piloting national reform efforts.
- The size of project budgets is relatively small – ranging from Euro 4,000 to 500,000 in the lowest end. The average of level of project funding is rather similar with the various donors ranging from Euro 3,000,000 to 6,000,000 with EuropeAid at the high end with Euro 11,000,000. The highest donor support ranges from Euro 7 million to 72 million. The relative small projects being an indication of relative high transaction costs involved in administration of several smaller projects.
- It is suggested that a more detailed overview is completed to provide details on how sector projects/programmes interact with decentralisation/local governance, and information about the degree of targeting towards decentralisation reform efforts in the various countries. This would be an important aspect of how harmonisation and alignment in practices will take place in future at country level.

²³ See Financing Development, Programme-based Approaches in Africa, KfW November 2005.

3.2 Conclusion and Lessons

Some of the donors surveyed (DGCD/BTC, SDC, EuropeAid) have initiated more comprehensive assessments of its own support in this area up to date. However, some studies are in the pipeline (Danida, DGCID) and some donors have (in draft form/almost finalised) developed tentative policy papers (Danida, DGCID, EuropeAid). From these in combination with interviews and the documents reviewed it can be noted the different donor organisations have each identified some selected key issues and tentative approaches to aid harmonisation. These include:

- BTC is with DGCD developing a democratic governance strategy (which should be ready by early 2007) and has also begun to develop a more programmatic approach to decentralisation support. However, *Area Based Programmes* are still being supported even though many other donors seem to be moving away from this type of earmarked support simply because they are complex undertakings in the sense that focus is on an area, and thus on many sectors involving many actors in both formal and informal structures. If this is not clearly linked to an on-going decentralisation policy the effects of the area-based programme are often not sustained. While the main focus is on the local level institutions, emphasis is increasingly placed on ensuring linkages to central levels. BTC is playing an important role in the harmonisation efforts in Uganda where a basket fund has been set up by a group of five donors (BTC, Danida, Dutch, Irish and Austrians) to support overall decentralisation strategies but maintains at the same time area-based programmes in western Uganda.
- Danida discusses decentralisation and municipal reforms as a means to promote democratisation and respect for human rights. Danida's aim is to support democratic reforms that promote popular participation and influence at national level by strengthening democratic systems based on free and fair elections and at local level through decentralisation and municipal reforms that devolve genuine decision-making competence to local representative bodies under public control.²⁴ Working towards Sector Programme Support (SPS) implies support to entire programmes, which are adapted to the "owners" own planning, budget and reporting system. Danida's policy on SPS provides the nucleus of Danida's support modality in all partner countries. In a SPS the dialogue, through central level sector ministry, becomes the main mechanism for influencing policies. However, Danida maintains separate TA in programmes and often has elements of area-based support in larger sector programmes which can be of a conflicting nature to formulated decentralisation policies. Furthermore, the decentralisation component can tend to get a less pronounced and clearly identified role when combined in the larger HRGGP. Danida has just started a review of the links between the sector programmes and the wider decentralisation agenda to explore the extent to which the sector programmes can be better aligned and support the decentralisation objectives (Bangladesh, September 2006).

²⁴ Democratisation and respect for human rights, Denmark's Development Policy-Strategy. From website: (www.um.dk/Publikationer/Danida/English/DanishDevelopmentCooperation).

- The EC/EuropeAid has begun to give budget support and pooled funds and it seems that the organisation is trying to address the issues of too many projects targeting too many sectors. The EC has a clear commitment for increased sector budget and general budget support provided that eligibility criteria are met. It seems that the Commission is trying to streamline procedures, push for more devolution to delegations, clarify interaction between delegations and headquarters and improve information systems. If the harmonization agenda is going to be met it will require a clearer focus on a limited number of sectors (and per sector a limited number of activities) per partner country. The EC is also concentrating its focus on a limited number of sectors per country, especially through its Country Strategy Papers/National Indicative Programmes. The introduction of Poverty Reduction Strategy Papers in various partner countries led to a closer collaboration between donors and the partner countries, both for the outlining of policies as for the implementation. The Commission uses these PRSPs as a basis for its own strategies. Furthermore, the EC is encouraging joint donor missions (e.g. Mauritania), and based on its Decentralisation and Local governance Concept paper it has planned to carry out training at country level of EC staff and agencies present in various countries will be invited to participate.
- Both Danida and the European Commission are in the process of developing concept papers on how best to work with decentralisation and local governance²⁵. Both papers discuss the rationale for support to decentralisation, main concepts and terminology, understanding of the decentralisation process, challenges regarding work in support of decentralisation within sector support programmes (health, education etc) and both broadly agree on the importance of anchoring decentralisation support in nationally owned strategies. However, the papers obviously have some differences in respect to their reflection on EC and Danida experiences respectively and the respective work procedures of each organisation.
- France's approach to governance is reflected in a recent Governance Strategy (draft September 2006) where emphasis generally is on democratic governance as a wide concept and process that also encompass local governance and decentralisation. Three types of action are sought initiated to support this: (1) supporting decentralisation processes and strengthening local governments, (2) promoting spatial planning and regional development and (3) promoting local development led by local governments. Particular emphasis is in the Governance strategy is paid to Africa and the "Municipal Development Partnership" which was created in 1991 for support to capacity building of African local governments. This includes inter alia arrangement of the Africities summits every three years and building capacities of the African municipal movements.
- The Netherlands supports decentralisation processes in developing countries from the standpoint of poverty reduction. The Netherlands supports decentralisation processes within the framework of the sector-wide approach and as part of good governance. In

²⁵ EC: Concept Paper on the European Commissions Support to Decentralisation and Local Governance in third Countries – Draft Final Version (November 2006) – prepared by the European Centre for Development Policy Management on behalf of Europe Aid and the Aid Delivery Methods Guidance and Training Programme; Danida Good Practice paper: Decentralisation and Improved Service Delivery for the Poor (draft 2006)

addition decentralisation is earmarked as a crosscutting or sector-support theme in certain cases, and decentralisation can also play an important role in rural development. The Netherlands distinguishes between three types of intervention: broad cross-sector interventions involving capacity building at various levels in the organisations directly involved in decentralisation, interventions within selected sectors, and direct support of local authorities (including twinning arrangements) and civil-society organisations.²⁶ The Dutch development assistance has come far in terms of harmonisation and alignment but as the list of projects suggests there is still far to go in terms of reducing the number of interventions in the sector.

The common issues and tentative lessons can be summarised as:

- A. Decentralisation is considered as integral part of poverty reduction strategies and thus part of sector support programmes in key sectors such as education, health, agriculture, water, roads etc where local governments often are given substantive functions for service delivery in many partner countries. All donors have expressed concerns regarding how decentralisation reform effectively can be articulated and supported through sector programme modalities. It is recognised that some sector programmes are not implemented fully in compliance with national stated decentralisation reform objectives.
- B. The programmes that provide comprehensive support to all key aspects of decentralisation reforms (policy, legal, political, fiscal and human resource management aspects) are few, but those identified are most often supported jointly by several donors through basket funding or similar arrangements. From the available documentation it appears that all these programmes are anchored around some form of national country owned decentralisation strategy.
- C. Even when joint programmes are supported it is often found that donors continue with separate discrete area based programmes. The rationale from aid harmonisation perspectives is not clear, but in part explained by donors desire to have “local presense” which partly will feed into donor agencies knowledge of practical local development experiences and partly feed into its accountability to its citizens where tax payers would like some explicit demonstration of how their aid contributions are utilised and impact on select areas.
- D. Decentralisation and local governance is in part considered integral part of wider democratisation and good governance strategies. All donors realize this and some, such as Danida, are increasingly seeking to integrate decentralisation into wider Good Governance programmes. However, it is unclear how this may impact donor harmonisation and effectiveness of decentralisation support.
- E. Problems of aid harmonisation within donor support to decentralisation and local governance is hampered by the fact that decentralisation and local governance are very broad concepts and interpreted differently within different departments of the same

²⁶ Netherlands: Ministry of Foreign Affairs (June 2002): *Decentralisation and Local Governance. From the Perspective of Poverty Reduction*.

donor organisation. Departments of the same donor organisation have limited knowledge of activities implemented elsewhere in the organisation.

- F. Efforts by International Organisations to generate lessons and good practices for support to decentralisation and local governance are not well-disseminated or internalised in donor organisations. This includes findings of OECD 2004 (see below) and work by UNCDF, UNDP, World Bank and others.

It is useful to sum up some of the main lessons learned over the past ten years regarding donor support to decentralisation and local governance. A major study on Lessons Learned on Donor Support to Decentralisation and Local Governance (OECD 2004) concludes that:

- 1) General support to decentralisation programmes is often dependent on:
 - a. Need for long-term donor commitment, as the reform of local government systems is a time and resource-consuming intervention.
 - b. Central government commitment is a precondition for effective support. Donors cannot push governments to reform and capacity building/development is an integral part of any needed support but will not in itself create well-functioning and capable local governments.
 - c. Improvement of coordination between donors and partner governments is very important and there is a strong need for better coordination between donors.
 - d. Both long-term and short-term sustainability is a major challenge as there is a need for better institutionalisation and up-scaling of piloted interventions in the districts/municipalities/urban cities.
 - e. The poverty element which is often the declared goal of donor support is often lacking or absent in decentralisation programmes and needs strengthening.
- 2) Support to fiscal decentralisation:
 - a. More focus on LG's own source revenues and sustainability needed. There has been increased donor focus over the past 20 years on issues such as LG planning, financial management and accounting and intergovernmental fiscal transfer systems but less focus on LG's overall system of finance and sustainability.
 - b. Poor intergovernmental transfer systems, where many countries have experienced an increase in donor and government transfers to LG's and a lack of attention to ensuring LG's own revenue sources has been a great problem. This has in the past led to multiple grant systems, modalities, accounting and reporting systems as well as several M&E systems. The successful interventions in this area have often been related with focus on LG incentives to improve on administrative reforms and reform of transfer systems clearly linked to a stronger focus on own revenues such as user fees and taxes.
- 3) Support to LG accountability:

- a. There is a strong linkage between efforts to enhance LG's capacity in accountability through capacity development programmes and focus on good governance principles and increased support to civil society groups enabling them to take advantage of participatory opportunities. This dual focus on accountability is crucial.
- b. The support to civil society groups is generally insufficient, and there is a need to focus on grassroots NGOs that target lower level poor groups often deprived of influence and voice.

It is the impression of the Review Team that these observations are still valid.

4. The Way Forward

4.1 *Paris Declaration and Support to Decentralisation*

The Paris Declaration was signed by most donor and recipient governments in 2005, and represents the overarching framework under which future development aid should be delivered to enhance aid effectiveness. The Paris Declaration emphasizes five main principles that have been mutually accepted by over 90 governments as being critical to the delivery of more effective development assistance. These include:

1. **Ownership:** Partner countries exercising effective leadership over the development policies, and strategies and coordinating development actions;
2. **Alignment:** Donors basing their overall support on partner countries national development strategies, institutions and procedures;
3. **Harmonisation:** Donors' actions are more harmonized, transparent and collectively effective;
4. **Results:** managing resources and improving decision-making for results;
5. **Mutual Accountability:** Donors and partners are accountable for development results

In this chapter we discuss how these principles may be applied to ensure a more harmonised and coordinated system of support for decentralisation and local governance support. However, it should be noted that these principles foremost apply to the types of projects supporting core decentralisation reforms and area based support, whereas support with primary focus on support to civil society are not suitable for this type of harmonisation efforts.

4.1.1 Ownership - Developing Country Leadership

An increasing number of partner countries have developed own national development strategies (Poverty Reduction Strategies, Good Governance Strategies etc) that provide overall guidance to donors on key priorities. However, only recently have these national strategies also included more comprehensive national decentralisation/local governance strategies that may serve as a basis for aligning and harmonising external assistance for support to decentralisation and local governance.

- 1) Some key issues regarding how to anchor national ownership of decentralisation reforms include:
 - a. What if no national decentralisation strategy is in place – how proactive should donors be in assisting in developing such strategies without reforms being donor driven?
 - b. What form should a decentralisation strategy take? Whereas the PRSPs initially were developed along a fairly common format and now increasingly takes more localised forms, then there is less commonalities for decentralisation strategies, although it may be argued that decentralisation strategies should be

comprehensive in scope and at least address the basic five conditions for effective decentralisation as outlined below.

Five pre-conditions²⁷ (issues) to be addressed in national decentralisation strategy are:

A **legal framework**, which clearly stipulates the division of roles and responsibilities between different layers of governments: Only if clear and significant responsibilities are assigned to local governments can they play a significant role in poverty alleviation. Assignments of responsibilities should be in accordance with local capacities – however, without accepting some interim gaps it will in most poor countries be impossible to transfer functions. It should also be acknowledged that LG capacity can be developed along the principle of “learning by doing” and that capacity can be enhanced when responsibilities are being transferred.

Financial resources adequate to undertake functions: Finances to be provided by local revenue sources, fiscal transfers (more or less conditional) and borrowing. A certain level of fiscal autonomy is required to ensure that potential benefits of decentralisation can materialise. Recently poverty effects of LG taxation have featured prominently in study literature and pointed to the importance of establishing highly skilled, competent and fair tax administrations and a sustainable system of LG tax assignments. It is generally accepted that LGs need some significant high yielding own source revenue assignments to create a strong sense of local ownership, accountability and links between the benefits and costs and ultimately to ensure a long-term sustainability.

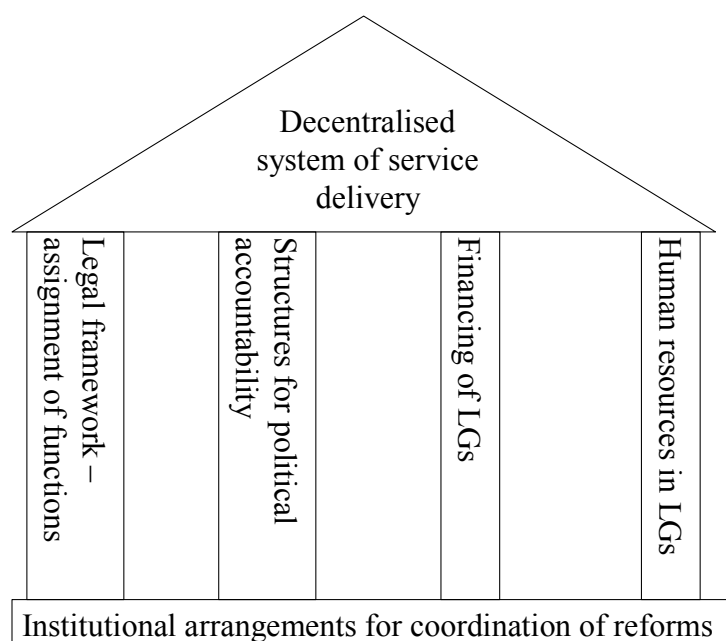
Human resources (staff numbers, qualifications, motivation etc) adequate to undertake functions: Some degree of local control of staff is required to ensure local level autonomy and thus benefit from decentralisation.

Effective mechanisms for local level accountability – election of local government councillors is the most basic precondition: However, in several countries even this element is only partially fulfilled. Effective local accountability will also require citizens and politicians’ access to information, institutional arrangements for politicians’ oversight of planning, finances, staff; and be influenced by political structures, civil society organisations among others and conducive procedures and systems for active involvement of the citizens. Systems should be put in place to ensure a simultaneously strengthening of the up-up-wards (central government monitoring and supervision, reporting etc.) and down-wards accountability (vis a vis the citizens). Finally, all of the above needs to be supported by relevant central institutional arrangements – for instance a reform secretariat, a strong Ministry of Local Government, an Association of Local Authorities and a type of Local Government Finance Commission. An effective decentralisation of the public service will require significant coordination across sectors and a substantial overhaul of most line ministries and other central institutions – this part of reform is often the most challenging – especially when compared to required changes at the local level.

²⁷ The term pre-conditions is used here by the Consultants as it is our experience that if decentralisation reforms do not in a holistic manner address all these five pre-conditions there is reason to suspect that the decentralisation reforms will stall or even not be implemented properly. This does not preclude donors from focusing on aspects of these pre-conditions as long as the basic elements are present in the reform framework and hopefully catered for by other interventions.

These five preconditions are illustrated in the figure below²⁸.

Figure 2: Five Preconditions for Successful Decentralisation



A national decentralisation strategy would as a minimum reflect on the current status of the five above areas, outline a vision of reforms and elements of an operational strategy for achieving this. The vision may be articulated as a Policy endorsed by Cabinet (e.g. in Tanzania and Cambodia) or even stronger as principles of reforms intentions in the Constitution (Uganda is an example of this). However, as the Constitution deals with the general principles, it can typically not stand alone as the overall policy for decentralisation.

It should be noted that this form of national framework foremost is conducive when substantive reforms in support of decentralisation by devolution are pursued.

The operational strategy may take many forms including:

- Wide overall public sector reform that combined various elements of public sector reform including public service reform including public service reform, elements of privatisation as well as decentralisation (Bolivia, Uganda, Mali are examples).
- A more narrow reform of local government structures with elements of wider sector reforms (e.g. Tanzania LGRP) or only on limited aspects of LG capacities without wider systemic reforms (Kenya)

²⁸ These five preconditions were recently used as the analytical framework for a comparative study on Decentralisation in East Africa by Jesper Steffensen and Per Tidemand 2004: Decentralisation in Kenya, Uganda and Tanzania - three country studies and comparative summary, NCG 2004 for the World Bank. <http://www1.worldbank.org/wbiep/decentralization/regions.htm>

- It is recognised that the relative success of various types of strategies is relatively undocumented and may warrant further analysis.

The decentralisation strategy should be accompanied by an action plan/investment plan with costed, sequenced activities (the Ugandan newly developed LGSIP is an example of this, but work has also been conducted in other countries like Ghana and Cambodia).

Some of the main challenges have been lack of active involvement of the sector ministries and continued donor support outside of the agreed strategic framework, hence there is need for strong initiatives to ensure sufficient “buy in” to the overall framework.

4.1.2 Alignment of donor support

Donors should base their overall support on partner countries national development strategies, institutions and procedures.

In support to decentralisation this should include a commitment from donors to:

- 1) Base their support on national decentralisation strategies in their various forms and assist partner countries to develop such.
- 2) Link funding to a single framework of conditions/manageable set of indicators derived from the decentralisation strategy.
- 3) Use of strengthened country systems. However, exactly because decentralisation reforms most often are concerned with change of country systems for planning, financing, human resource management etc, - this will include:
 - Partner commitment to reform national public sector management systems supportive of decentralised governance
 - Donor commitment to use country systems and procedures to the maximum extent possible; for support to decentralisation and local governance this may in particular include:
 - Use of common modalities for development funding at local levels (for instance Local Government Capital Development Grant System in Tanzania, Uganda, Rwanda, Cambodia, Nepal and similar modalities), often linked to performance based systems can capacity building needs assessments²⁹
 - Use of common modalities for capacity building at local levels (for instance modalities such as capacity building grants in Tanzania and Uganda),
- 4) Partner countries and donors to use common assessments.
 - Common assessments of overall national country systems and procedures – this may include LG aspects in PFM reviews, LG financial management reviews, etc;

²⁹ Similar systems are being developed in e.g. Bangladesh and Sudan.

- Common assessments of decentralisation reforms – for instance such as the Joint Annual Review of Decentralisation (JARD) that over the last couple of years have been undertaken in Uganda;
 - Common assessments of LG capacities – inter alia to allow for assessments of which types of capacity building that is most efficient. (E.g. as the systems now in place in Uganda, Tanzania, Bangladesh),
 - Common development of indicators on local governance across countries, exemplified by the new initiative spearheaded by the Joint African Institute with involvement of 17 Sub-Saharan African countries with the aim to work towards good, reliable, verifiable, comprehensive indicators for a conducive LG environment and for LG performance.
 - There is a need to harmonise the various initiatives to harmonise, e.g. the ones under OECD-DAC framework, the World Bank (e.g. on fiscal indicators to measure autonomy) and the more informal initiatives.
- 5) Strengthen public financial and procurement systems. Partner countries commit to
- Intensify efforts to provide a sound sub-national conducive fiscal framework that includes viable and buoyant own LG resources,
 - Support development of genuine intergovernmental fiscal transfer systems, including publication of timely, transparent and reliable reporting on budget execution at central and local government levels,
 - Take leadership of public financial management and procurement reforms,
- 6) Donors commit to provide reliable funding according to multi year framework and rely to the extent possible on government's decentralised budget and accounting system, control systems and auditing.

4.1.3 Harmonisation

Donors' actions need to be e more harmonised, transparent and collectively effective

In support to decentralisation this should in particular entail:

- (a) Donors implement common arrangements and simplify procedures:
- Donors' commitment to implement, where feasible common arrangements at country level for planning, funding, M&E etc, e.g. through basket funded decentralisation reform programmes or other similar arrangements
 - Commitment to reduce the number of separate duplicative missions, reviews and studies
 - Common support to design and implementation of decentralisation strategies.
- (b) Enhancing complementarity and more effective division of labour:

- Partner countries to provide clear views on donors comparative advantage at country level in support to decentralisation reforms (including reviews of division of labour – e.g. the ongoing exercise in Uganda),
- Donors work together to make full use of their comparative advantages at country level and avoid overlap,
- Donors work together to strengthen international division of labour e.g. by delegating selected analytical work and share TORs, best practices and analytical work in agreed international fora.

4.1.4 Results

Managing resources and improving decision making for results

Managing for results means managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making. For support to decentralisation this would entail:

- (a) Partner countries commit to
 - Establish clear monitoring indicators for progress on implementation of agreed decentralisation policies (to ensure clear government ownership and commitment of reform),
 - Establish efficient systems of monitoring, evaluation, legal supervision of LG performance,
 - Strengthen linkages between the decentralisation strategies, overall national development strategies and annual, medium (MTEF) and long-term (LTF) budget process,
 - Strengthen systems for local government results oriented planning, budgeting and monitoring,
 - Regular reviews of the extent to which targets are achieved and the extent to which the environment (legal, administrative, fiscal etc.) is conducive for the decentralisation process and the LG performance.
- (b) Donors commit to
 - Link country programming and resources to results monitored through national systems
 - Harmonise their monitoring and reporting systems and aim for ultimate reliance on national systems

4.1.5 Mutual Accountability

Donors and partners are accountable for development results

A major priority for partner countries and donors is to enhance mutual accountability and transparency in the use of development resources. Support to decentralisation aims in particular to enhance local level accountability and modalities for downwards accountability.

(a) Partner countries commit to:

- Ensure parliamentary endorsement and oversight of decentralisation reforms,
- Systematically involve a broad range of development partners when formulating and assessing decentralisation strategies,
- Strengthen systems for local accountability to citizens, local communities, and locally elected councillors and with indicators on progress in this area.

(b) Donors commit to

- Provide timely, transparent and comprehensive information on aid flows in order to enable partner countries and supported local governments budget reports to their parliaments, councils and citizens.

(c) Partner countries and donors commit to:

- Jointly assess mutual progress in implementation of agreed commitments on aid effectiveness in support to decentralisation and local governance.

4.2 Recommended Harmonisation initiatives

4.2.1 Country Level Activities

At country level, implementation of the above principles for harmonised systems of development assistance to decentralisation will follow the same basic process as overall aid harmonisation as per Paris Declaration. It will entail the following:

- 1) Confirming the Partner Country Government's interest in leading the harmonization process by development of a comprehensive national decentralisation strategy with a related action and implementation plan. The processes of harmonisation and alignment will then include all elements as described in section 4.1.
- 2) If Partner Country Government is not ready to develop such a comprehensive decentralisation strategy but still considers decentralisation and local governance as relevant elements of an overall national development strategy, it may be jointly agreed to undertake a review to better understand the harmonization issues, drawing on available work on the aid delivery modalities and challenges of the government and the donors concerned. This "softer" form of aid harmonisation process will be followed by:
 - Discussing harmonization priorities with the government and interested donors
 - Drawing on these discussions to develop a matrix of priorities, and a timetable of short- and longer-term actions

- Developing a shared understanding of the modalities and resources for taking the work forward.

4.2.2 International Activities

Several international initiatives have been launched to support decentralisation reforms in developing and transitional countries. A complete overview of all these initiatives is far beyond the scope of the current assignment, but Annex 4 provides a select overview of major international institutions working on decentralisation and local governance and a guide to their resources as available on the Internet.

Box 2: Examples of International Organisations Working with Decentralisation

- World Bank and World Bank Institute
- United Nations Capital Development Fund
- United Nations Development Programme including the Urban Governance Initiative,
- Habitat.
- The Local Government and Public Service Reform Initiative
- United Cities and Local Governments is a new world organisation established by the International Union of Local Authorities (IULA), the United Towns Organisation (UTO) and the World Associations of Cities and Local Authorities Coordination (WACLAC).
- International Union of Local Authorities (IULA)
- Study Group on Local Governance established by the European Group of Public Administration (EGPA)
- The Eastern Regional Organization for Public Administration (EROPA)
- Asian Resource centre for decentralisation (ARCD)
- African Cities
- Joint African Institute (JAI)
- Municipal Development Programme (MDP) and PDM
- United Cities and Local Governments (UCLG)
- OECD

These organisations provide a rich source of documentation of practices and experiences on support to decentralisation reforms and local governance in developing and transitional countries.

For donor organisations it would be worthwhile to consider use of pooled technical resources to avoid duplication of efforts. As evidences from the review of donor approaches in this study show quite a number of bilateral and individual donor initiatives have been undertaken for development of guidelines, best practices, etc., which might have benefited from joint analytical work or by delegation to more specialised international organisations.

It is therefore recommended that individual donor organisations and bilateral donors consider some delegation of various analytical works to specialised international organisations.

In a similar manner it is recommended to strengthen the technical capacities of donor organisations for work on decentralisation and local governance by joint capacity building of staff – possibly provided by specialised international organisations.

4.2.3 Further Studies

Within the broad area of support to decentralisation reforms and local governance it is for purposes of harmonisation of donor approaches foremost recommended to undertake a review of partner country developments of national decentralisation strategies (detailed case studies) and their effectiveness in guiding donor harmonisation. Practical approaches to the development of National Decentralisation Strategies and how to link external assistance to these have varied substantially as illustrated in table below.

Table 6: Selected cases of National decentralisation strategies and aid modalities

Country & period	Type of National Decentralisation Strategy	Donor Support Modality
Uganda 1993-1996	Presidential commitment to overall decentralisation reform and creation of a Decentralisation Secretariat to develop legal framework (including Constitutional Amendments), planning, HRM and finance systems.	Decentralisation Secretariat largely funded by one donor (Danida).
Uganda 1997-2005	Less emphasis on legal reforms – main emphasis on improving fiscal decentralisation by introduction of LG development grant, Local Government Finance Commission, reflected in Fiscal Decentralisation Strategy but no comprehensive strategy for other elements of decentralisation except guidance from comprehensive legal framework.	Many different projects but a high degree of coordination by joint donor funding of the Local Government Development Programme (LGDP I and II) with World Bank as lead. The joint development funding modality was initially piloted by UNCDF.
Uganda 2006-	Subsequent to various legal amendments that recentralised some LG functions, the Government has developed a restatement of decentralisation policy and an overall Local Government Sector Investment Plan (LGSIP) to reflect and guide all support to the sector.	A large group of bilateral donors committed to “budget support” to the LGSIP but arrangements not yet in place. Several separate projects in specific LGs continue with limited coordination. WB LGDP –III under formulation/appraisal.
Tanzania 1998-2004	Cabinet endorsed in 1998 a LG Reform Policy and also established a separate Local Government Reform Team and programme (LGRP) to implement it. The programme encompasses legal reforms, systems development and capacity building – but not common modality for development funding to LGs.	Basket fund with most of the major bilateral donors as well as contributions from EU and UNDP & UNCDF. Total 10 million USD annually. At the same time a large number of bilateral funded area based programmes (40 million USD annually)
Tanzania 2005-	The LGRP continues until June 2008 when reforms are assumed mainstreamed into ministries.	Basket funding for LGRP continued up to 2008 with some 10 million USD annually.

Country & period	Type of National Decentralisation Strategy	Donor Support Modality
	In 2005 a common modality for development funding at LG level was developed (Local Government Capital Development Grant – LGCDG)	Most area-based programmes are phased out and joint financed through LGCDG where the WB led design process and is the single biggest financier.
Yemen 2000-	Initially no comprehensive decentralisation strategy but a new legal framework, which created new forms of local administration supported by Ministry of Local Administration. Recently efforts by Government and partners to develop comprehensive decentralisation strategy – still in draft form.	Several separate projects, but increasingly coordination of donor support through programme led by UNCDF and UNDP within Ministry of Local Administration. Individual donors support selected districts but within one common framework for development funding and capacity building.
Ghana 1988-	Introduction of partially elected District Assemblies and statements regarding further decentralisation – decentralisation intentions also reflected in Constitution (1992). A Comprehensive decentralisation Policy and Strategy is included as a trigger for budget support in 2007. A National Decentralisation Action Plan (2004) focus on stepwise coordination	A large number of separate donor projects in support of different aspects of decentralisation – primarily in the form of various area based programme support. In 2004
Mali 2004-2006	Decentralisation was proposed by President Alpha Oumar Konare as one of the country's key focus areas. Following the national conference and in accordance with the new Constitution subsequently adopted by referendum, it was considered a crucial reform in instigating democracy at local level. In line with this strong political approach and contrary to an administrative approach, a Decentralisation Mission drew up and implemented an overall nationwide reform strategy. It concentrated primarily on the principles of populations taking responsibility and becoming involved	A Fonds national d'Investissement des Collectivités Territoriales (FICT) and the Agence Nationale d'Investissement des Collectivités Territoriales (ANICT) were set up to manage the process together with a national provision for technical support for the launch of municipalities with municipal advice centres. PARAD supported by 11 donors are contributing to the Fonds d'Investissement des Collectivités Territoriales (FICT). The main ones are EC, AFD/France, Dutch, Belgium, KFW, UNCDF and ADB.
Nepal 2001-2005	Although there is an outdated strategic framework for decentralisation with a dormant monitoring outline. There is lack an overall policy and implementation strategy and action plan for decentralisation.	Earmarked budget support to 20 districts covered by ongoing DFDP (supported by DFID and UNCDF). UNDP/NORAD has on-going project. A new local governance recovery programme under development will align itself to government system.
Cambodia	A joint donor basket funding arrangement has supported the elaboration of a D&D strategy and action plan (2005-)	Although still rather project based, the Seila Programme has in many years been an example of a comprehensive basket fund arrangement outside of the direct government funding system but with funding flows (part of the funding – the grants to LGs- goes through the GoC's Treasury system). There is a move towards a common support strategy based on GoC's own strategy and plan
East Timor	UNCDF/UNDP has played a major role in support of the strategy development. The legal framework will follow in 2007.	Still project specific, but some projects have impacted significantly on the overall policy and strategy and parts of these will be scaled-up. Piloting of funding through government system taking place. Maybe to be scaled-up soon.
Bangladesh	There is no decentralization policy in place (only a brief sector policy for development	In future, the support for the Local Governance Support Programme will go through the GoB's

Country & period	Type of National Decentralisation Strategy	Donor Support Modality
	grants) Joint design of a Programme with development grants to the LGs (Union Parishads) Other coordination agreements between few donors supporting the urban authorities Not common, but some cooperation has started among few partners, e.g. the World Bank and UNCDF.	budget as earmarked budget support.
Bolivia	Administrative decentralisation law passed in 1995 departments were granted wider powers. Have powers over planning, economic and social development and social sectors.	Municipalities have own resources, central government transfers and loans. Transfers from government through the FPS. 60% come from central transfers to local municipalities. Many active donors (Danida, DGCID/AFD, DGIS, BTC etc.)
Nicaragua	Passing of municipal law in 1988 – Ley de Municipalidades no 40, which is still in force led to more responsibilities for municipalities but is vague and has led to deteriorating services at local levels due to lack of precision in assigning responsibilities between central and local government .	Municipalities have own resources, central government transfers and loans. Central government transfers are small and irregular In July 2003 passing law 446 on budget transfers. Stipulates that central government must allocate 4% of central to local level, rising to 10% by 2010. Many active donors in Nicaragua.

Sub-sets of analysis may include:

- ♣ How best institutionally to deal with coordination of decentralisation reforms and sector reforms through national strategies and coordination mechanisms;
- ♣ Intergovernmental fiscal relations and how best to ensure overall donor support to LG finance, including support from sectors;
- ♣ Coordination between overall public service reforms (right sizing, pay reform, merit based HRM, performance based management, sector reforms, etc.) with decentralisation reforms;
- ♣ How to harmonise area based programming with national reform programmes;
- ♣ How best to monitor and evaluate decentralisation reform programmes.

Finally, it is recommended to pursue means for generation of comparable cross-national statistics on decentralisation and local governance issues. Some efforts are currently being made in the African Region³⁰ to generate internationally comparable information on LG finance and the overall institutional frameworks for decentralisation. In order to enhance knowledge of the impact of decentralisation and for sharing of good practices on decentralisation it is important to establish and widen reliable and comprehensive systems for international comparisons of sub-national governance; these systems should capture key aspects of policy, legal, political, fiscal, human resource aspects of decentralisation.

³⁰ Examples of these initiatives are the work on indicators spearheaded by the Joint African Institute, and the recent work by the World Bank on the indicators on fiscal autonomy (ideas originated from the FDI under OECD), the work on customizing the PFM indicators at the local government level etc.

ANNEX 1: REFERENCES

- 1) Annual Report 2005, the EU Development Policy and the Implementation of External Assistance in 2004.
- 2) Capacity Development Services, a Learning Approach to Enhancing Capacity in SNV East Africa, SNV 2005.
- 3) Challenges for a Viable Decentralisation Process in Rural Burkina Faso, Royal Tropical Institute, Netherlands, Bulletin 356, 2003
- 4) Coordination and Sector Support, An Evaluation of the Netherlands' Support to Local Governance in Uganda, 1991-2001, IOB Evaluations Nr. 204, Dutch Ministry of Foreign Affairs, June 2003.
- 5) DAC Evaluation Series, Lessons Learned on Donor Support to Decentralisation and Local Governance, OECD 2004.
- 6) Decentralisation and Improved Service Delivery for the Poor, Good Practice Paper, 2nd Draft 1.2.2006, Danida.
- 7) Decentralisation and Local Self-Government in German Development Cooperation, BMZ August 2002.
- 8) Decentralisation in Mali: Putting Policy into Practice, SNV and CEDELO, Royal Tropical Institute, Netherlands, Bulletin 362.
- 9) Decentralisation Policies in Latin America, DGCID (December 2005)
- 10) Decentralisation and Local Governance – From the Perspective of Poverty Reduction, Ministry of Foreign Affairs of the Netherlands, June 2002
- 11) Décentralisation, Document D'Orientation, SDC/DDC 2001
- 12) Democratic Governance – the Key to Development, BTC/CTB 2005.
- 13) Étude compare des politiques D'aménagement du Territoire et de Développement Régional dans les Pays du Sud, DGCID 2006
- 14) Financer la Décentralisation Rurale: Taxes et Impôts à L'échelle au Bénin, Burkina Faso et Mali, Royal Tropical Institute, Netherlands, Bulletin 357.
- 15) Financing Development, Programme-based Approaches in Africa, KfW November 2005
- 16) Good Governance Means Fair Play, 2005 Annual Report on Cooperation with Developing Countries, KfW.
- 17) Governance Cooperation in Figures 2002-2004, France's Action Around the World, DGCID May 2005
- 18) Guide de la Coopération Décentralisée – Échanges et Partenariats Internationaux des Collectivités Territoriales, 2^e Édition 2006, DGCID.

- 19) *La Décentralisation et la Gouvernance Locale, Quelle Contribution de la CTB?*, Rapport d'étude, Avril 2006, CTB/BTC.
- 20) *Monitoring Systems within the Field of Good Governance – Applying the Harmonisation Agenda*, Danida November 2004.
- 21) *Mutual Interests, Mutual Responsibilities*, Dutch Development Cooperation en Route to 2015, DGIS October 2003
- 22) *Programme d'appui à la réforme administrative (PARAD)*, EC/EuropeAid, Convention de Financement entre la Commission Européenne et la République du Mali, 2005.
- 23) *Promotion of Good Governance*, Service of GTZ, 2005.
- 24) *Services for Sustainable Urban Development, Strengthening Local Actors and Local Governance to Make Cities Worth Living in*, GTZ November 2005.
- 25) *Spatial Planning and Sustainable Development Policy in France*, DGCID 2005.
- 26) *State of Decentralisation in Africa*, Observatory of Decentralisation, Municipal Development Partnership, 2006.
- 27) *Stratégie Gouvernance*, DGCID, August 2006.
- 28) *Strengthening Local Governance, Finding Quality Advisory Approaches*, SNV 2004.
- 29) *Support to Good Governance – Some Issues and Challenges Regarding Analysis and Planning*, Good Practice Paper, Danida October 2004.
- 30) *Van Projecthulp naar Sectorsteun, Evaluatie van de sectorale benadering 1998-2005*, IOB Evaluaties, Buitenlandse Zaken April 2006, (no. 3001).

ANNEX 2: Terms of Reference

Survey on Support to Local Governance and Decentralisation

Introduction

Decentralisation reforms are currently ongoing in the majority of developing countries. The nature of reforms vary greatly – ranging from mundane technical adjustments of the public administration largely in the form of deconcentration to far-reaching redistribution of political power between central governments and autonomous local governments.

Decentralisation reforms hold many promises, including local level democratisation and improved service delivery for the poor. However, effective implementation often lacks behind rhetoric and the effective delivery of promises also depends on a range of preconditions and the country specific context for reforms. In several countries it can be observed that decentralisation reforms are pursued in an uneven manner. Some elements of the Government may wish to undertake substantial reforms; other elements will intentionally or unintentionally counter such reforms. Several different forms of decentralisation – foremost elements of devolution and deconcentration – may be undertaken in a contradictory manner.

International and bilateral donor agencies have increasingly recognised the importance of working with decentralisation, either through direct support to decentralisation reforms, or as part of support to a wider public sector reforms or good governance programmes, or as part of other sector programmes. In some countries there are a number of individual projects supported by different donors, and only few efforts have been taken to pursue better harmonised and better aligned programmatic support, in line with the statements of the Paris Declaration on Aid Effectiveness.

In the view of this, a planning meeting for the Donor Working Group on Local Governance and Decentralisation took place on April 26 at the KfW headquarters in Frankfurt. Thirteen donors participated in the meeting. In accordance with the minutes from the meeting³¹ the following four topics were considered the most important for the future work of the WG:

- Stock-taking of operations, strategies and approaches including a brief overview of portfolios;
- Decentralisation as comprehensive state reform process and the political dimension of the decentralisation process;
- Monitoring decentralisation / appropriate indicators;
- Aid delivery / sector approach.

³¹ Minutes of Meeting of the planning workshop for the Donor Working Group Series on Local Governance and Decentralisation, Frankfurt, April 26 2006.

Based on the above, one of the conclusions of the meeting was consequently to conduct a survey on donors' support to local governance and decentralisation reforms and processes.

Objectives

To conduct a survey on donor rationale, strategies, practice, and lessons learned with support to local governance and decentralisation reforms and processes in order to facilitate the future discussion and activities of the Working Group, and to facilitate harmonisation and alignment of the support in the partner countries.

Methodology

A small reference group consisting of the Danish Ministry of Foreign Affairs, Coopération Technique Belgique, EC/EuropeAid, DEZA Switzerland, and the French Ministry of Foreign Affairs will be responsible for the monitoring and quality assessment of the survey based on these TOR.

Based on the preliminary analysis of relevant documents and materiel, the consultant(s) will present a proposal on the approach and methodology to be applied during the survey, including a Plan of Action with details on the timetable.

This will include:

- A questionnaire, which should be filled out by all participating donors. The questionnaire will include, but necessarily be limited to the following issues: nature of programmes (state reform / institutional reform programmes, sector programmes), modality (project approach, basket funding or pooled funding, sector or general budget support), existence of specific policy documents or strategies, guidelines and check lists
- A proposal for a matrix identifying the main differences and similarities of the donors' strategies and practice in their support to local governance and decentralisation, including justification for the donors to be visited;
- A proposal for the structure and list of content of the main report, including an assessment of the main findings and recommendations on how to promote harmonisation and alignment of support to local governance and decentralisation.
- The Plan of Action with proposals for timetable and approach and methodology will be submitted to the reference group no later than two weeks after commencement of the consultancy.

The consultant(s) will visit (1-2 days) 4-5 selected donors in order to develop the analysis and the assessment.

Expected Results

- Proposal from consultant on methodology including questionnaire
- Draft Report
- Presentation of conclusions and recommendations to Working Group

- Final Report

Timing

The Survey will be carried out from XX of July till October 30th 2006. The draft final report will be submitted to the members of the reference group on November 1st 2006. The consultant(s) will present the results of the survey at the first regular meeting of the Working Group, which will take place in Brussels during week 48 (27.11.- 1.12.) with a duration of 1,5 days.

The final report including conclusions and recommendations from the meeting in Brussels will be submitted to the reference group no later than one week after the meeting in Brussels.

Participating organisations

At the outset, the survey will involve the donor organisations that participated in the workshop in Frankfurt. However, during the course of the survey other donors could be approached, if considered relevant and feasible vis-à-vis the time available.

Resources and budget

One or two external consultants selected by the reference group following a process of direct invitation will conduct the survey.

The budget will include the following items:

Remuneration: 60 working days

Per Diem: 15 days (Europe)

Hotel: 10 nights (Europe)

Travel: 7 return tickets in Europe (economy class)

ANNEX 3: Country Level Harmonisation Initiatives

(COUNTRY-LEVEL HARMONIZATION: EMERGING IMPLEMENTATION LESSONS FEBRUARY 2003, HIGH-LEVEL FORUM ROME, WORLD BANK AND SECRETARIAT OF DAC/OECD)

Country	Initiatives
Bangladesh	<p>The Ministry of Finance and the World Bank sponsored a meeting in 2002 with leading donors—including Asian Development Bank (AsDB), the Department for International Development (DFID), the Netherlands, and United States Agency for International Development (USAID)—to discuss harmonization of financial management policies, procedures, and practices, and to coordinate assistance for capacity building in financial management.</p> <p>The Government established a joint Government-donor working group on aid governance in January-February 2003 covering (a) procurement, (b) financial reporting and auditing, and (c) training, respectively. The mandate of the groups is to identify modifications of government and donor policies, procedures, and practices that would improve the efficiency, accountability, and transparency of development assistance. The groups will draw, inter alia, on a survey of 21 Dhaka-based donor agencies of existing safeguards against the misuse of development assistance in Bangladesh that was conducted under the auspices of the Local Consultative Group (LCG). They can also draw on a Country Financial Accountability Assessment (CFAA) that was prepared by the World Bank and United Nations Development Programme (UNDP). Also, the Government initiated a public procurement reform program in line with the recommendations of the Country Procurement Assessment Report (CPAR). The program is supported by an IDA-financed technical assistance project.</p> <p>The working groups are expected to report on progress to the Finance Minister and Steering Committee—comprising the Secretary of the Economic Relations Division of the Ministry of Finance, the Director General, the World Bank Country Director (as chair of the LCG) and the UN Resident Coordinator (as a member of the LCG)—by May 1, 2003, and to the Bangladesh Development Forum to be held in Dhaka on May 17-18, 2003.</p>
Bolivia	Netherlands, Sweden, World Bank, and the IDB have co-financed an Education Reform Program and have agreed with the Vice-Minister responsible for education on a harmonized monitoring system with clear indicators. Another notable feature is that one common report is prepared and accepted by all.
Botswana	The Government has developed a framework that avoids the build-up of multiple sets of donor procedures, accounting requirements, and uncoordinated activities, since: (a) the Ministry of Finance and Development Planning has assumed central coordination of all technical cooperation; (b) all projects are executed through the government's systems, with minimal additional external management and accounting requirements; and (c) the Government's strategy has been to limit the total number of donors and to encourage like-minded donors to work together in particular sectors.
Burkina Faso	A joint World Bank-Strategic Partnership with Africa (SPA) CFAA has been completed. This is notable for the involvement of nine other donors coordinated by the European Commission. Translating the CFAA findings into actions, with joint donor support, is at an early stage.
Cambodia	The World Bank and AsDB have collaborated to produce joint operational procedures and a joint financial management manual designed to train local government staff managing development assistance. In addition, the World Bank and AsDB have agreed on standard bidding documents (SBDs) for national competitive bidding (NCB) and are working on SBDs for international competitive bidding.

Ethiopia	Recently, the Government launched comprehensive harmonization program beginning with the alignment of donor assistance strategies with Poverty Reduction Strategy Papers (PRSPs) and harmonization in selected priority areas. Ethiopia is also an SPA country pilot under the SPA/PRSP learning program. The aim of the pilot is to promote changes in donor practices in support of the PRSP with focus on (a) increasing the alignment of donor assistance to national strategies; (b) better aligning procedures and instruments to reduce transaction costs; and (c) enhancing national capacity, particularly in public financial management. Delegated cooperation has been put into practice in the health and education sectors by the NORAD and SIDA.
Ghana	Under the education and health SWApS supported by 16 donors, common methods—including accounting and pooling of resources—have been developed for financial management, auditing, procurement, management of logistics and technical assistance, and monitoring and reporting. Common implementation arrangements have been outlined in a Memorandum of Understanding between the Government and donors. The Ministry of Health has put in place procurement procedures acceptable to donors. Some donors may continue following their own procedures, but these practices are expected to be phased out with time. These results were achieved through better donor coordination brought about by changing the chairmanship of the donor coordination group over to the Government, conducting joint missions, preparing joint terms of reference, dividing the work, and carrying out frequent formal and informal consultations. The progress toward pooling of donor funds was built on significant investments in financial management systems and supervision.
Jamaica	The Government of Jamaica launched discussion on harmonization program in September 2002. This evolving program includes a harmonized approach to support for the Government's strategy for public sector modernization, pilot testing some key aspects, including possibly audit requirements, financial and non-financial reporting, joint design, appraisal, and monitoring missions, and pooled funding. Consideration is also being given to preparation of a joint country assistance strategy by interested donors, and to reviewing donor/lender environmental impact assessment requirements against the government's own EIA requirements with a view to minimizing duplication of processes and procedures.
Mozambique	Donors in Mozambique are currently working toward a common Performance Assessment Framework, in which conditions and means of assessment will be harmonised. The Performance Assessment Framework is likely to include donor accountability for commitments on donor practice. Harmonized or semi-harmonized financing schemes have been developed in planning, agriculture (budget support), education, public sector reform, policy research, health and health policy formulation, police academy, water, sanitation, and housing. The World Bank has carried out a detailed study of donor procurement and disbursement procedures, and, under the education SWAp, some donors are expected to agree on common NCB thresholds, the use of post review, and common reporting formats. There have been advances in building common procedures across sectors, as well as within sectors, which has contributed to developing common government-led procedures. At the same time, the costs of setting up pooling arrangements have tended to be high. Progress has been slow in all sectors, and in some cases gains have been reversed. Small, carefully designed sector-level technical assistance pooling schemes have been more successful, but overall the lack of local capacity has been a major constraint. Some donors have agreed on pooled funding while others support a gradual move toward budget support as the Government improves its financial management capacity. Direct budget support is governed by a joint program (agreed in November 2000) and an Aide Memoire signed between Government and 10 participating donors. There are common arrangements in place for disbursing budget support through a simple mechanism that provides untied, un-earmarked financing. There is regular dialogue between donors and with Government. Donors have conducted an Annual Joint Donor Review. Meanwhile, a joint World Bank/Norwegian Agency for Development Cooperation/SIDA CFAA is under way.

Pakistan	The Social Action Program established in 1992 is an open-ended multi-sector policy initiative to increase investments in basic social services. Donors (World Bank, AsDB, Netherlands, DfID, and EU) have agreed to finance. AsDB funds were not pooled but used in parallel to meet an agreed proportion of overall expenditure through two sector investment projects since 1993. The projects were supported by a multi-donor support unit, funded jointly by Social Action Program donors to support donor coordination and assist the Government in the preparation of annual operational plans, including assistance on procurement issues for capacity building in the social sector
Peru	The World Bank and Inter-American Development Bank collaborate on Public Expenditure Reviews, Country Financial Accountability Assessments, Procurement Reviews, support for local policy review processes, and parallel lending in certain sectors.
Papua New Guinea	The World Bank, AsDB, AusAID are preparing a joint country assistance strategy as they transition towards a more harmonized approach to aid delivery. As part of this transition, they plan to do joint analytic work and coordinate proposed assistance programs (some of which, in the case of AusAID in particular, are already under way).
Rwanda	Rwanda is an SPA country pilot under the SPA/PRSP learning program. The aim of the pilot is to promote changes in donor practices in support of the PRSP with focus on (a) increasing the alignment of donor assistance to national strategies; (b) better aligning procedures and instruments to reduce transaction costs; and (c) enhancing national capacity, particularly in public financial management. Meanwhile, shared strategy development and program planning have contributed to deeper dialogue and enhanced partnerships between donors and the Government. The United Kingdom has taken the lead in establishing a partnership with the Government, and has agreed on a strategy of assistance prepared in consultation with other partners. Other donors (Sweden, EU, and United Nations system) are following the lead of the United Kingdom. And recently, SIDA and DFID started a new silent partnership in the education sector.
Senegal	Senegal is an SPA country pilot under the SPA/PRSP learning program. The aim of the pilot is to promote changes in donor practices in support of the PRSP with focus on (a) increasing the alignment of donor assistance to national strategies; (b) better aligning procedures and instruments to reduce transaction costs; and (c) enhancing national capacity, particularly in public financial management. Meanwhile, under a health SWAp, donors (AfDB, EU, IDB, Nordic Development Fund, Japan International Cooperation Agency, Kreditaustadt für Wiederaufbau, Belgium, France, Taiwan, USAID, UNICEF, UNFPA, and the World Bank) agreed on a common procurement plan that identified their respective inputs and timing. Pooling of resources was problematic. Instead, a flexible approach was adopted that involved mostly parallel financing but some pooling at the district level for recurrent expenditures (common account but disbursements kept separate).
Tanzania	<p>In 1994 the Government appointed an Independent Monitoring Group (IMG) of experts to study the relationship between the authorities and donors and make recommendations for improvement. A study published in 1995, and subsequent work by the IMG, accumulated evidence on the high transaction costs of dealing with the multiple reporting requirements of multiple donors. These steps led to several significant improvements in donor coordination and aid management. For instance, 11 bilateral agencies and the EU (as the Poverty Reduction Support group-PRBS) allocate a substantial proportion of their aid envelopes to provide budget support for the implementation of Tanzania's Poverty Reduction Strategy (PRS). A joint review of progress and appraisal of the PRBS and World Bank instruments was completed in FY02. This resulted in a revised common performance assessment framework for the PRBS and the World Bank's poverty reduction support credit (PRSC) agreed with the Government in preparation for harmonizing the PRSC with the existing PRBS for FY03.</p> <p>In 2002, the Government published the Tanzania Assistance Strategy (TAS). The TAS is meant to be a framework for partnership. It defines the role of external resources for development. It aims at improving effectiveness of aid through promoting local ownership, harmonization of aid and improved Government management and utilization of aid resources, including procedures to channel donor project funds through the Exchequer</p>

	<p>system to ensure predictability and integrate external finance in Government budget and reporting. A joint Government-donor TAS secretariat has been formed to coordinate and follow up action. Harmonization in the context of responding to the TAS and improving internal donor coordination is a permanent feature on the monthly agenda of Tanzania's DAC group.</p> <p>Other examples of improved coordination include: (a) joint sector reviews of the implementation of the health sector development program under which 15 donors work with the Government, NGOs, and other stakeholders as part of the Basic Education Development Committee to take forward the dialogue in this sector as well; (b) adoption of the Public Expenditure Review/Medium-Term Expenditure Framework process, led by the Government and involving all key stakeholders, as the established framework for policy dialogue on improving public expenditure management in Tanzania; (c) joint annual evaluation by the World Bank and bilateral donors of fiscal performance and progress; (d) a joint World Bank-DfID CFAA for Tanzania Mainland (2001), which is the basis for current work by the Government to draw up a comprehensive program of public financial management reform; and (e) the ongoing preparation of a joint World Bank-DfID CPAR.</p>
Tanzania (continued)	<p>In Zanzibar, eight donors are working under a common Memorandum of Understanding to provide support to the Muafaka Agreement (reconciliation agreement between Zanzibar and Tanzania's Union Governments). In addition, DfID and UNDP are working together to support poverty reduction initiatives and development management in Zanzibar. As part of this program, UNDP, DfID, the World Bank, and the AfDB are working with the Government of Zanzibar to undertake a CFAA and diagnostic work in the areas of economics and poverty monitoring.</p>
Uganda	<p>The Government of Uganda's Poverty Eradication Action Plan (PEAP) outlines a clear strategy for poverty eradication. All donors have committed to provide support only for programs that are in the PEAP. The Government of Uganda is committed to developing comprehensive, costed, and prioritized sectorwide programs covering the whole budget. In return, donors have pledged to integrate support into the budget planning processes. Operationalised principles for common procedures for all donors, based on Volume III of the PEAP, are to be agreed by March 2003. A code of conduct, which goes further in outlining common disbursement modalities for all general budget support donors, is also to be signed by March 2003.</p> <p>Implementation of the PEAP and donor coordination are facilitated by a PRSC. The PRSC addresses public sector cross-cutting issues, which are identified in biannual joint Government-NGO-donor sector reviews. The PRSC is a matrix of actions, with benchmarks and outputs, developed through a consultative process. Several donors, and all those providing budget support, use the policy matrix as the framework for disbursements while monitoring PEAP implementation via the Medium-Term Expenditure Framework and the budgetary process. There is one annual Government-donor review of progress against undertakings and PEAP indicators. Donors therefore have shared compatible benchmarks around which donor support to the budget is mobilized. A Joint World Bank-DfID CFAA has been completed, with IDA and DfID cooperating on the implementation of some of the institutional strengthening recommendations. Nevertheless the Government and many donors recognize that more needs to be done to ensure better leadership in the donor coordination processes (at central, sectoral, and district levels) by the Government of Uganda; improve predictability of funding; develop further harmonized procedures by more donors in the areas of analytic work, appraisal, reviews, and disbursement; increase levels of untied direct budget support and reduce tying of procurement; and end all individual, parallel country programs, off-budget expenditure, and stand-alone projects.</p>

Vietnam	<p>AsDB, JBIC, and the World Bank are collaborating closely on harmonization.</p> <p>The Like-Minded Group of bilateral donors has also identified areas for harmonization, including capacity-building support, monitoring and reporting, a common development vocabulary, and wider use of multi-donor financing mechanisms to support SWApS (see Annex 2). The Like-Minded Group of bilateral donors has also identified areas for harmonization which have been brought together under a co-financed harmonization project, designed and implemented with the Government of Vietnam. Project activities include a capacity building program to support harmonized ODA management procedures, building on the Government's own ODA management procedures; support for multi-agency Government/donor working groups to produce guidelines for harmonized procedures for monitoring and reporting and procurement; a common development vocabulary; and wider use of multi-donor financing mechanisms.</p> <p>The Government is collaborating with donors like AFD (France) and Spain to issue joint procedures; and with other donors like UNICEF, ADB, Denmark, and Germany to prepare a common paper of aid procedures.</p>
Zambia	<p>IDA, SIDA, DANIDA, Netherlands, and UNICEF pioneered the use of basket funding (at the district level with separate donor accounts at the central level) in a health SWAp. This was facilitated by DANIDA-financed work aimed at developing joint Government-donor accounting, reporting, and disbursement systems. A Procurement and Financial Management Manual acceptable to most donors has been produced under the basic education SWAp. This is used for procurement and financial management under the World Bank credit, and also for the "pool" to which Finland, Ireland, Netherlands, Norway, and the United Kingdom contribute funds. Seven Nordic European countries are planning to sign a Letter of Intent for harmonization with the Zambian Government in March 2003, including an action plan.</p>
<p>Organization of Eastern Caribbean States (St. Lucia and St. Vincent and the Grenadines)</p>	<p>An exercise to harmonize financial reporting requirements was undertaken in the two pilot countries. It was not mainstreamed, but it led to the following general conclusions: (a) the need for precise diagnosis of sources of transaction costs prior to harmonization actions, and (b) the need to increase the efficiency of internal reporting and coordination. The exercise also led to country-specific conclusions: (a) priority should be placed on donors with heavier reporting requirements (i.e., World Bank and Caribbean Development Bank); (b) there is a need to strengthen the verification system (internal and external audit and legislative scrutiny); and (c) a priority for further action is to harmonize the reporting of physical progress.</p>
Other	<p>The Coordinating Group for the Arab, Islamic, and OPEC countries successfully developed voluntary common guidelines in areas ranging from project appraisal to post evaluation. The group is now looking to improve implementation of these common guidelines at the country level as well as to develop new common guidelines for loan administration. The IsDB has been administering project implementation and disbursements on behalf of sister institutions, and is now looking for opportunities to move toward delegated cooperation arrangements in countries with multilateral development banks.</p>

Annex 4: Web-Based resources on Decentralisation

World Bank has probably the most comprehensive range of papers on decentralisation with analytical approaches, case studies, and country analyses – three sites are worth checking: www.decentralization.org, www.worldbank.org/publicsector/decentralization and <http://www1.worldbank.org/prem>

[Decentralization and Sub-national Thematic Group/World Bank](#)

The aim of the Decentralization and Sub-national Thematic Group is to share information and deepen knowledge among a wide range of practitioners -- macro, sectoral, urban, and rural -- to bring about a more informed, consistent and comprehensive approach to decentralization and sub-national development in our country programs. The Thematic Group seeks to share and deepen knowledge on intergovernmental relations, regional development and poverty reduction, and central and local governance to enhance the effectiveness of multi-tiered governments. The website contains decentralization-related material, papers and documents of the World Bank.

United Nations Capital Development Fund www.uncdf.org

UNCDF has substantive practical experiences with piloting modalities for decentralised financing for local governments as well as for emerging LG structures. The site contains several useful documents with policy documents, various case studies, analytical work as well as project documentation.

United Nations Development Programme

www.undp.org/governance/decentralization.htm

The Local Government and Public Service Reform Initiative <http://lgi.osi.hu>

Several resources – mainly Eastern Europe

GRC Exchange hosted by the Governance Resource Centre (GRC) of the UK Department for International Development (DFID), and compiled by leading international experts, the GRC Exchange provides a focal point for sharing ideas in governance. The site below present a broad introduction to the topic and various suggested reading.

www.grc-exchange.org/g_themes/cc_decentralisation.html

IDEA: Democracy at the local level - This handbook offers practical advice on designing systems of local governance, promoting representative local democracy and fostering citizen participation. The handbook defines key concepts and includes case studies, checklists and lists of options for policy-makers in particular settings.

http://www.idea.int/publications/democracy_at_local_level/index.htm

United Cities and Local Governments *United Cities and Local Governments* is a new world organisation established by the International Union of Local Authorities (IULA), the United Towns Organisation (UTO) and the World Associations of Cities and Local Authorities Coordination (WACLAC). It is dedicated to promoting the values, objectives and interests of cities and local governments across the globe. It is the largest local government organisation in the world, with a

diverse membership that includes both individual cities and national associations of local governments. *United Cities and Local Governments* supports international cooperation between cities and their associations, and facilitates programmes, networks and partnerships to build the capacity of local governments. It promotes the role of women in local decision-making, and is a gateway to relevant information on local government across the world.

Participation in Local Governance Citizen participation in local governance is an important theme in policy and development debates. This website, which among others is supported by HABITAT Platform, VNG/Netherlands and IULA, aims to contribute to this debate. The toolkit offers information on tools which promote citizen participation in local governance. Over hundred of cases are described and analysed. The site also presents articles and links for further reference. There are four main areas: in *ABOUT TOOLKIT* you'll find how the Toolkit came into being. In *ANALYSIS*, the website summarises lessons learnt from the cases on this site about how to make participation in local governance work. In the *TOOLKIT*, one can search through over hundred of participation cases. The *NEWS & FORUM* section shows a number of links from around the globe.

Online Sourcebook on Decentralization & Local Development The Online Sourcebook provides on its website a collection of general information, case studies, tools and documents on the issues of decentralization and local development. The information is available in English, French and Spanish language. The sourcebook is being developed and supported by a variety of national and international organisations, including the FAO, SDC, UNDP, GTZ, and the World Bank.

Urbanet (Network for Decentralization and Municipal Development)

URBANET is the network for GTZ staff, associated professionals and researchers in the field of decentralization and municipal and urban development. URBANET provides, ready for download, documentation, analyses and concepts of key political and practical relevance in this thematic area. Staff from GTZ projects and other development institutions share their expertise and present and discuss the results of their work. URBANET promotes the exchange of knowledge and information, interdisciplinary cooperation among actors in municipal and urban development, as well as debate on and conceptual refinement of key issues. In addition, it provides technical and advisory support for its members.

Best Practices (HABITAT) Website of HABITAT with information and a database of best practises in local government

UNDP

The website of the Management and Governance Network of the United Nations Development Programme (UNDP) with numerous papers and information to management on governance issues. [Their old website has been archived.](#)

International Union of Local Authorities (IULA) Website of the International Union of Local Authorities (IULA) provides information regarding the activities of IULA , including capacity development and institution building. It also includes links and addresses of member organizations.

German Institute of Urban Affairs (DIFU) German Institute of Urban Affairs website, with documents and working papers related to the institute's matter of interest (urban development, urban management).

Local Governance Study Group of the EGPA Study Group on Local Governance was established by the European Group of Public Administration (EGPA) in 2000 as a mechanism to deepen and widen the involvement of academics, politicians, public officials and representatives of other local stakeholders in scientific discussions on European local governance issues.

Eastern Regional Organization for Public Administration (EROPA)

The Eastern Regional Organization for Public Administration (EROPA) is an organization of states, groups and individuals in the general area of Asia and the Pacific, focusing on promoting regional cooperation in improving knowledge, systems and practices of government administration to help accelerate economic and social development. It was the first organization in the region to be devoted to the development of public administration in order to advance the economic and social development of countries in Asia and the Pacific. EROPA consists of state members in the region, institutions in the area such as institutes or schools of public administrations, universities, agencies and municipal cooperation and individuals whose achievements in the field of governance and public administration are recognized. EROPA endeavours to achieve its objectives through regional conferences, seminars, training programs, special studies, surveys, research studies and publications.

MUNISOURCE.ORG

Munisource.org is a private sector internet portal with information on local government sources worldwide

Regional Governance Programme for Asia (PARAGON) [UNDP]

This UNDP initiative works towards "a social movement for humane governance" in Asia, with a strong focus on decentralization. In this context, PARAGON's working fields are e.g. public sectors ethics & accountability, and gender responsive governance. PARAGON is "supporting different measures in different countries, all designed to promote effective decentralisation and community empowerment. These include support for constitutional reforms, capacity building, citizen's voice and learning experience studies" (from their website). Their website features various publications, newsletters and a calendar of events.

The Asian Resource Centre for Decentralization (ARCD)

This regional initiative based in the Philippines serves as a networking and information hub on decentralization in Asia. Besides that, it is engaged in own research and training activities. ARCD's website offers an online forum, a news section, downloadable publications such as the "Decentralization sourcebook" as well as an overview of training activities on decentralization and capacity building.

Urban Governance Initiative (TUGI) [UNDP]

"The Urban Governance Initiative (TUGI) is a regional project of the United Nations Development Programme (UNDP) that acts as a hub for promoting good urban governance through institutional

capacity building, providing policy advisory services, enabling innovations on tools and methodologies for good urban governance and ensuring wide information dissemination and collaborative networking on all of the above within and between cities in the Asia Pacific region" (from their website). Specially worth mentioning are their annual TUGI-UNDP Awards, which goes to cities, city-based projects, as well as individuals that have shown special commitment and related measures for promoting good urban governance. Among other things, their website houses the "Urban Links" newsletter, as well as a calendar of events.

www.cities-localgovernments.org

United Cities and Local Governments (UCLG) represents and defends the interests of local governments on the world stage, regardless of the size of the communities they serve. Headquartered in Barcelona, the organisation's stated mission is:

To be the united voice and world advocate of democratic local self-government, promoting its values, objectives and interests, through cooperation between local governments, and within the wider international community.

UCLG's work programme focuses on:

- Increasing the role and influence of local government and its representative organisations in global governance;
- Becoming the main source of support for democratic, effective, innovative local government close to the citizen;
- Ensuring an effective and democratic global organisation.

United Cities and Local Governments supports international cooperation between cities and their associations, and facilitates programmes, networks and partnerships to build the capacity of local governments. It promotes the role of women in local decision-making, and is a gateway to relevant information on local government across the world.

Annex 5: Short Description of Additional Donors

Norway/Norad

Organisation

Norad is a Directorate under the Ministry of Foreign Affairs and covers all Norwegian official development assistance as defined by OECD. Norad went through a major reorganisation in 2004 which resulted in Norad no longer being directly responsible for implementing the Norwegian development cooperation with other countries or actors. The Ministry of Foreign Affairs and Norwegian foreign service Missions are administering the development budgets and take all decisions concerning the use of funds. Norad is basically a technical agency, providing advice and support to the rest of the system and assures the quality of development assistance through the different Norwegian actors. In its new strategy towards 2010 Norad will combine its functions in five products:

- advise and support for good development cooperation
- performance reviews and organisational assessments
- grant administration (only for partners in civil society, the private sector and the research community)
- evaluation and dissemination of results
- joint competence-building.

Donor policy on Local governance/decentralisation

Since the early 1990's, Norwegian development cooperation has been engaged in reforms in the public sector with a specific focus on decentralisation reforms and Local Government Reforms. The engagement has however not resulted in a specific strategy or approach to this sector of work, as it has been looked upon as an inlet into the broader goal of capacity development and good governance in general. The policies and concrete approaches to this work have likewise been guided by the more general policies guiding all Norwegian development cooperation: emphasis on national plans and commitment, local anchoring and use of local systems and harmonisation with other donors as far as possible. When it comes to provision of TA, Norway has emphasised the use of institutional cooperation and twinning arrangements in stead of long term experts, who were phased out of Norwegian development cooperation all together during the nineties.

Decentralisation/Local Governance Programme portfolio

The list is not exhaustive, but covers a number of the most important programmes with a specific focus on decentralisation. In addition there have been ABPs (which are phased out) and a whole range of other programmes with sector or institutional focus, where decentralisation has been an important element, although not primary objective.

Local Government Reform Programme, Tanzania

1999 – 2008

Phase I, II and II, NOK 40 mill + 40 mill + 60 mill

Bilateral support , basket financing together with other donors. Ongoing

Decentralised Local Governance Support Programme, Nepal

2004 – 2007, NOK 45.5 mill

Support through UNDP. Ongoing

National Decentralisation Programme, Malawi

Phase I + addendum to agreement, 2001 – 2006, NOK 66 mill + 2,25 mill (addendum)

Bilateral support. Will be phased out from next year

Public Administration Reform, Vietnam

1998 – 2006, (total sum not available)

Support through UNDP PAR Support Project, Ninh Binh Province. Ongoing

Local Government Capacity Building Programme, South Africa

Phase I and Phase II,

1995 – 2004, NOK 35 mill + 45 mill

Bilateral support. Is phased out.

Support to Decentralised Planning and Finance in the Provinces of Nampula and Cabo Delgado, Mosambique

1995 – 2005, (total sum not available)

Support through UNDP, Ongoing

Cooperation for District Development, Zambia

Pilot projects in Mbala, Luwingu and Kaputa districts, 1997 – 2000

(total sum not available)

Bilateral support. Is phased out

Annex 6: Detailed list of EuropeAid Programmes/Projects

Project/programme title	Country	Programme period		Total budget (thousand Euro)	Programme purpose	Results expected	Support modality
		start year (DEC)	end year (DLE)				
Appui au développement socio-économique local dans le Nord-Est de l'Algérie (Appui au filet social)	Algeria	October 2002	End 2007	50,000	enclencher et de soutenir un processus autonome de développement local durable dans 50 communes en favorisant le développement d'initiatives locales à vocation productive.	Développer des stratégies locales de développement : appui à la conception de stratégies de développement local qui seront concrétisées, au niveau de chaque commune, par la définition et la réalisation de Plans de Développement Local. Améliorer les infrastructures socio-économiques locales : répondre aux besoins des populations en infrastructures et services de base permettant d'améliorer la qualité et le niveau de vie tout en développant des opportunités de travail temporaire. Promotion des activités productives : paquet intégré de ressources financières aux micro-entrepreneurs locaux (systèmes de micro crédit et de crédit-bail) et non financières (services d'appui et d'orientation, formation, ateliers relais) Renforcement des capacités : renforcement des capacités des acteurs locaux publics (communes et communautés rurales) et privés collectifs (organisations communautaires de village), mais également des autres niveaux institutionnels (Wilaya et niveau central). Cette composante développera également les activités de capitalisation des résultats permettant le transfert des acquis à l'ensemble du pays.	project - EC procedures - ex-ante control)
Support to Governance in the Islamic Republic of Afghanistan	Afghanistan	2006	2008/09	85,400	The integrity of the state is secured and public administration is enabled to perform its basic functions. Rural communities are developed and better governed, and their relationship with the Government is strengthened. The Government's ability to plan and direct reconstruction and development on the basis of relevant, accurate and timely statistical information on the population is enhanced	Result 1.1: Public servants' salaries and other recurring costs are paid in time and based on transparent indicators. Result 1.2: The national police are paid, trained and equipped and their services delivered to the citizens of Afghanistan. Result 2: CDCs are elected and established and small scale development projects realised in a transparent, democratic and gender sensitive manner. Result 3: The Census is successfully and professionally conducted, data disseminated and utilized and capacity at the CSO built up.	Joint management with UNDP (LOFTA) for Result 2 : 30 Meuros
SUPPORT TO	Afghanistan	2007	2009/10	10,600	Service delivery, political	1. The Provincial Reconstruction Facility (PRF) is set up,	Joint

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

PROVINCIAL GOVERNANCE					participation and security in selected provinces are enhanced.	resourced, and functioning. 2. Subnational administration in the target provinces is provided with the human resources, the skills, the equipment and infrastructure necessary to plan, budget and implement the provincial development programme in a participatory and transparent manner. 3. Law enforcement agencies and the judiciary are functioning and able to ensure the rule of law in the target provinces in accordance with the established standards.	management with IOM
PROGRAMME D'APPUI AU DEMARRAGE DES COMMUNES - PRODECOM	Benin	June 2002	september 2006	8,850	mise en place d'une administration municipale capable d'améliorer le niveau des services rendus aux populations dans une logique participative et le renforcement dans ce cadre des capacités de l'Etat à appuyer les communes.	Résultat 1 : les capacités de gestion des 77 communes sont renforcées; Résultat 2 : la participation de la société civile dans le processus de développement au niveau local est effective ; Résultat 3 : les institutions chargées de la décentralisation ont des capacités renforcées pour assumer leurs tâches respectives (Mission de décentralisation, Maison des collectivités locales, Préfectures)	project - EC procedures - ex-ante control)
Local Governance Support Project – Learning and Innovation Component (LGSP-LIC)	Bangladesh	2007	end 2011	5,000	Improved UP capacity for effective, efficient, equitable and accountable delivery of pro-poor infrastructure and services	Increased financial resources are made available to UPs in equitable and appropriate ways ; Improved public expenditure systems for local government institutions (UPs) are developed and used; Enhanced mechanisms for local accountability are established and implemented; More effective framework for capacity development support is established; Policy development is informed by lessons of programme implementation	Joint management with UNDP
Strengthening the capacity for Community Development in the Ministry of Local Government and Councils	Botswana	January 2006	December 2011	3,000	Capacity of Ministry of local Governments and Councils to promote community development and self-reliance is strengthened	R1 : The sector is guided by a clear mission, mandate and strategic framework that is coherent with the wider policy context ; R2 : Sector is supported by a set of reformulated, pilot tested, mainstreamed intervention strategies and programmes; R3 : Sector is supported by a long term HRD strategy aimed at professionalizing the community development function; R4 : Sector capacity is reinforced through "Horizontal Cooperation and Collaboration" and revitalisation of integrated extension services	project - EC procedures - ex-ante control)
Appui Bonne gouvernance (Justice, Public Affairs management, Decentralisation, Census)	Burundi	January 2006	December 2010	19,750	L'objectif spécifique est de promouvoir un contexte de bonne gouvernance participative et d'état de droit. Cet objectif s'articulera autour de trois composantes : • Le renforcement de l'Etat de Droit • L'accompagnement d'une gestion transparente et équitable des affaires publiques • L'accompagnement et	Pour la composante gestion transparente et équitable des affaires publiques : - La stratégie nationale de gestion transparente et équitable des affaires publiques mise en œuvre par l'Etat est appuyée au sein des ministères concernés par le programme; - Les capacités de gestion institutionnelles et humaines sont renforcées au sein des ministères de la Bonne Gouvernance et la Fonction Publique ; Pour la composante accompagnement et avancement du processus de Décentralisation : - La Loi Communale du 25.4.2005 est complétée par des décrets d'application ; - Les	project - EC procedures - ex-ante control)

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

					l'avancement du processus de décentralisation	institutions au niveau communal sont renforcées ; - La planification participative du développement communal et les plans d'investissement des communes sont élaborés et mis en œuvre ; - Les capacités des services centraux et déconcentrés de l'administration territoriale sont adaptées à la décentralisation et sont renforcées ; un recensement de la population est entamé dans ce cadre	
Strengthening democratic and decentralised local governance in Cambodia: building local capacity through networking and local-local cooperation	Cambodia	December 2005	December 2010	10,000	The programme objective is to strengthen the democratic local governance institutions, systems, mechanisms and processes. To achieve this, cooperation between commune councils and other stakeholders will be favoured for more effective and responsive policies, greater local ownership, participation, civic engagement and implementation of pro-poor inter-commune projects (revenues and budget, transparency and participation)		Joint Management with UNDP
Strengthening the pilot city administrations in Battambang and Siem Reap on revenues and budget management, transparency and citizens participation.	Cambodia	December 2004	December 2007	0.75			
APPUI AUX CAPACITES DECENTRALISEES DE DEVELOPPEMENT URBAIN	Cameroon	July 2000	December 2007	14,000	a. Accroître, dans le cadre de la bonne gouvernance, les capacités de programmation et de gestion urbaine des collectivités locales de 5 villes intermédiaires. b. Renforcer la participation des populations au développement local urbain.	I. Amélioration de la capacité des communes à exercer la maîtrise d'ouvrage et, en particulier à programmer, financer, mettre en œuvre et gérer des investissements collectifs urbains; II. Réalisation dans les communes d'équipements collectifs urbains notamment en matière d'alimentation en eau, de drainage, de voirie et d'appui à l'activité économique; III. Réalisation par les organisations de la société civile de micro-investissements sociaux et productifs; IV. Renforcement des organisations de la société civile et de leur capacité de négociation; V. Développement de la concertation entre l'institution communale, la société civile et les services déconcentrés de	project - EC procedures

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

						l'État.	
Programme d'appui structurant aux initiatives locales	Chad	end 2006	2010	7,950	Structurer et accompagner des initiatives participatives de développement local intégré (environnement, gouvernance, genre)	R1 - Des pratiques de bonne gouvernance locale sont adoptées ;R2 - Des stratégies locales de développement durable sont mises en oeuvre ;R3 - Des solutions pour intégrer davantage le principe de subsidiarité et l'approche transversale du développement local aux différents projets et programmes de développement en milieu rural sont identifiées	project - EC procedures
PROGRAMME DE COOPERATION DECENTRALISE E	Comoros	end 2006	December 2011	10,250	La décentralisation est rendue effective par un renforcement de la démocratie et de la participation des acteurs décentralisés au processus de développement local.	1. Les instances politiques décentralisées fonctionnent dans les règles de la démocratie et de la bonne gouvernance et répondent aux besoins de la population. 2. Les capacités de gestion des OSC sont renforcées et ces dernières contribuent au développement démocratique du pays. 3. Les collectivités locales mènent des projets de développement répondant aux besoins spécifiques de leurs communautés. 4. Les agglomérations de communes assurent la bonne gestion des déchets solides.	project - EC procedures
Dialogue for local communities in the Kivu provinces, RD of Congo	Congo (Democratic Republic of)	December 2001	June 2006	0.500			DDH Budget lines
Descentralización y Fortalecimiento Municipal	Costa Rica	July 2005	July 2009	9,600	Contribuir al fortalecimiento de la capacidad de gestión de los gobiernos locales y a propiciar la construcción y desarrollo de un modelo de organización y gestión territorial descentralizada, así como la articulación del conjunto de la actuación territorial del Estado, incorporando las perspectivas de género y de desarrollo sostenible.	Resultado 1: Se cuenta con un pacto local establecido y consensuado con los diversos sectores políticos, sociales, económicos e institucionales. Resultado 2: Se han fortalecido las capacidades propositivas y de negociación de las asociaciones de municipios, tanto nacional como territoriales. Resultado 3: Se ha fortalecido la capacidad política y de gestión de los gobiernos locales. Resultado 4: Se han establecido los instrumentos y mecanismos de articulación de la sociedad tanto pública y privada para potenciar el desarrollo. Resultado 5: Se ha desarrollado un sistema de indicadores para identificar el grado de descentralización y de desarrollo local.	project - EC procedures
Proyecto de Planificación Urbana de la Gran Área Metropolitana del Valle Central de Costa Rica	Costa Rica	April 2004	December 2008	11,000	realizar un proyecto integrado de planificación urbana de la Gran Área Metropolitana del Valle Central del país (GAM).	1. La GAM tiene un Plan Regional de Desarrollo Urbano y su reglamento de actuación; 2. Las 31 Municipalidades de la GAM tienen Planes Reguladores cantonales y sus reglamentos de actuación; 3. La GAM y las Municipalidades tienen diagnósticos, estudios y programas de difusión aptos para actuar el PRDU GAM y los Planes Reguladores cantonales.	project - EC procedures
Programme de soutien à la décentralisation et à	Côte d'Ivoire	August 1998	September 2008	47,000	- Favoriser l'enracinement de la démocratie et de la bonne gouvernance	- Implication durable des populations au processus de développement - Amélioration de la fonctionnalité et de la productivité des	project - EC procedures

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

l'aménagement du territoire					<ul style="list-style-type: none"> - Disposer d'outils de planification performants - Appuyer la structuration du territoire national par le renforcement de leur rôle régional des différentes localités chefs-lieux de régions ciblées 	<ul style="list-style-type: none"> investissements publics - Mieux-être des populations : cadre de vie, emploi. - Amélioration administrative 	
SECOND EC RURAL DEVELOPMENT PROGRAMME (RDP II)	East Timor	March 2004	December 2009	9,000	to strengthen the technical and management capacity of the responsible ministries MAFF and MTCPW and other partners (private sector and community-based organisations) as well as to improve access to markets and services to assist poor people in ensuring their food security and improving their in-come.	Result 1: MAFF (Ministry of Agriculture, Forests and Fisheries) and MPW (Ministry of Transport, Telecommunications and Public Works) qualified for sector approach/budget support (policies MTEF Do-nor Coordination) with clear, achievable mandates for MAFF and MPW at all their lev-els, and clear working relations with District local government; Result 2: Extension service of MAFF is work-ing efficiently on the various levels down to the communities and the services meet farmers' needs. Result 3: Farmers have access to private sector support services needed for the improvement of sustainable forestry and agricultural production; Result 4: Community based organisations in the Western Regions strengthened to provide mutual support ; Result 5: Forest policy and regulations and community based management improved; Result 6: Rural infrastructure and accessibility in the western regions improved.	project - Centralised Management - EC procedures (services + essentially Grants to NGOs)
South Sinai Regional Development Programme	Egypt	April 2004	April 2007	64,000	development of local economy and activities and the preservation and support of the social, cultural and natural resources of South Sinai	the promotion of local communities (Bedouins) and their social and economic development; the reinforced support for sustainable tourism development through increased geographical distribution and diversification of activities, as well as the preservation of the unique cultural heritage of the region and its population; the reinforced environmental management and control in Protectorates, municipalities and tourist facilities; the improved delivery of social and public services to urban and rural populations, with increased employment opportunities for local communities and in particular for women; the strengthening of the decentralisation process in decision making and financing.	project - EC procedures (incl. Grants to local stakeholders)
Support for local governance	Ghana	October 2005	December 2009	3,000	The capacity of the districts and local communities to identify, plan, finance, implement and monitor development interventions at the local level is strengthened.	1. Key formal institutions-Decentralisation Secretariat and the ILGS- involved in Decentralisation are strengthened.; 2. Capacity of the District Assemblies and the district sub-structures in planning, budgeting and implementing development projects, and in the mobilisation of resources through the development of a standardised system of capacity building based on performance indicators, is strengthened.; 3. Pro-poor planning of development interventions through the effective representation of civil society in planning, budgeting and in monitoring and	project - EC procedures (aligned with pool fund activities)

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

						evaluation of projects in the district is enhanced.	
Decentralisation et renforcement municipal	Guatemala	mid-2004	end 2008	20,000	al fortalecimiento de la capacidad de gestión de los gobiernos locales y a propiciar la construcción y desarrollo de un modelo de organización y gestión territorial descentralizada, así como la articulación del conjunto de la actuación territorial del Estado incorporando las perspectivas de género y de desarrollo sostenible.	1. Se cuenta con un pacto local establecido y consensuado con los sectores políticos, sociales, económicos e institucionales ;2. Se han fortalecido las capacidades propositiva y de negociación de las asociaciones de municipios, tanto nacional como territoriales.;3. Se ha fortalecido la capacidad de gestión de los gobiernos locales; 4. Se han establecido instrumentos de articulación entre las sociedades pública y privada para potenciar el desarrollo. 5. Se han desarrollado una serie de indicadores para identificar el grado de descentralización y de desarrollo local.	project - EC procedures
Programa de apoyo a la descentralización en Honduras (PROADES)	Honduras	february 2005	December 2009	34,000	objetivos de PROADES son concordantes con aquellos del programa sectorial PRODEL.	El PRODEL contempla los siguientes componentes: i) Fortalecimiento para el Desarrollo Local; ii) Descentralización Fiscal y de Servicios Públicos; iii) Desarrollo Regional y Ordenamiento Territorial; iv) Fortalecimiento Institucional, Gobernabilidad y Transparencia. Se cuenta con una estrategia de descentralización que refleja las perspectivas de las entidades involucradas con su implementación, dentro y fuera del gobierno.	Sectoral Budget Support
Desarrollo de la region fronteriza HND/SLV	Honduras & El Salvador	July 2001	June 2009	30,000	Civil society is organized and involved in local development, Management capacity of local governments has been increased, Alliances between local governments for border local development, at both national and bi-national levels, established and operating, Institutional effectiveness and the will of national institutions related to border development have increased and their planning capacity and prioritization of investments in bi-national form is more effective.	Establishment of an agreement practice for the strengthening of local governments and civil society in peripheral regions, - Strengthening of the administrative management of local governments and civil society, - Development and implementation of financial management mechanisms that make possible the implementation of pilot projects that allow the generation, attraction and placement of additional resources from public, private and international cooperation sources.	project - EC procedures
Support to Poverty Reduction through Local Development	Jordan	November 2004	December 2008	30,000	The support programme will contribute to enhancing living conditions for the poor and the near poor in a sustainable manner. By doing this, it will also play a role in achieving	Enhanced policy, legal and regulatory framework empowering local actors for poverty reduction and local development. ; Improved institutional, organisational and human capacities at all levels (local, regional, central) ; Local development strategies at municipality level have emerged and investment in social and economic projects responding	Sectoral Budget Support

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

					greater social stability. In line with the NSEP's aims, the programme will play a part in empowering local governments, civil society and the private sector to become actively engaged in the broader national objectives of reducing poverty and unemployment. Through the increased accountability of local authorities, the support programme should also contribute to democratisation and good governance.	to local needs and priorities has increased. ; Improved coordination at policy and operational level related to poverty reduction and local development.	
Development of Local Governance	Kazakhstan	July 2004	July 2007	1,250	to assist the Government of Kazakhstan to develop a clear and comprehensive strategic plan for decentralisation, with awareness of alternative models developed in the EU, including the new Member States.	The project will assist in creating a comprehensive framework and ensure the consistency of existing or future steps towards good governance in the country. The main activities should consist, inter alia, of (1) assisting the Ministry of Economy and Budget Planning in developing a plan for deconcentration/decentralisation and (2) raising awareness among the citizens of Kazakhstan so that they are better informed about local governance issues.	project - EC procedures
COMMUNITY DEVELOPMENT PROGRAMME PHASE 2 (CDP 2)	Kenya	July 2001	December 2006	15,000	To increase participation by deprived communities in development activities in rural and peri-urban areas and to empower such communities to manage these activities; to improve security of livelihoods safety nets and employment activities; and to promote greater equality between men and women in these communities	Enhanced demand-driven system for poverty reduction and development activities; wider use of participatory development methods, with increased involvement of women; new and improved social and economic infrastructure facilities, made available and managed by the beneficiaries; economic and social wellbeing, security of livelihoods and disaster preparedness improved in selected communities	project - EC procedures
RURAL POVERTY REDUCTION AND LOCAL GOVERNMENT SUPPORT PROGRAMME	Kenya	August 2004	December 2009	21,000	Improved accountability and LA responsiveness in delivering services to the rural poor.	1. Empowerment of rural communities in the development process enhanced; (1.1. Community participation deepened and broadened. 1.2. Partnerships in pro-poor service delivery promoted.) 2. Capacity of Local Government (MoLG, PLGO, LAs) in participatory planning and pro-poor service delivery improved. (2.1 LA resources to deliver effective rural services enhanced. 2.2 LA capacity to deliver effective rural services enhanced. 2.3 Policy development supported. 2.4 Government capable of transparent management of financial transfers.)	project - EC procedures
Strengthening of	Kirghizistan	February	February	0.995	to improve the capacity of	Result 1: staff of the Ministry of Local Self-Government and	project - EC

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

local governance		2005	2007		relevant stakeholders to contribute effectively to the decentralisation process	<p>Regional Development and of the Congress of Local Communities fully trained and able to take on the role of principal within central government for the implementation of the programme for political decentralization to the LSGs; this includes a study tour (during the inception period) for 4-5 staff of the ministry, preferably in a transition country with a strong experience in local governance reform;</p> <p>Result 2: a clearly defined statement of the division of responsibilities between central and local self-governments with the implications for public and municipal service delivery clearly spelled out and approved;</p> <p>Result 3: Road map and set of indicators applying to further steps of decentralization are set out and approved by the Ministry of Local Self-Government and Regional Development;</p> <p>Result 4: a comprehensive review of progress achieved, at the central government level, in respect of fiscal decentralization with bottlenecks and remedial actions identified and implemented;</p> <p>Result 5: a significant number of elected members and administrative staff of councils at oblast, raion and ayyl levels, in the pilot oblasts of Naryn and Issyk Kul, trained to enable them to play an important role in the process of decentralization and the practice of good local governance;</p> <p>Result 6: a number of elected members and administrative staff of councils at oblast, raion and ayyl levels, from non-pilot oblasts, trained to enable them to play an important role in the process of decentralization and the practice of good local governance;</p> <p>Result 7: Financial management and budgeting significantly improved in the LSGs in Naryn and Issyk Kul oblasts and new sources of revenue for the LSGs identified;</p> <p>Result 8: Civil society organisations active in promoting participatory local governance are trained and advised, and actively participate in the decentralisation process;</p> <p>Result 9: a programme for the roll out of technical assistance from the two pilot oblasts to all other oblasts.</p>	procedures
Microproject Development through Local Communities	Laos	February 2001	June 2007	10,000	To provide small-scale economic and social infrastructure requirements to the residents of poor upland villages in 4 rural districts through an interactive participation of villagers, local authorities, and private sector organisations which will strengthen their ability to foster	<p>Institutional development via programme of HRD and capacity building required to reinforce decentralised responsibilities in which the village communities, district and provincial line departments can effectively and efficiently perform their roles and obligations at all stages of the participatory microprojects delivery mechanism and the future rural development of the region. Microprojects in the fields of road improvement, village educationhealth, agriculture and natural resources management are</p>	project - EC procedures

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

					rural-based development in an efficient and effective manner	implemented.	
SUPPORT TO REFORMS AND LOCAL GOVERNANCE (Priority 1. Support to ENP Initiatives)	Lebanon	June 2006	March 2010	4,000	Accroître l'impact de l'action des collectivités locales sur un développement équilibré des régions par : le développement de relations inter-municipales, l'utilisation des techniques de planification, une mise en œuvre des stratégies locales de développement, l'association de la société civile à la gestion municipale		project - EC procedures
PROGRAMME D'APPUI AUX COMMUNES ET ORGANISATION S RURALES POUR LE DEVELOPPEMENT DU SUD (ACCORDS) PHASE I	Madagascar	2005	September 2010	60,000	contribuer à l'amélioration de la croissance économique et à la réduction de la pauvreté dans les provinces de Toliary et Fianarantsoa, de promouvoir la gestion durable des ressources naturelles ainsi que la décentralisation, la démocratisation et la bonne gouvernance locale	<ul style="list-style-type: none"> - édifier les bases du développement régional intégré, qui combine les investissements en infrastructures publiques et productives avec le désenclavement dans des pôles de développement ; - renforcer les ressources et les capacités locales en matière de planification, de gestion et de maintenance des investissements publics ; - améliorer l'accès des populations aux services sociaux (santé, éducation) ainsi qu'à l'eau potable et à l'assainissement ; - augmenter durablement les revenus agricoles par l'accroissement de la productivité et la protection des bassins versants. 	project - EC procedures
ADER-NORD: PROGRAMME D'APPUI AU DEVELOPPEMENT DES REGIONS DU NORD	Mali	July 2005	December 2009	6,000	Impulser une nouvelle dynamique de développement territorial dans les Régions de Tombouctou, Gao et KidalAider : la mise en réseau des acteurs institutionnels, des communautés et du secteur privé et les aider à travailler ensemble afin qu'ils jouent leurs rôles respectifs, élaborent des plans stratégiques de développement régional et local qui seront mis en œuvre grâce aux plans d'actions correspondants	1. Les plans stratégiques de développement des trois régions du Nord sont élaborés et les plans d'actions correspondants sont définis dans une logique participative; 2. Les AR des trois régions sont renforcées; 3. Les services centraux et déconcentrés de l'administration territoriale ont des compétences renforcées pour assurer respectivement leur rôle de pilotage de la réforme et de tutelle; 4. Le secteur privé et les acteurs non étatiques sont mobilisés, consultés et participent au développement régional; 5. Les partenaires au développement s'associent pour coordonner leurs actions	project - EC procedures
Programme d'appui à la réforme administrative et à la décentralisation	Mali	December 2005	December 2012	72,000	La CE apporte son appui au programme de Développement Institutionnel (PDI) complété par le Document Cadre de	Ce sont ceux du PDI et ceux plus spécifiques liés à la Politique Nationale de Décentralisation (DCPND) Les résultats escomptés pour chacun des 6 axes stratégiques du PDI sont les suivants :	Sectoral Budget Support (+ EC

					<p>Politique Nationale de Décentralisation (DCPD), et fait siens les objectifs définis par ces documents</p> <p>Dans le cadre du PDI (Programme de Développement Institutionnel), le PARAD entend apporter un appui substantiel au gouvernement malien afin de (1) favoriser la mobilisation des ressources financières des collectivités locales (dotations du FICT-Fonds d'investissement des collectivités territoriales, ressources propres, subventions de fonctionnement) (2) assurer la continuation du dispositif d'encadrement technique des collectivités en matière de maîtrise d'ouvrage, de planification et de gestion communale, (3) appuyer la déconcentration des Ministères pour accompagner le transfert des compétences dévolues aux collectivités et favoriser la mise en place de relations de partenariat entre services de l'Etat et collectivités territoriales.</p>	<p>(1) l'Etat central est réorganisé autour des missions stratégiques d'impulsion, de conception et de contrôle</p> <p>(2) L'efficacité et la transparence dans la prestation des services publics sont renforcées</p> <p>(3) Les services déconcentrés constituent un relais territorial fiable de l'Etat central pour la mise en œuvre des politiques publiques et remplissent efficacement leur rôle d'appui-conseil aux collectivités territoriales</p> <p>(4) Les CT disposent des ressources humaines et financières pour tenir leur rôle de promotion du développement économique et de moteur de la démocratie. les résultats escomptés, précisés par le PNACT, sont liés aux deux objectifs spécifiques suivants :</p> <p>(1) Consolider les capacités de prestation et de services des collectivités territoriales</p> <p>(2) Développer les capacités de pilotage stratégique de la décentralisation aux niveaux central, régional et local.</p> <p>(5) Les administrations sont dotées de ressources humaines appropriés et suffisamment qualifiées</p> <p>(6) L'utilisateur est placé au centre de l'action publique</p>	procedures)
APPUI A LA COMMUNE DE CHINGUETTI	Mauritania	January 2002	December 2006	3,350	<p>Aassurer les bases d'un développement socio-économique durable de la Commune de Chinguetti par la restauration de son cadre productif et culturel, et le développement des capacités de gestion municipales</p>	<p>§ une gestion municipale améliorée (recouvrement fiscal, formation du personnel, fonctionnement des services collectifs) ;</p> <p>§ le désensablement et la protection de la ville ancienne et des deux principales palmeraies ;</p> <p>§ une disponibilité de ressources en eau accrue, qui réponde aux besoins de la population, de l'agriculture et du tourisme ;</p> <p>§ la réhabilitation et l'entretien de certains tronçons de piste dans la zone de Chinguetti ;</p> <p>§ la restauration et conservation des manuscrits anciens dans une bibliothèque accessible au public.</p>	project - EC procedures
MED-PACT: Partnership Programme between local and	Mediterranean region	June 2005	December 2006	5,000	<p>Assister les pays partenaires méditerranéens de l'UE dans leurs efforts pour assurer un développement local plus</p>	<p>Assistance à la définition, à la promotion et à la mise en œuvre d'une stratégie de développement urbain durable;</p> <p>Appui à la mise en œuvre de politiques urbaines spécifiques; renforcement des moyens de gouvernance locale</p>	Grants to local authorities EU/MED

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

regional authorities in the Mediterranean					équilibré et plus durable, par l'intermédiaire de partenariats entre villes; promouvoir l'usage d'outils de planification et de gestion municipale plus performants, associant les différents acteurs de la cité autant que nécessaire		
PROG. APPUI MISE EN OEUVRE DE LA REFORME DE LA DECENTRALIS. MISE EN PLACE DE STRATEGIES ET D'OUTILS PERTINENTS	Niger	2004	December 2007	1,999	contribuer à la mise en place du processus de décentralisation au Niger	1. Les textes d'application de la décentralisation réglementant les questions restées en suspens, sont adoptés et mis en œuvre, notamment les mécanismes techniques et financiers permettant l'application des transferts des compétences aux communes ; 2. Les capacités de dialogue, de représentation, ainsi que d'échange intercommunal et entre les communes et l'état sont renforcées ; 3. De nouvelles pratiques de gouvernance locale impliquant la commune, les services de l'Etat et la société civile sont effectives grâce à la diffusion de l'information, et se fondent sur des bases contractuelles claires et acceptées de tous ; 4. Un dispositif de pilotage de la décentralisation est développé dans une perspective de viabilité ;	project - EC procedures
PROGRAMME D'APPUI A LA DECENTRALISATION ET AU DEVELOPPEMENT LOCAL DANS LA REGION D'AGADEZ	Niger	2007	End of 2011	6,200	Permettre aux communes de la zone d'influence du programme de remplir leur mission de service public et de facilitation du développement local	Résultat 1 : Les communes acquièrent des capacités d'administration générale et de bonne gouvernance. Résultat 2 : Les communes développent des services de proximité. Résultat 3 : Les services déconcentrés travaillent en partenariat avec les communes. Résultat 4 : Les interventions des acteurs du développement local sont facilitées	
PROGRAMME DE COOPERATION DECENTRALISEE (PCD II)	Niger	March 2003	December 2007	7,150	promouvoir les dynamiques du développement local fondé sur le principe de responsabilisation des acteurs	<ul style="list-style-type: none"> • La qualité des services publics et l'accès aux infrastructures de base sont améliorés ; • L'accès aux sources de revenus est élargi ; • Les acteurs locaux sont capables d'assurer une planification locale et la mise en œuvre d'actions de développement concertées ; • La couverture en services financiers décentralisés (SFD) est mieux assurée. 	project - EC procedures
PROGRAMME D'APPUI AU DEVELOPPEMENT SOCIO-ECONOMIQUE ET A LA	Peru	December 2003	June 2007	14,000	El desarrollo socioeconómico de las regiones de Ayacucho y Huancavelica ha sido impulsado.	1) Fortalecimiento Institucional de los Gobiernos Regionales y Provinciales de Ayacucho y Huancavelica. 2) Ampliación de las inversiones en la construcción de infraestructuras socioeconómicas con envergadura regional mediante un apoyo presupuestario focalizado	project - EC procedures

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

DECENTRALISATION DANS LES REGIONS D'AYACUCHO ET DE HUANCABELICA							
Decentralised Programme for Rural Poverty Reduction (DPRPR)	Rwanda	2004	31 December 2008	29,000	DPRPR aims to reduce poverty in the programme zone through support to activities within the framework of the decentralisation process implemented by the Rwandan government, which should help local populations participate fully in the decision-making process with the local administration.	DPRPR will produce four broad results: 1. The population of the programme zone adapts its economic activities, particularly agriculture, from subsistence to a market-oriented economy. 2. Most of the population of the DPRPR zone lives above the poverty threshold. 3. Every district in the DPRPR zone has a CDP and can implement it because of skills gained through budgetary support alone. 4. The entire population participates physically and intellectually in CDP implementation.	project - EC procedures
DEVELOPPEMENT INSTITUTIONNEL / Programme d'appui aux régions	Senegal	July 2000	December 2007	10,000	Renforcer les capacités de la région à exercer ses principales missions de promotion et organisation du développement régional en observant les pratiques de "bonne gouvernance"	La région consolide ses capacités de fonctionnement, de communication et d'intervention; l'agence régionale de développement est mise en place et exerce ses missions d'appui aux collectivités locales dans leur fonction de planification, de programmation et de conduite des activités de développement; les services centraux impliqués dans la décentralisation consolident leurs capacités et performances de concertation, conception, exécution, et suivi de la réforme.	project - EC procedures + national procedures
PROGRAMME D'APPUI AU DEVELOPPEMENT LOCAL URBAIN	Senegal	April 2000	December 2007	9,500	contribuer au développement local qui peut favoriser un développement plus équitable et harmonieux et renforcer la politique nationale de décentralisation du pays	(i) les acteurs locaux se concertent et sont impliqués dans la définition et la mise en œuvre du Programme ; (ii) les populations ont un meilleur accès à des infrastructures ou services collectifs ; (iii) les infrastructures/équipements réalisés sont fonctionnels et durables ; (iv) les capacités de concertation, de planification et de gestion des acteurs sont renforcées ; (v) la réalisation des infrastructures favorisent la création d'emplois ainsi que des activités génératrices de revenus ; (vi) les PME ont accès à des services financiers adaptés à leurs besoins ; (vii) les PME consolident leurs activités économiques et renforcent leurs capacités d'innovation.	project - EC procedures + national procedures
DECENTRALISATION CAPACITY BUILDING PROGRAMME	Sierra Leone	October 2005	June 2009	10,000	To facilitate the devolution of functions and enable the local councils to carry out their mandate in accordance with the LGA and other applicable regulatory framework	1. Major inconsistencies between existing laws and the LGA are resolved and the principle of decentralised governance is entrenched in the Constitution. 2. Policy-making and implementation & monitoring capacity at central level is strengthened for Decentralisation. 3. Local Councils are provided with the adequate infrastructure and equipment	Trust Fund World Bank

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

						means to carry out their mandate. 4. Councillors and LC professional staff have acquired the competencies for the LC to assume the delivery of core local responsibilities. 5. Progress and impact of the Decentralisation process are monitored and evaluated. 6. The trust fund is managed in accordance with applicable procedures and guidelines	
LED in Eastern Cape	South Africa	December 2004	December 2008	14,000	The creation of significant levels of sustainable employment (including self-employment) in the Eastern Cape, especially for Previously Disadvantaged Individuals (PDIs)	R1 : Local governments supported to minimise barriers to indigenous and non-indigenous enterprise establishment and growth and to optimise the assistance they provide. R2 : Local partnership groups supported to exploit local competitive advantage. R3 : implementation of three financing windows (Local government support fund, local competitiveness fund, financial innovation fund); R4 : Experiences in LED arising from the programme disseminated locally , provincially and nationally to ensure a high multiplier effect and to contribute to policy development	project - EC procedures
LED in KwaZulu-Natal	South Africa	2003	July 2009	37,000	To achieve equitable economic growth starting initially in selected learning areas and then replicating LED across the province	R1 : Stakeholders engaged in LED process and capacitated to develop effective strategies and projects ; R2 : LED enabling environment strengthened (facilitating enterprise growth and investment that will specifically benefit the poor, mitigating the impact of HIV/AIDS and TB in the workplace and community, Enhancing the developmental role of local government and related LED institutions), R3 : Mechanisms for learning, knowledge exchange and replication have been established and are working; R4 : effective LED management functions established and transferred	project - EC procedures
LED in Northern Province	South Africa	February 2002	June 2008	34,000	to stimulate job creation and income generation in the Northern Province	Sustainable economic development; business development, retention and expansion; enhanced LED-enabling environment; increased capacity of of intitutions to facilitate LED; effective management, coordination and monitoring of the programme	project - EC procedures
URBAN DVP SUPPORT TO THE ETHIKWINI MUNICIPALITY	South Africa	2003	July 2008	35,000	to strengthen eThekweni Municipal Authority (EMA)'s capacity to provide basic services and to stimulate job creation and income generation by introducing Area Based Management and Development practices in five selected learning areas.	<ul style="list-style-type: none"> - strengthen EMA's capacity to introduce ABMD - improve urban management practices within EMA - improve urban governance practices within EMA - introduce innovative ways of delivering services to poor people in EMA - introduce innovative ways to stimulate local economic development in EMA 	Sectoral Budget Support
URB-AL II	South America	December 2000	December 2008	50,000	Développer des liens directs et durables entre entités locales européennes et latino-	Renforcer les capacités d'action des collectivités locales dans le développement social, économique et culturel des zones urbaines, y compris par des actions d'infrastructures;	Grants to local authorities &

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

					américaines en promouvant la diffusion , l'acquisition, et l'application des meilleures pratiques des politiques urbaines	développer les capacités structurelles des autorités locales (aspect interne de gestion et d'organisation), en particulier par la formation des ressources humaines; promouvoir le partenariat entre collectivités locales et représentants de la société civile; développer les capacités d'action des petites et moyennes villes dans le cadre de l'internationalisation; promouvoir les pratiques de développement local européennes et latino-américaines présentant un intérêt avéré	NSA EU/Latin America
Municipal Administration Modernization	Syria	July 2004	December 2008	18,000	An improved urban management in 6 cities of the Syrian Arab Republic	A. Good local governance and administration : 1. Increased institutional capacity of the Ministry of Local Administration and Environment ;2. Improved decision making by the city management ;3. Recommendations on the division of responsibilities between the city level and the central Government;4. Financial resources management improved ; B. Planning and managing urban growth : 5. Capacity for urban planning improved ; 6. Capacity to deal with informal settlements improved. C. Delivery of key-services managed by the cities : 7. Increase availability of property for investment; 8. Building licensing improved;9. Private investment environment improved;10. Solid waste management has improved;11. Capacity to manage environmental issues has increased; 12. Capacity for traffic planning and public transportation improved	project - EC procedures
SUPPORT TO DECENTRALISATION PROGRAMME	Uganda	2006	December 2009	10,000	to improve the capacity of Local Governments to ensure effective and sustainable service delivery; to empower local populations to demand better services and to strengthen mechanisms of communication and downward accountability towards Lower Local Governments and civil society	1) Strengthened national framework for decentralisation; 2) Effective and sustainable national mechanism for capacity building and provision of quality training to Local Governments; 3) Sustainable service delivery in partnership with local populations through community mobilisation, human resource development and effective maintenance of social infrastructure; and 4) Improved quality of communication and dialogue through increased involvement of Lower Local Governments and civil society in the development process.	project - EC procedures + Grants to third-party (LA association)
Support to the Third Phase of the Social Fund for Development	Yemen	October 2004	December 2005	8,000	to support local development processes and projects in selected districts contributing to improved living standards of the poor	1. Support to local development programmes in four poor districts;2. Capacity building for local authorities reinforcing local development processes;3. Sustainable safe water supply and sanitation and feeder roads in poor rural areas	Trust Fund World Bank
DEVELOPING COMMUNITIES PROGRAMME (ZDCP) PHASE II	Zimbabwe	January 2004	December 2008	8,000	To improve the livelihoods of poor and disadvantaged rural and urban communities and strengthen the capacities of Non State Actors in service delivery ,	At the level of the Local Development Fund : Training and institutional development of communities and NSAs, Self-reliance projects for poor communities. At the level of Regional and National Development Fund : Organisational development of NSAF, Policy research and advocacy	project - EC procedures

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

					policy research and advocacy through coordinated poverty-focussed processes and projects	capacity development for NSAs, Information communication technologies, Programme management self reflection and action.	
--	--	--	--	--	--	---	--

Sustainable Rural Development in Eastern Cape	South Africa	Forthcoming 2006	December 2011	12,000	The purpose is to promote the achievement of sustainable livelihoods in at least 10 communities through appropriate technologies and innovative approaches to rural development	Result Area 1: Capacity building, training and linkage development: Communities are assisted in putting together their grant proposals; best practices on sustainable community development are developed and disseminated Result Area 2: Rural Community Development: rural communities, through a partnership approach, are assisted through grants to plan, formulate and implement their community development plans	project - EC procedures (mainly grants to third-party, especially NGOs)
Expanding and strengthening community based participation in local government	South Africa	Forthcoming 2006	December 2010	10,000	An expanded and strengthened community based participation system that enables citizens to influence and monitor local government policy, resource allocation and service delivery	Result 1: Ward committee system is functional in accordance with the relevant legislation; Result 2: Community members, elected office bearers and local government officials are aware of their participation rights and responsibilities; Result 3: Community engagement mechanisms are effective in municipal wards; Result 4: Accountability mechanisms are effective in municipal wards; Result 5: The community based participation system is monitored and evaluated systematically	project - EC procedures
Support to local government grant scheme	Tanzania	January 2007	July 2008	22,700	The project will assist the government in achieving the objective of the grant system of creating a uniform, transparent and performance-based system for channelling development resources to the local government levels in order to improve capacity as well as service delivery.	R1: to enhance local authorities' capacity in areas of i) local government legislation, roles and responsibilities, ii) Management and leadership skills, iii) budgeting and budget management, iv) revenue mobilization and operation & maintenance budgeting, v) development planning and strategic planning, vi) Project preparation, investment, appraisal, environmental impact assessment and safeguard policies, vii) Project monitoring and evaluation, viii) Data collection, information management and record keeping and ix) Human resource management in local governments. R2 : to expand the physical stock of new and rehabilitated infrastructure of local governments. This is achieved by making available the Capital Development Grant to all local authorities to apply for. Award of the grant is conditioned on complicity with, for the first year, minimum criteria, and in subsequent years also on assessment of performance within a range of nine governance measures, ranging from accountability to financial and human resource management.	pool fund mechanism

IBPP	Azerbaijan	16/08/2004		600,000			
Track II - IBPP - Support to Civil	Kazakhstan	23/12/2005		1,400,000			

SURVEY ON SUPPORT TO LOCAL GOVERNANCE AND DECENTRALISATION

Society and Local Initiatives							
Track II - IBPP - Support to Civil Society and Local Initiatives	Kirghizstan	23/12/2005		1,000,000			
Institution Building Partnership Programme	Russia	12/09/2003		11,500,000			
IBPP - Civil Society	Russia	12/08/2004		6,000,000			
Institution Building Partnership Programme (I.B.P.P)	Russia	02/08/2005		5,000,000			
Kazakhstan – IBPP - Support to Civil Society and Local Activities	Tacis Region	19/07/2004		600,000			
Kyrgystan - IBPP - Support to Civil Society and Local Activities	Tacis Region	19/07/2004		400,000			
Uzbekistan - IBPP - Support to Civil Society and Local Activities	Tacis Region	19/07/2004		900,000			
Track II - IBPP Support to Civil Society and Local Initiatives	Tadzhikistan	23/12/2005		1,000,000			
IBPP - Civil Society	Ukraine	30/07/2004		3,000,000			
IBPP - Support to civil society and local initiatives	Uzbekistan	23/12/2005		1,000,000			