



Session 1.4

The case of ACORDS in Madagascar: insights from practice

EC advanced seminar on
support to decentralisation and local governance
Presentation by Jorge Rodriguez, DEVCO D2



INSIGHTS FROM PRACTICE: THE ACORDS PROGRAMME IN MADAGASCAR

- ❑ Setting the context: Interactions between decentralization and EU support 2000-2010;
- ❑ « Products » of ACORDS:
 - ✓ Tools;
 - ✓ Lessons from the field;
 - ✓ Ideas!!;
- ❑ Recommendations in terms of design of effective support to decentralization process





DECENTRALIZATION –AND EU SUPPORT TO DECENTRALIZATION IN MADAGASCAR

A support that influences the reform.....

		1990-2004	2004 – 2010	2009 ...
Decentralization Process		<p style="text-align: center;">1994 Birth of Local elected Gov</p> <ul style="list-style-type: none"> ❑ Transfer of a range of competencies to the elected governments (1250 "Communes") for the provision of basic services (health, education, secondary rural roads, public markets.....) 	<p style="text-align: center;">2005 Leap forward at policy level:</p> <ul style="list-style-type: none"> ❑ Birth of the « decentralization-deconcentration (2D) policy » ❑ Fiscal decentralization policy: A nearly dead process! Resources transferred to municipalities = 3, 5% of total public expenditure ❑ 2008: Creation of LDF (Local development funds) 	<p style="text-align: center;">2009 Political crisis</p>
	UE Support	<p style="text-align: center;">1998-2004 Implementation Microprojects programme (PAICAL, 8M€)</p> <p style="text-align: center;">2004 Design ACORDS (60M€)</p>	<p style="text-align: center;">Implementation of ACORDS</p>	<p style="text-align: center;">Art 96</p>



DECENTRALIZATION IN MADAGASCAR

A “VIRTUAL PROCESS”

Government	Donors
<ol style="list-style-type: none"> 1. The decentralization policy offers a good framework, but its implementation is still pending; 2. The blockage is at central government level, where the practical implications of the policy have yet to be understood 3. A process without leadership; 4. Decentralization is not high on the social/national debate (radio/newspaper, assembly) 5. Sector Ministries ignore LG 	<ul style="list-style-type: none"> <input type="checkbox"/> Decentralization donor's group structured around ministry in charge of decentralization without connection with groups dealing with sectors (health, education....); <input type="checkbox"/> No common vision among donors about decentralization (model, purpose...); <input type="checkbox"/> Too much focus (donors and Ministry!) on the “local dimension” instead of the “State Reform dimension”; <input type="checkbox"/> Social service delivery projects implemented by donor-funded NGO often bypass fragile LG, create parallel systems and weaken local resource mobilization



Both process launched in an autistic manner
Implementation is still pending





ACORDS DESIGN (2004)

STARTING POINT

Take into account in an **effective and practical** way the **transfer of responsibility for social services provision** (health, education, public markets, and secondary roads) **from Line Ministries to LG** as defined by law in the decentralization process framework.

HOW????



HOW????

Put the money into the LG budget from the onset
(Kind of BS at local level!!)

CHALLENGE



CHALLENGE

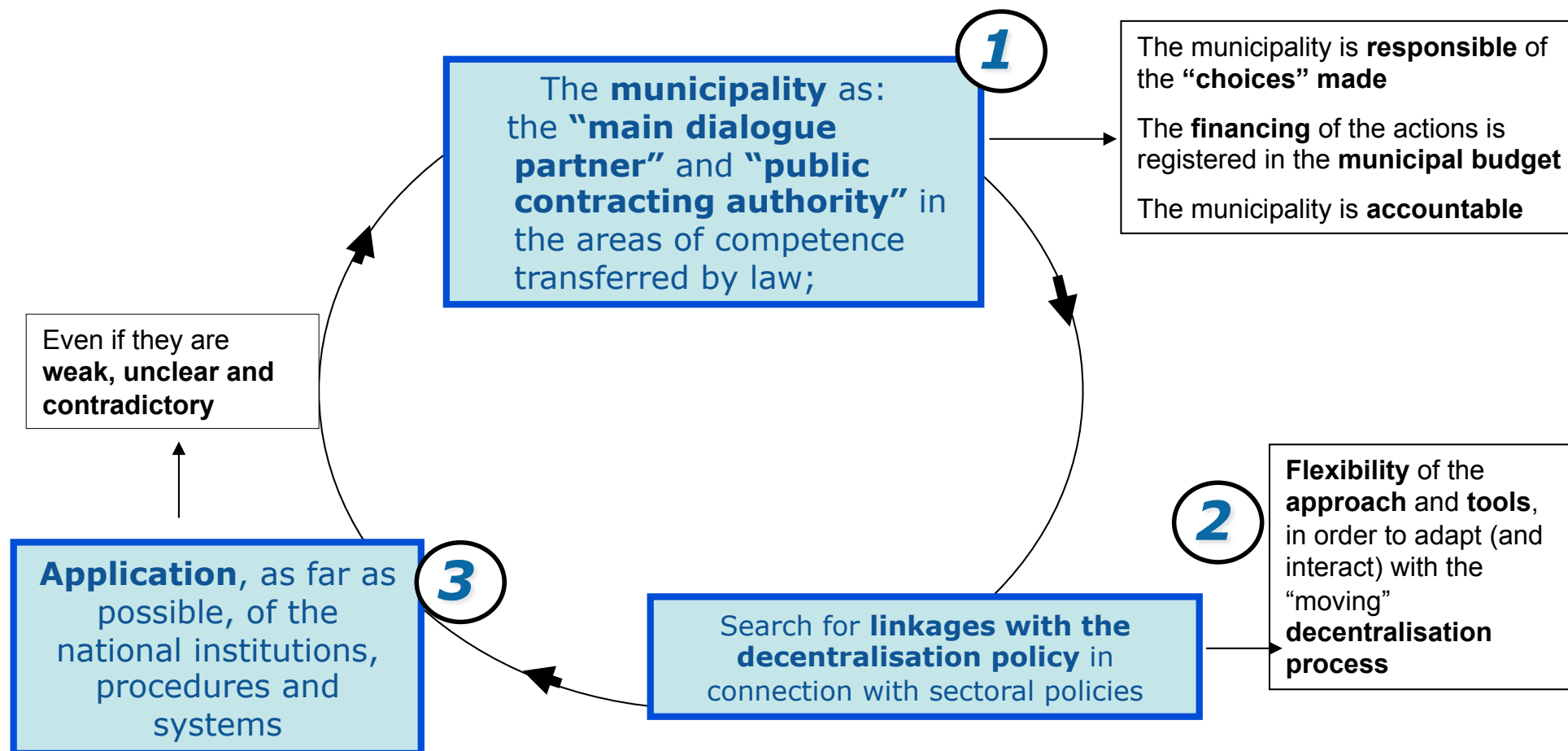
Translate direct funding into service delivery with LG as project owners

This entails the need for LG to learn doing a **very complex job** that they **had never done before** : to **plan** and **manage** the complexities of **converting a budget into service delivery** whilst building delivery infrastructures, and engaging with specialists in their respective services to be delivered.

ACORDS DESIGN (2004)

RULES OF THE GAMME: 3 BASIC PRINCIPLES

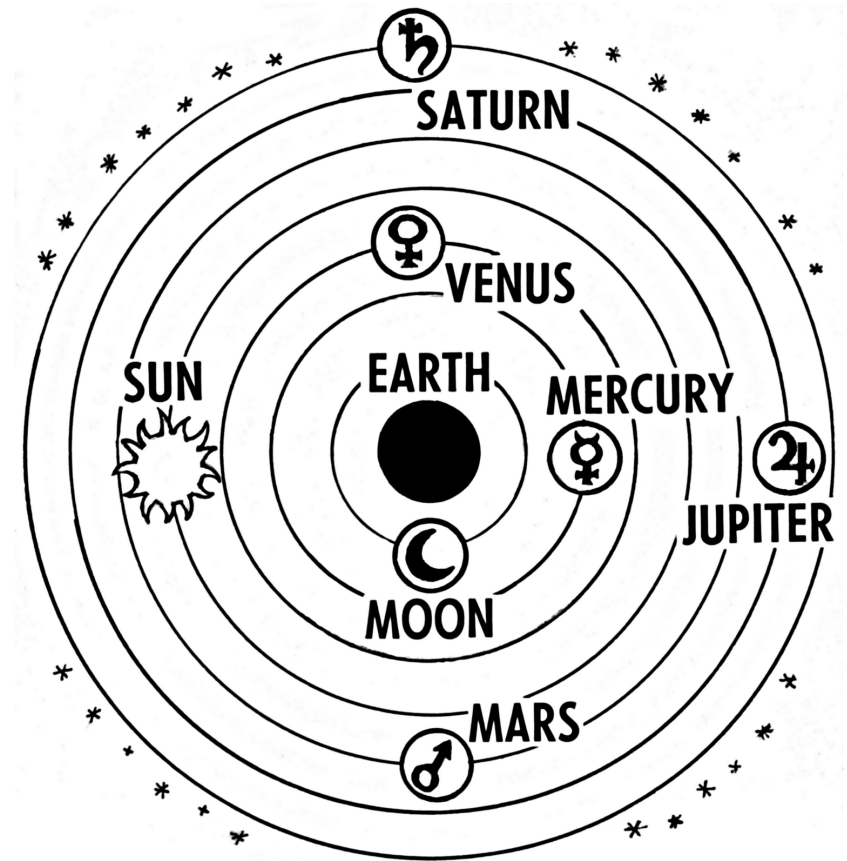
The "Genetic Code" & GPS of the Program



This approach entailed a Copernican Revolution!!!!:



The universe before Copernicus

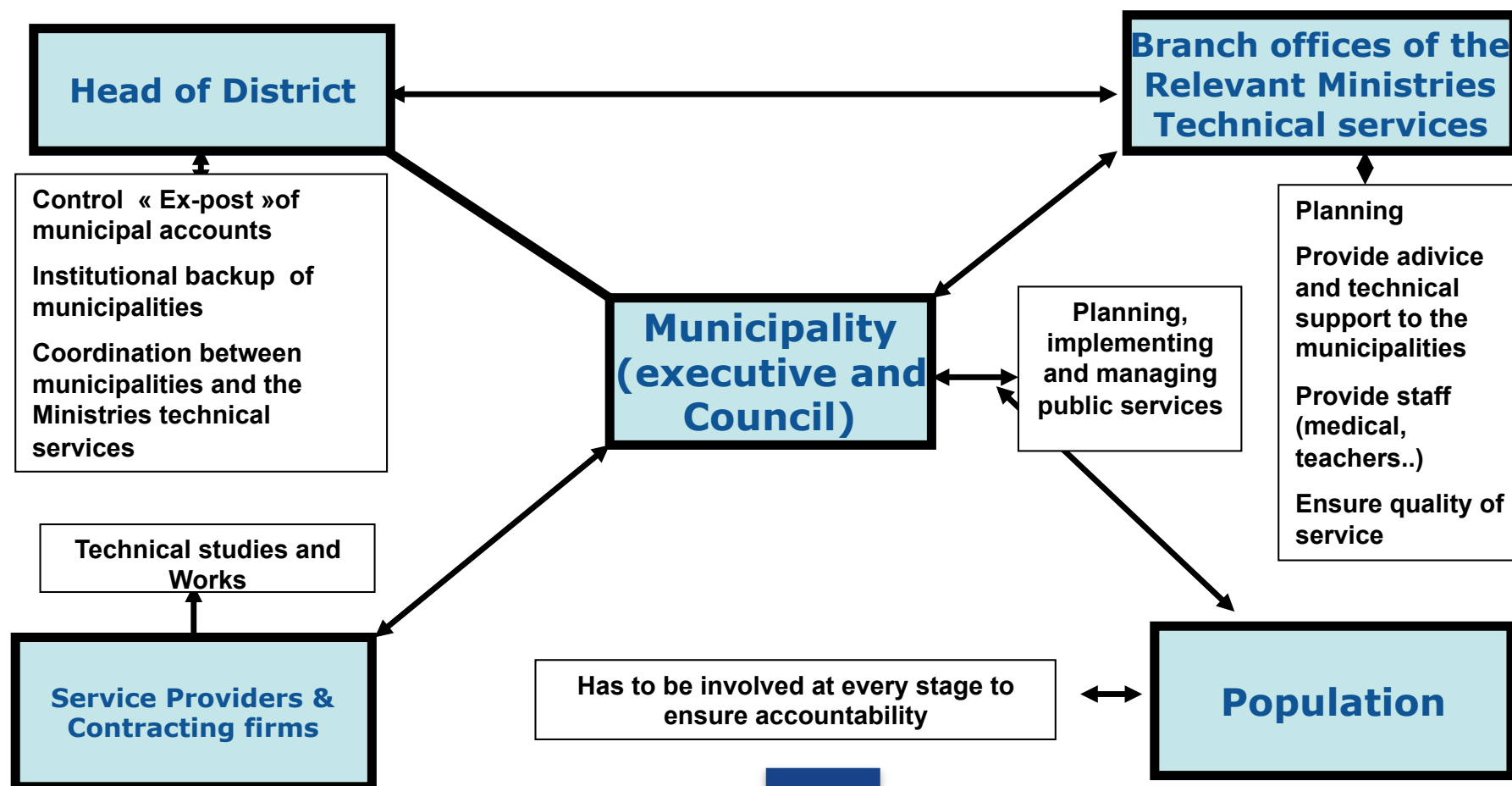




THE THREE MAIN ELEMENTS OF THE COPERNICAN REVOLUTION :

- ❑ **CB approach: capacities** will be the **result** of the **action** and **not a precondition for receiving funds**);
- ❑ How to ensure **direct funding** of LG budget? (2003): Call of proposals. Now: **Direct Grant** (de facto monopole)
- ❑ From **PIU** towards “**Facilitation Unit**”: A drastic change in the role of the PIU which evolve towards **advising** and **facilitating** the ‘**learning by doing**’ process.

"2D" POLICY ON PAPER



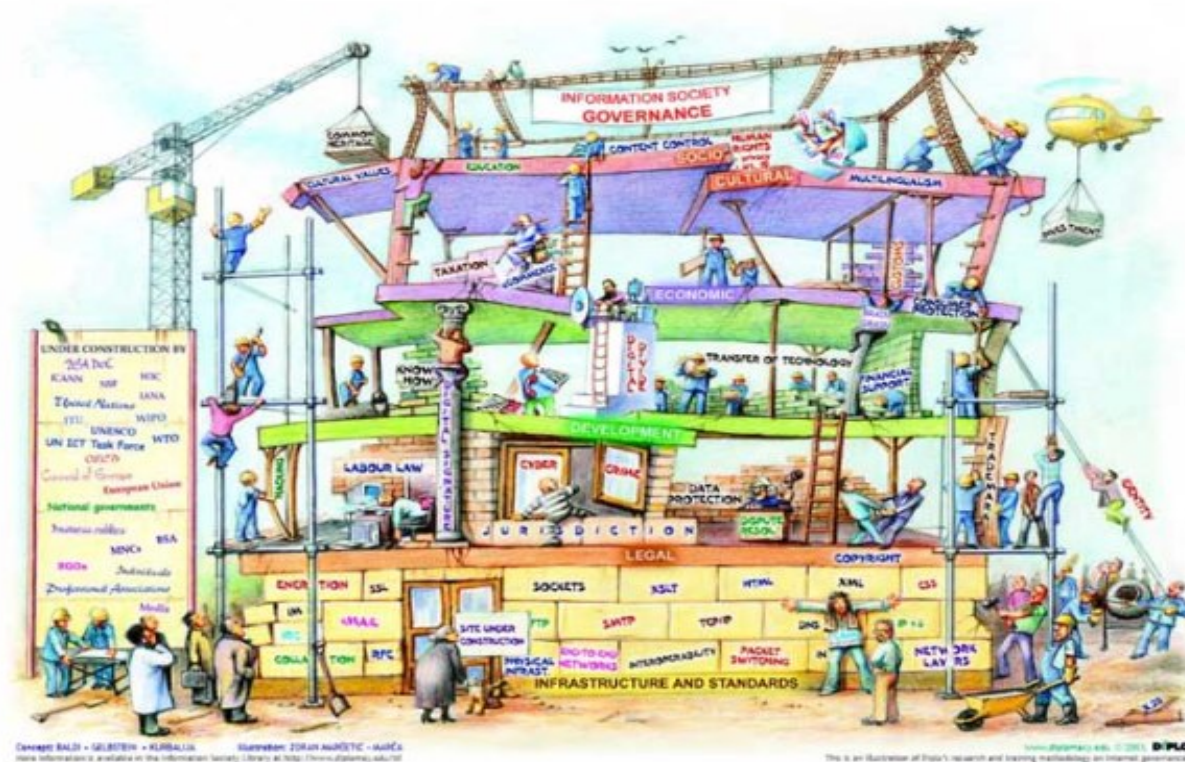
WHAT WE DISCOVERED DURING IMPLEMENTATION

Local Governments	Civil Society	Staff of line Ministries & Districts at Local level
Empty boxes, with erratic behaviour operate like free electrons in an unfinished framework!!!!!!	Citizen in rural areas are scared of the State and see LG as something distant	Fail to adapt to their new role as assistants and supervisors of the elected governments and Districts
<ul style="list-style-type: none"> ❑ LG does not have permanent Civil Servants Staff ❑ Procurement systems not adapted to local realities; ❑ LG are not attached to the Public Treasury 	<ul style="list-style-type: none"> ❑ Citizens or survivors? ❑ Tradition of community driven approaches to have access to basic services ❑ Citizen in rural areas refrain from directly scrutinising their leaders and believe one should predominantly respect authority ❑ Participatory mechanism often remains ritualistic in practice rather than enabling accountability at the local level or improved service delivery. 	<ul style="list-style-type: none"> ❑ Unclear division of task and responsibilities between national ministries, deconcentrated levels and LG ❑ There is not overall human resource management policy of the public sector ❑ LG don't trust Districts & CS of line ministries ❑ Civil Servants and Districts don't know decentralization principles and their practical implications for them: nobody explained to them! ❑ LG-districts and Civil Servants line ministries are in the process of getting to know to each other ❑ Support to LG: What does it mean? ❑ Coordination & Support is understood as command



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THE CHALLENGE OF CONVERTING MONEY INTO SERVICE DELIVERY BECAME.....

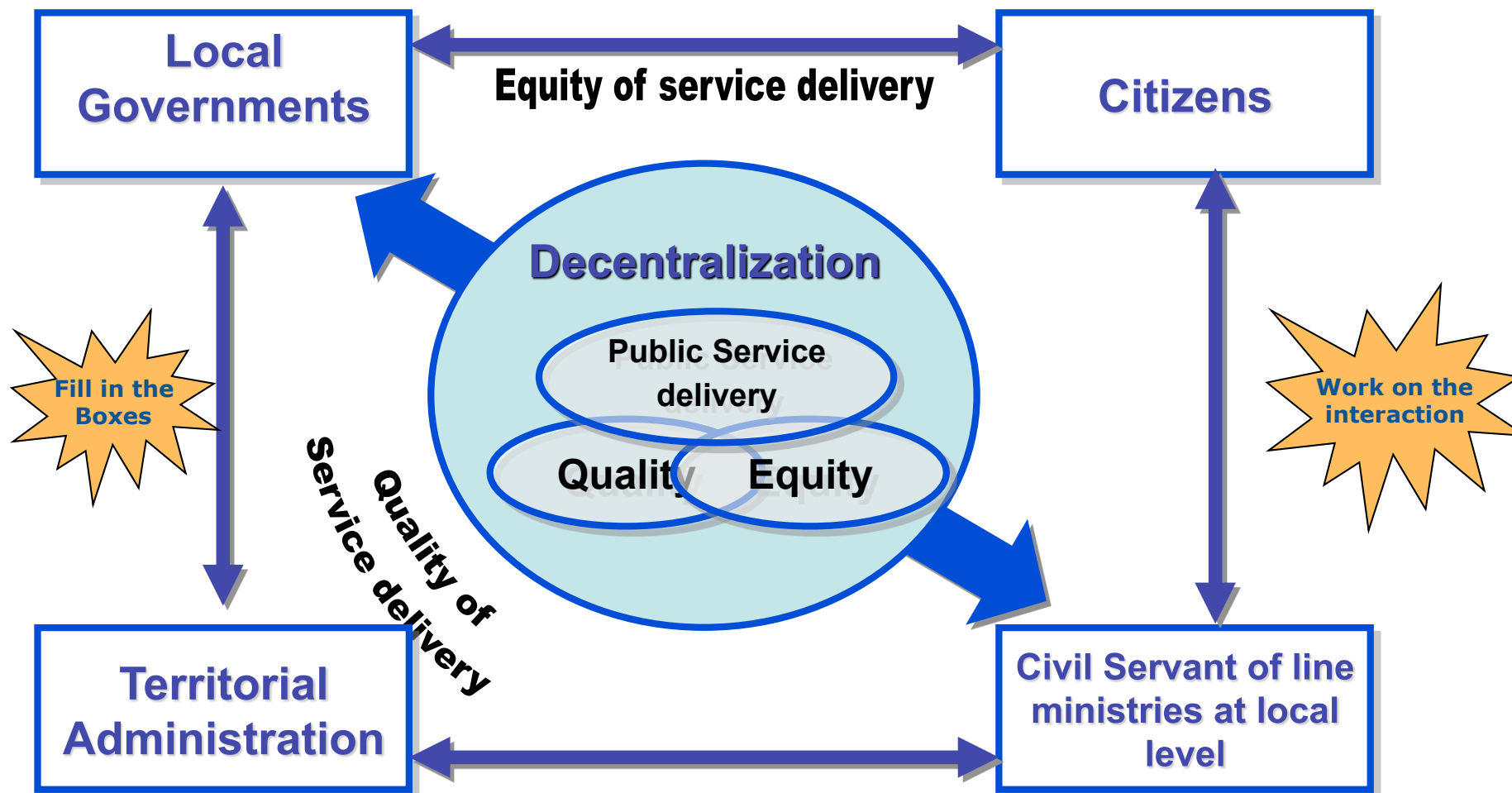


THE CHALLENGE OF ACOMPANYING A STATE BUILDING PROCESS FROM BELOW

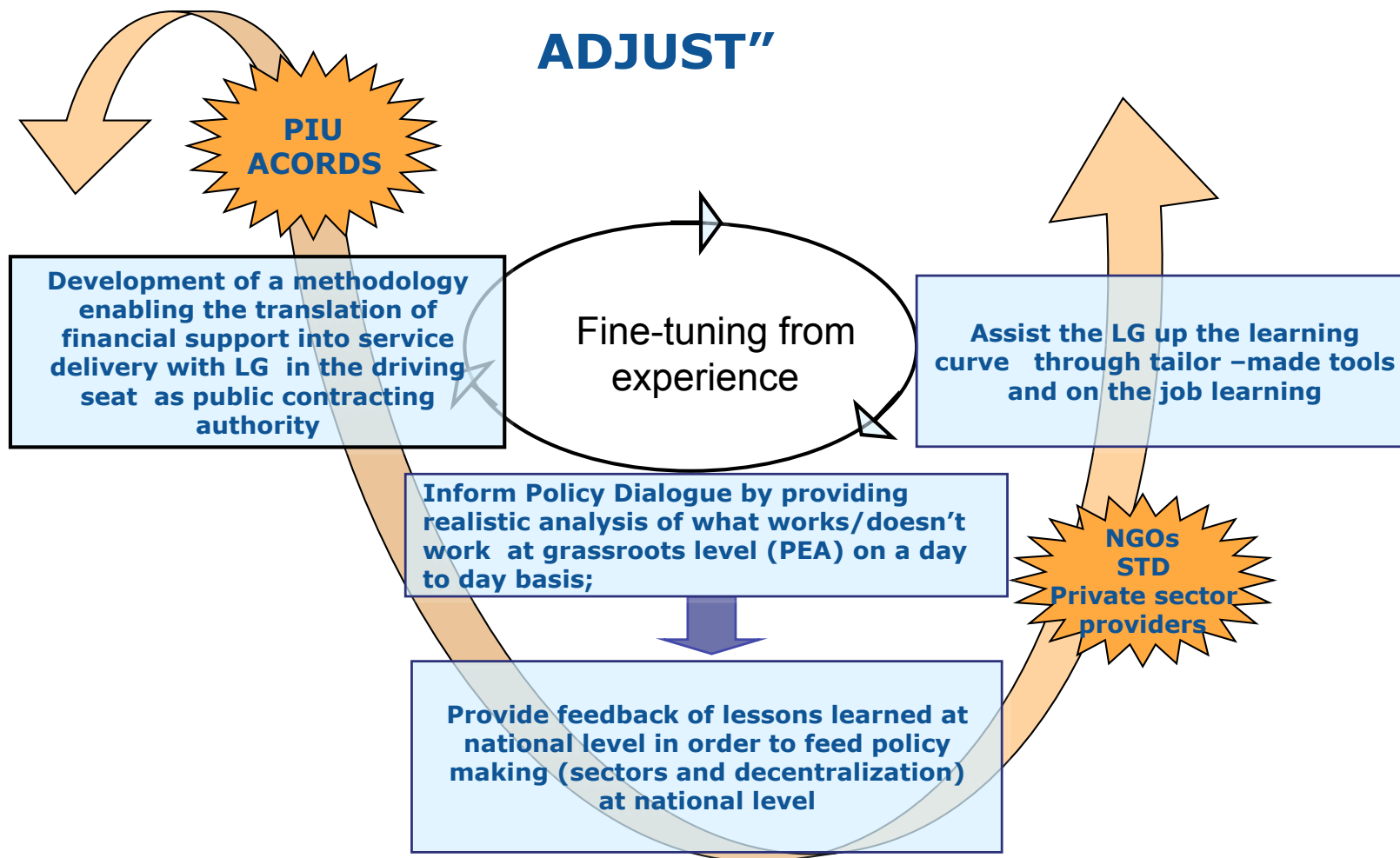
BUILDING THE STATE FROM BELOW:

Local elected governments : The foundations of this building process

Service delivery: entry door.....



IMPLEMENTATION DEVICE: "TRY-LEARN-ADJUST"





IMPLEMENTATION UNIT :

FROM PIU TOWARDS A “FACILITATION UNIT”

A drastic change in the role of the PIU entailed by the adopted approach

LG In the driving seat	Facilitation Unit <i>Observers, advisers and facilitators of a “learning by doing” process</i>
<p>The municipality is in the driving seat as public contracting authority and facing a steep learning curve in order to translate the financial support into service delivery</p>	<ul style="list-style-type: none">• Assist the LG up this learning curve through tailor made tools and on the job training;• Inform Policy Dialogue by providing realistic analysis of what works/doesn't at grassroots level (PEA) on a day to day basis;• Feed policy making at national level and provide evidence for Policy Dialogue at national level;



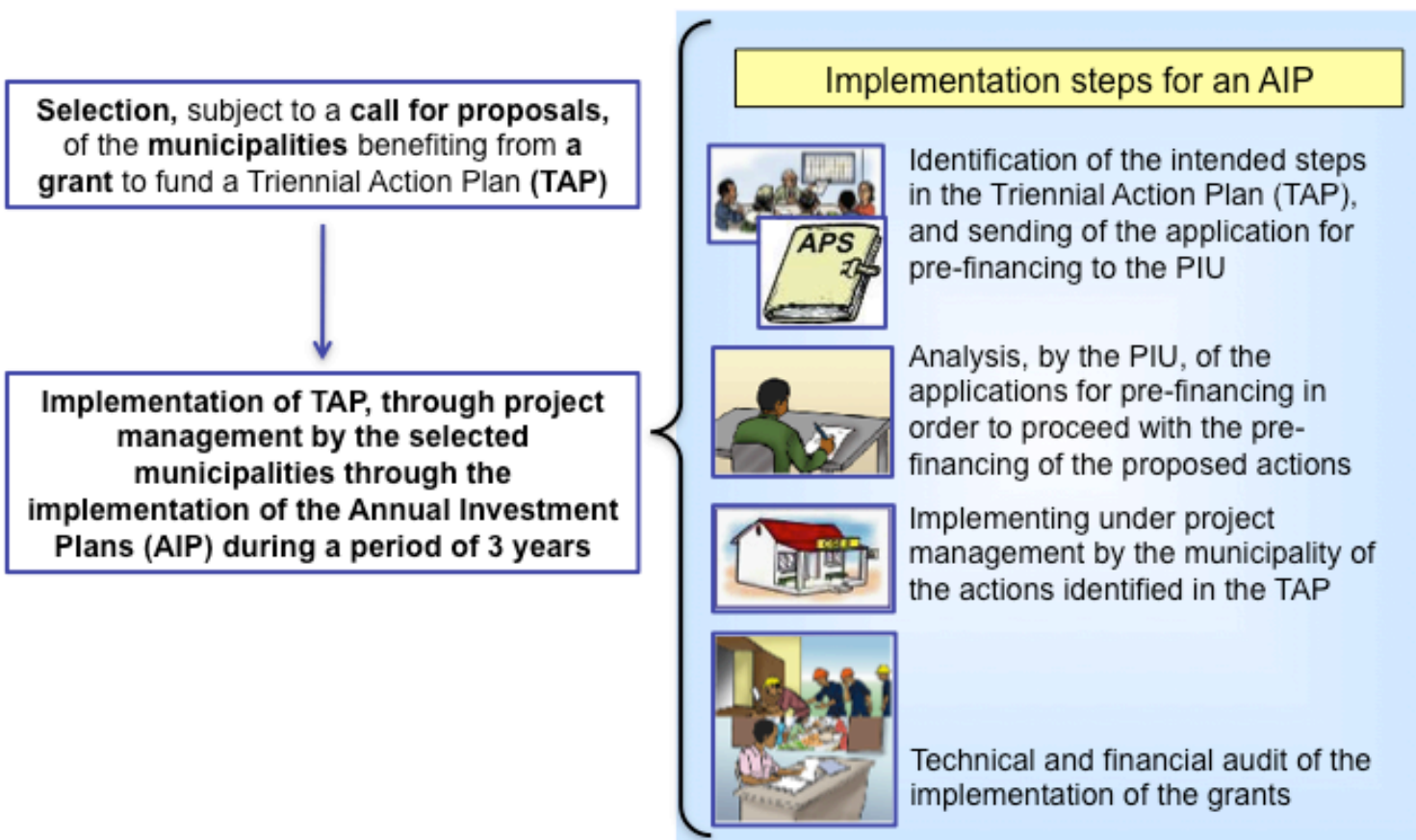
.....ACORDS BECAME A DECENTRALIZATION LAB IN MADAGASCAR



TOOLS PROVIDED AT MADAGASCAR (1)

Rules of the game to translate money into service delivery

IMPLEMENTATION STEPS





TOOLS PROVIDED AT MADAGASCAR (2)

Tailored operational Guidelines

- ❑ To **integrate decentralized level into the design & implementation of sectors** (Health, education, public markets, rural roads...) including:
 - ❑ **Steps to translate money into service delivery;**
 - ❑ Clarification of "**Who**" (citizens, LG, line ministries at local level) **has to do "what"** according to decentralisation process in each of these steps;
 - ❑ "**Cost grid**" providing simple **methodology to estimate cost of basic infrastructure** foreseen according to key factors (material, labor, accesibility) in order to support realistic planning and budgeting at local level;
- ❑ To **support line Ministries & Districts** in their new role as assistants and supervisors of the elected governments
- ❑ Specific guidelines on **Procurement systems tailored to the specificities of LG in rural areas**



THE “HOW” MATTERS!!! (1)

1. Endogenous and bottom-up elaboration of tools & methods !: Not by consultants mobilised through FWC

- ✓ **Tailor-made design of tools involving** in an **interactive** manner **all stakeholders** at local and national level;
- ✓ **Continuous testing & fine-tuning** from practice (5 years!);
- ✓ Guidance using as much as possible **national procedures, systems and institutions** –even if they are **weak, ambiguous and unclear!** → Ambiguity : Windows of opportunity for creative interpretation...



THE “HOW” MATTERS!!! (2)

2. Communicate, communicate, communicate!!!!

- ✓ **Using radio** (malagasy) for **transparency** of budget allocation and use, **to promote debates** at local level, and **explain basic concepts** about decentralization through fiction stories using comedians (regular radio programs)
- ✓ **Holding public debates** on the **results of annual audits**, involving the local governments executive, Districts and citizens
- ✓ Using « **movies** » to **feed PD** at national level with local evidence;
- ✓ Organising **public debates** LG/ sector ministries around topics showed in movies





THE “HOW” MATTERS!!! (3)

3. Imagination, creativity, pragmatism and flexibility

Practical question: How to organise a tender in a context characterised by? :

- ✓ **Isolation**
- ✓ **No construction firms/service providers available;**
- ✓ **illiterate councillors and majors**



**Use your imagination!!!: Any procurement rule
<10000 € will respect EDF procedures!!**

LESSONS FROM THE FIELD (1)

The LG as “Contracting authority” (MO)

- **Keep clearly in mind the distinction between « Public and Contracting authority » and « Contractor/executing agency »:**
 - The former is “the client”; It’s responsibility is to make the **main choices and decisions**, and to define and manage the project. The MO has the money, **awards contracts** (services, supplies, works), supervises and **pays the bill**;
 - The “**maître d’oeuvre**”, the contractor, is responsible **for executing the project on the terms and to the specifications agreed with the MO.**
- **The municipality’s responsibility for infrastructure construction requires a competence that can only be acquired by experience, which involves crucially learning from mistakes.** It’s like learning to ride a bicycle!!!

LESSONS FROM THE FIELD (2)

The LG as "Contracting authority" (MO)

- ❑ Respecting the **MO** has resulted in a **twelfefold increase in the number of infrastructures** compared with the previous program;
- ❑ The **quality of infrastructure** built/provisioned by LG is **not worse** than that built/provisioned by in the context of the **previous top-down system**;
- ❑ **Substandard quality** of infrastructure and buildings delivered to local governments is almost always **due** to the **weak capacities** and lack of professionalism of **service providers** and **construction firms** and not due to incompetence of local governments



LESSONS FROM THE FIELD (3)

Money is not enough!

- **More money at the local level** does **not necessarily translate into better local public services**, but it is hard to imagine that **the huge variations in local public expenditures** don't **matter** in terms of achieving **development results**;
- **More money at the local level is not enough: institutional factors** matter in terms of improving the effectiveness of the local public sector!
 - ✓ **Locally elected leadership**
 - ✓ **Local control over human resources**
 - ✓ **Local own source revenues**
 - ✓ **etc**





LESSONS FROM THE FIELD (4)

It is not just about devolved local governments!!!

- ❑ **We have to understand and work through deconcentrated systems;**
- ❑ **Improving in or upgrading of public service delivery can only result through the collaboration-**interaction among decentralized and deconcentrated entities;
- ❑ **In fragile / post-conflict states,** the local public sector is the “face” of the public sector (legitimacy)





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BOX OF IDEAS ON DECENTRALIZATION (1)

Providing incentives

- ❑ **DP and sector ministries progressively accept LG as “contracting authority”;**
- ❑ **Increased sensitivity** of sector ministres about **why and how to involve LG** in order to better **achieve sector outcomes**;
- ❑ **Results in terms of service delivery compared with centralized systems** → M&E system allowing to compare service delivery through centralized versus decentralized mechanisms;
- ❑ **Increased sensitivity** among Gov. and donors community about the need to have minimum **staff under LG control**;
- ❑ **Increased sensitivity** among Gov. and donors community about the need to avoid ad-hoc CB programmes and **focus on national institutions at central and local level (STD, districts..)**;
- ❑ **Practical ideas** of how to launch **the sector ministry realignment** in a realistic manner in order to allow for backstopping and technical support.



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BOX OF IDEAS ON DECENTRALIZATION (2)

Inspiring policy making from field experiences

- ❑ **Guidelines** to **integrate decentralized level into design & implementation of sectors adopted by line ministries** as « country » guidance (**Procurement, health, water supply...**);
- ❑ Some **sector norms modified** after local evidence (health construction...);
- ❑ **Rules** and **Functionning** of Intergovernmentt Fiscal Transfer (**LDF**) **inspired** from Grant provided by the program (**eligibility criteria, conditionnalités, capacity building approach...**);





RECOMMENDATIONS IN TERMS OF DESIGN OF EFFECTIVE SUPPORT TO DECENTRALIZATION PROCESS (1)

Need to recognize the instrumentality of decentralization with respect to development.

- ❑ Decentralization is about rethinking the **scope** and **modalities** of **State Action** to promote development;
- ❑ Move decentralization reform **from within the box of the “pure” good governance agenda** to a more open examination of its **contribution to achieve development outcomes**;
- ❑ **LG often are –or could be- in a better overall position than the central government to deliver key development outcomes:**
 - ✓ Local elected bodies is the most appropriate forum for connecting to citizens and enhancing **downward accountability**;
 - ✓ **LG** can promote **strategic alliances** with **local community** and **private sector** organizations and improve efficiency gains in the use of public resources), which must be brought to bear on the achievement of the MDGs and the fight against poverty



RECOMMENDATIONS IN TERMS OF DESIGN OF EFFECTIVE SUPPORT TO DECENTRALISATION PROCESS (2)

How external aid should be deployed to support the design and implementation of development-driven decentralization reforms?

Answers to these questions can only be country specific, but, they might have to be based on some key premises:

- ✓ A better understanding of the **political drivers** of reforms;
- ✓ **A focus on local development** (not just local governance) and an appreciation of the role of **local** autonomy to promote it;
- ✓ Deepen **country dialogue beyond relevant lead ministry**;
- ✓ A **greater attention to the demand side** of the reform process, **and the ability of local authorities and their associations to articulate a vision of developmental local government.**

RECOMMENDATIONS IN TERMS OF DESIGN OF EFFECTIVE SUPPORT TO DECENTRALISATION PROCESS (3)

Free yourself from the Aid Modality!

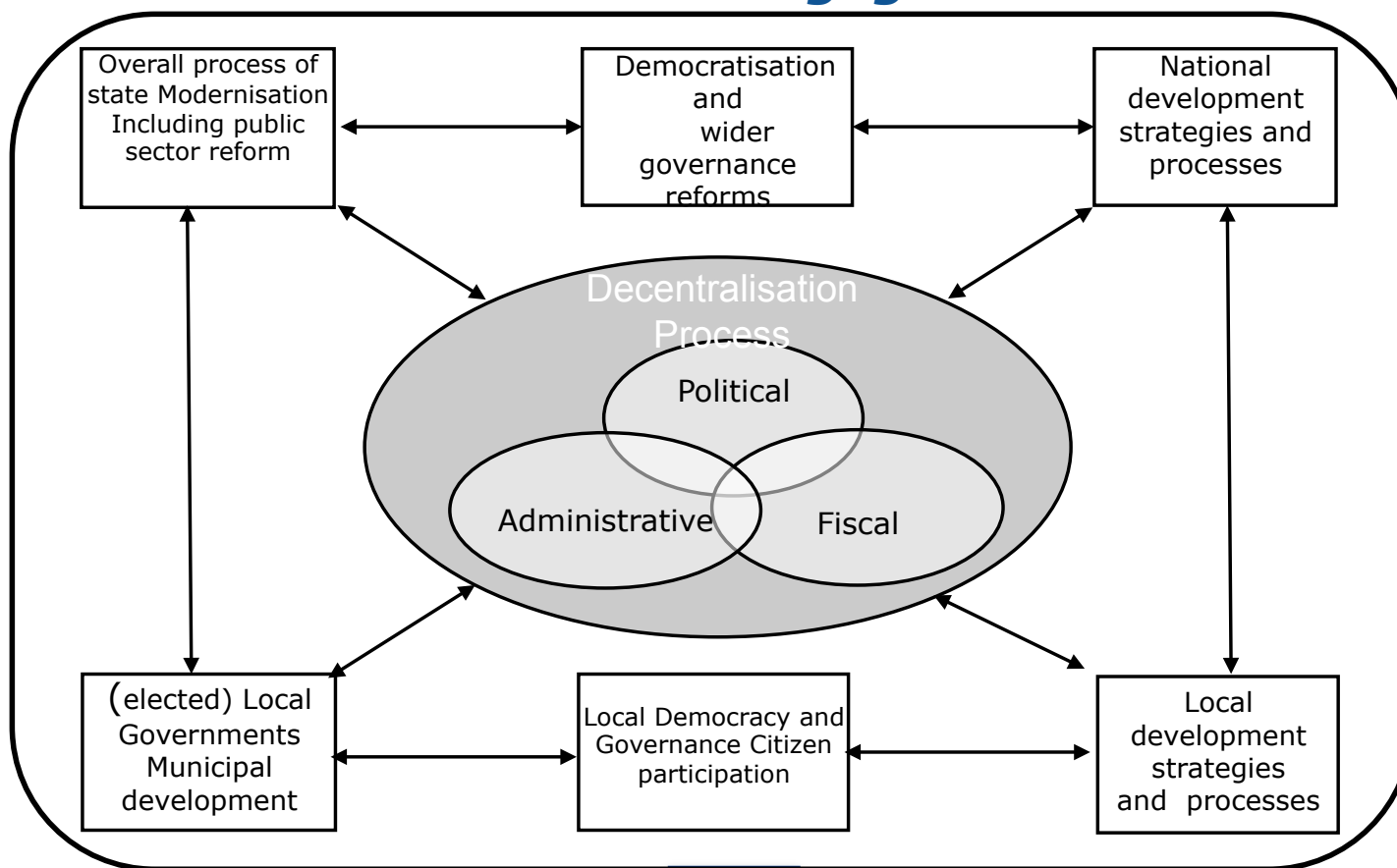
**The Aid Modality is an instrument and not
the objective of development assistance!!**



**The KEY QUESTION IS:
what does the EC want to achieve and what is the most
appropriate modality (or mix of aid modalities) to achieve it?**

RECOMMENDATIONS IN TERMS OF DESIGN OF EFFECTIVE SUPPORT TO DECENTRALISATION PROCESS (4)

*Need to combine instruments in a flexible way as well as
"Multi-level" engagements*





RECOMMENDATIONS IN TERMS OF DESIGN OF EFFECTIVE SUPPORT TO DECENTRALISATION PROCESS (5)

- **Windows of opportunity – versus long-term strategy;**
- Identify **relevant entry points** for EC support depending of country context setting:
- **Different levels** of support:
 - National framework;
 - Intergovernmental capacities;
 - Service delivery and frontline providers;
- **Incremental and contextualised approach:** Avoid copy & paste!;
- Using a **mix of aid modalities** combining support to national policies with specific actions aiming at empowering local level, which, in turn, helps to increase demand for services, can feed policy making and provide evidence for policy dialogue (PD)

RECOMMENDATIONS IN TERMS OF DESIGN OF EFFECTIVE SUPPORT TO DECENTRALISATION PROCESS (5)

Avoid the « take it » or « break it » approach!!!

**Look at the reality as it is and not through the glasses of the Aid
modality !**

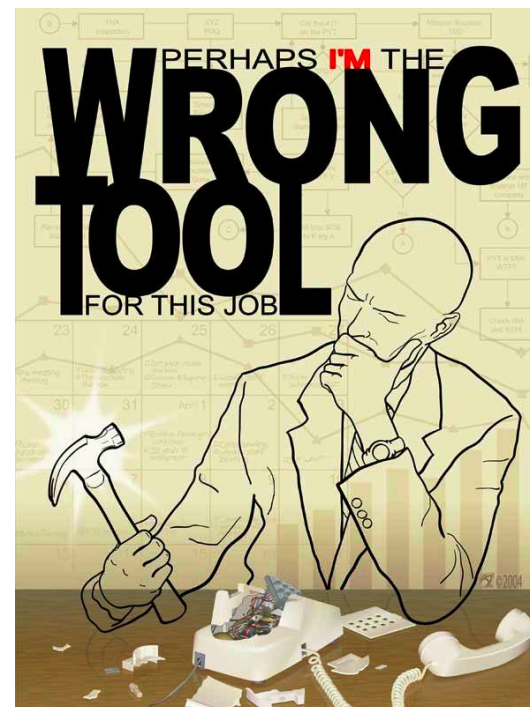


**Measuring the
difference.....**

????

**or
understanding
reality**

???????





RECOMMENDATIONS IN TERMS OF DESIGN OF EFFECTIVE SUPPORT TO DECENTRALISATION PROCESS (5)

Walker, there is no path, the path is made when walking!!

- **Avoid too many details** at formulation stage (it can create Procrustean beds!);
- **Less emphasis** on the “**perfect design**” from the beginning and more on **learning from implementation**;
- **Forget about elaborating a “detailed road map”!**
 - A **certain degree of “rolling chaos”** is inevitable;
 - It is a question of **dealing with problems as they arise**, feeling your way, muddling through....
 - **Each step** of reform is **built from lessons learnt from the previous one**
- **Design** needs to be **permanently updated/fine-tuned** from lessons during implementation!

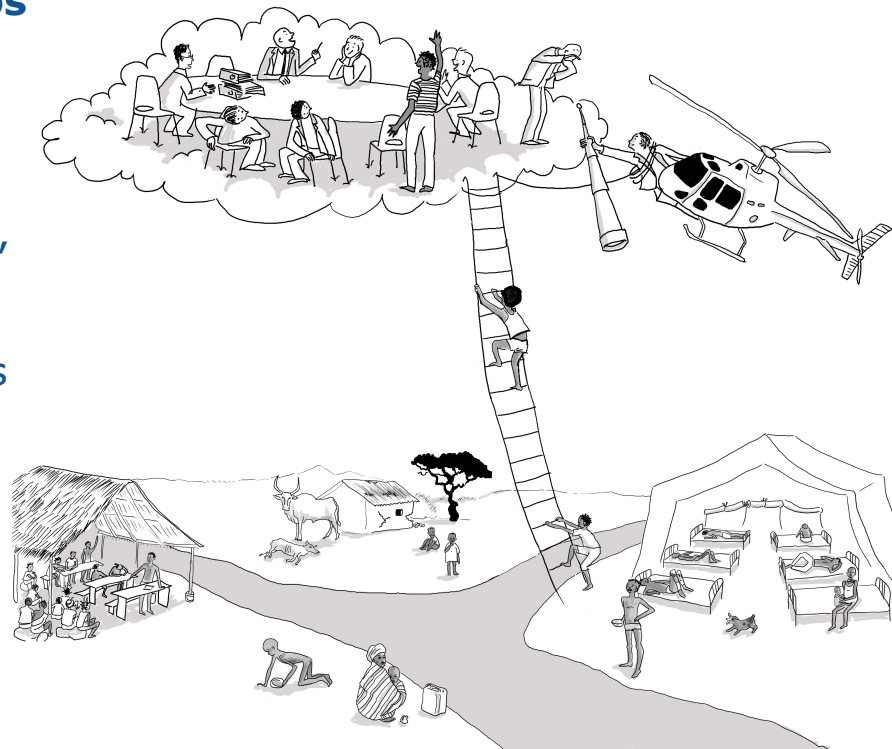


.....AND ONE LAST QUESTION REGARDING THE IMPLEMENTATION

From Program Implementation Unit to "Facilitation teams" which accompany reform process

Human relationships
are at the core of
implementation

- Facilitating, advising, connecting people, building trust.....:
- What really counts is the human skills of the facilitation team (rather than the technical ones)
- This is an ART, not just a job!



A HELICOPTER THAT

- **Assists the LG up this learning curve through tailor made and on the job training;**
- **Provide Local evidence to inform Policy Dialogue**
- **Feed policy making** at national level by providing realistic analysis of what works/ doesn't at grassroots level (PEA) on a day to day basis;



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Death by a Power Point overdose ...?
Do you want more? www.acords.org
Thank you for your patience!!!!