



European
Commission



Session 1.5

The evolving international development policy context

Implications for DLG practitioners

EC advanced seminar on
support to decentralisation and local governance
Presentation by ECDPM

Busan outcome document

From government ownership, **to country and democratic ownership**; from mutual accountability to **domestic accountability**

- ① Ownership of development priorities by developing countries (with use of country systems as default approach)
- ② Focus on results (with joint risk management and country-led frameworks)
- ③ Inclusive development partnerships
- ④ Transparency and accountability



What does Busan mean for DLG support in practice?

Ownership and DLG

Ownership of decentralization reform needs to be anchored at the central government level (policy alignment), but

Sub-national governments need to be substantively involved in national development vision and planning

→ **democratic ownership** and multi-actors dialogue

BUT are development partners....

- Ready to foster partner-led change and facilitate multi-actor dialogue processes?
- Well equipped to do this? Are the right incentives in place
- How will the focus on “fundamental values” affect budget support operations?



Use of country systems by default, **also at local level**, even when they are not yet optimal

- ✓ **On planning:** programme objectives and results are included in the planning documents at sector and sub-national levels;
- ✓ **On budget:** funding is included in medium term expenditure framework and state budget;
- ✓ **On national treasure:** sub-national authorities access funds through national PFM system;
- ✓ **On procedures:** works, supplies, service procurement, and grant procedures follow sub-national government procedures;
- ✓ **On accounting:** funding is recorded and accounted in government accounting systems. Treasury validates payments requested by LAs.
- ✓ **On audit:** programme funding is audited by government auditing system.

Results and support to DLG

- ① The principle of managing for results has led to an excessive focus on quick outputs
- ② Short term results may not be compatible with engaging in long-term development processes
- ③ Difficult to attribute results affected by multiple influences to specific DLG reforms

Are DP ready to:

- Reconcile results agenda with country ownership?
- Challenge assumption that development results are predictable, measurable in quantitative terms and attributable?
- Shift from macro aggregate focus of results to a localised perspective?
- Go beyond a desire to “plant a flag”?

The results chain



INPUT	PROCESS	OUTPUT	OUTCOME	IMPACT
Resources	Capacity building of local government	Capacity to respond to citizen demands	Access to service provision	Improved well being
<p>Indicators Level and quality of resources</p>	<p>Indicators Level and quality of training/capacity devpt activity</p>	<p>Indicators Level of awareness of legal framework by local authorities;</p> <p>Level of citizen monitoring</p>	<p>Indicators Pro-poor budgets allocated and implemented</p> <p>Procedures changed</p> <p>Services delivered and accessible</p>	<p>Indicators Health and education levels</p> <p>Political participation levels</p>



Inclusive partnerships for development at the local level

Local governments can play an important role:

- Nurturing local coalitions for LED
- Attracting investors (tax breaks, land, advisory systems...)
- Partnerships with local business community
- Providing reliable services for business (water, roads, electricity...)
- Etc....

But are LG really equipped to do this?

How can development partners support them?

Focusing on transparency and accountability at the local level

Local level accountability comes in three dimensions:

- ① Officials to citizens (local elections)
- ② Civil servants to (elected) LG
- ③ Instruments of voice and accountability:
 - Transparency in managing public affairs
 - Participatory budgeting
 - Community based monitoring and advocacy
 - Report cards
 - Municipal vigilance committees

- Is DP support strengthening interaction between state and society at the local level?
- Are DPs focusing on both supply and demand sides?



EU Agenda for change

① Improve impact by

- a) targeting aid where highest impact can be achieved (differentiated aid allocation)
- b) Focusing on two priority areas: GOVERNANCE and INCLUSIVE GROWTH – key role of LG

② Ensure best value for money, in a context of financial disarray – “do more with less”

- by promoting coordinated EU action and
- improving PCD

③ EU to strengthen links with local authorities and mobilise their expertise

- LG are part and parcel of national policy processes
- EU to promote LG integration in domestic policy processes by creating space, empowering LG Associations...



Yet, many questions:

FOCUS ON GOVERNANCE

- Implications of the stronger focus on “fundamental values”?
- A greater focus on political and policy dialogue, but how will they be articulated in practice?

DO MORE WITH LESS ... OR BETTER WITH LESS?

- Is the EU ready to shift focus from outputs to outcomes?

TAKE JOINT EU ACTION FURTHER

- Are current disincentives and constraints being addressed?
- Are DP ready to establishing coordination frameworks at local level to enhance harmonisation and alignment of DPs to public sector reform processes, including decentralisation? Is the local level integrated in national coordination frameworks?
- Joint programming? And joint implementation?



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