



# Decentralised Governance for Development: A Combined Practice Note on Decentralisation, Local Governance and Urban/Rural Development

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## EXECUTIVE SUMMARY

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*Decentralised Governance, carefully planned, effectively implemented and appropriately managed, can lead to significant improvement in the welfare of people at the local level, the cumulative effect of which can lead to enhanced human development. Decentralised governance is not a panacea or a quick fix. The key to human development-friendly decentralised governance is to ensure that the voices and concerns of the poor, especially women, help guide its design, implementation and monitoring.*

Decentralised governance for development (DGD) encompasses decentralisation, local governance, and urban/rural development – three areas that may have distinct delineations and yet share attributes that call for greater conceptual and operational synergy. DGD is a key area of democratic governance which in turn is crucial to attaining human development and the MDGs. For development and governance to be fully responsive and representational, people and institutions must be empowered at every level of society – national, provincial, district, city, town and village. From UNDP’s perspective, DGD comprises empowering of sub-national levels of society to ensure that local people participate in, and benefit from, their own governance institutions and development services. Institutions of decentralisation, local governance and urban/rural development must bring policy formulation, service delivery and resource management within the purview of the people. These institutions should enable people, especially the poor and the marginalized, to exercise their choices for human development.

Over the past decade, UNDP support to DGD increased more than six-fold. Currently in this area, UNDP supports programmes in 100 countries, a number of strategic regional programmes in all regions, and five global programmes. UNDP also supports at least 300 urban-targeted initiatives at the global, national and city levels at a total cost of over \$400 million. UNCDF, a close partner in DGD, has a portfolio of 20 LDPs in 17 LDCs, affecting 23.8 million people. Initiatives have led to progress in the establishment of the critical enabling environment for DGD, enhancement of local planning and fiscal management, improvement of local access to services, and social mobilization, community empowerment and capacity development.

UNDP, along with UNCDF, has generated key lessons from experiences with working at both the upstream and downstream levels, aiming to achieve the desired linkages and synergy between them, in order for DGD to effectively contribute to poverty reduction and other MDGs. These lessons highlight the importance of a holistic approach, more useful engagement of civil society and the private sector while keeping in mind the central role of elected local governments, and effective partnerships.

Building on its acknowledged role as an honest broker, facilitator and topnotch advisor with the knowledge base and expertise anchored on a human development philosophy and commitment to human rights principles, UNDP should be able to play its comparative strengths vis-à-vis other players in DGD. Its strategic niche lies in i) creating the enabling environment and institutional framework at national and sub-national levels through participatory approaches; ii) developing capacities of local democratic institutions and the national agencies tasked with supporting them; iii) strengthening citizen participation and community empowerment; iv) facilitating partnerships; and v) experimenting with innovative approaches to DGD. Drawing on UNCDF’s rich experience in local planning and resource management through its LDPs and on UNDP’s own expertise in downstream initiatives and upstream policy development, UNDP should accord greater priority to reform processes in fiscal decentralisation, with a focus on long-term capacity development and accountability of the actors concerned. Finally, UNDP and UNCDF should consolidate their lessons and experience in working with the urban and rural poor, respectively, and use this as a basis for contributing to major policy initiatives in promoting greater urban-rural linkages.

UNDP should continue working with partners like other agencies in the UN System (e.g., UN-DESA, UN HABITAT) and cultivate new partnerships with local government associations, resource centres, universities and institutes specializing in DGD.

Following the main components of UNDP’s practice architecture (in relation to building communities of practice), this Note provides guidance to country offices on how to operationalise a holistic approach to the design, implementation and monitoring of DGD initiatives in areas where it is believed UNDP can make a difference. The current Note provides concrete examples from multi-country experiences to reinforce such

guidance; nevertheless, considering the complexities of DGD as an integrated concept, more detailed toolkits and position papers on decentralisation, local governance, and urban/rural development will be developed to address some specific issues. Suggestions for further enriching this Note and on the follow-up instruments are welcome. Please address them to Gita Welch, the Democratic Governance Practice Leader, at [gita.welch@undp.org](mailto:gita.welch@undp.org), or to Robertson Work, Principal Policy Advisor on Decentralisation, at [robertson.work@undp.org](mailto:robertson.work@undp.org), or to Jonas Rabinovitch, Senior Advisor on Urban/Rural Development and Urban-Rural Relations, at [jonas.rabinovitch@undp.org](mailto:jonas.rabinovitch@undp.org).

## I. Introduction

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Good or democratic governance is both a means and an end. It is a *means* to achieve the goals of human development, the main elements of which are articulated through the set of MDGs. It is an *end* in itself – as values, policies and institutions that are governed by human rights principles, i.e., equality and non-discrimination, participation and inclusiveness, accountability and the rule of law. Decentralising democratic governance to sub-national levels can accelerate and deepen improvements in access to basic services by the poor and in their capacities to make choices and contribute to decision-making processes directly affecting their lives.

### Box 1 - Why DGD?

- DGD is a key area of democratic governance which is crucial to attaining human development.
- UNDP is strongly committed to achieving the MDGs. The link between DGD and MDGs is vital. MDGs should be placed in the context of local needs and capacities.

UNDP is steadily moving towards sub-national support in governance and other thematic areas. In decentralisation and local governance alone, UNDP responds to a growing demand from countries in this area by supporting such initiatives in two-thirds of the programme countries it serves, including countries where conflict situations exist.

UNDP's continuing commitment to decentralisation and the strengthening of local governance and urban/rural development is reflected in the following objectives, in line with the "drivers of development effectiveness" reiterated in the approved MYFF for 2004-2007<sup>1</sup>:

- Improve individual, institutional and societal **capacities** of, and **partnerships** among, government, civil society and the private sector at sub-national and national levels to enable them to participate more productively in, and ultimately benefit from, the development process;
- Enhance **national ownership** to improve prospects for sustainability of initiatives, thus, build and/or accelerate momentum towards decentralising the MDGs and related national development targets;
- Create an **enabling environment** through legal and institutional processes both at the central and sub-national levels to effect a holistic approach to DGD within the context of human development;
- Enhance the voice and **participation** of women, the poor and vulnerable groups for greater equity in decisions affecting them and ultimately **empower** them as members of society; and
- Increase **access to services**, especially for the poor, women and vulnerable.

The MYFF for 2004-2007 outlines the basic scope of the service line, Decentralisation, Local Governance and Urban/Rural Development, within the larger goal of Fostering Democratic Governance, as follow:

- Review and reform of decentralisation and local governance legislation and policies, including resource allocation to sub-national levels;
- Capacity development, especially for planning and fiscal management at the local level; and

- Inclusive systems of consultation with, and participation of, communities involving women and ethnic minorities.

This Practice Note aims to: i) synthesize UNDP's latest thinking on decentralisation, local governance and urban/rural development, ii) highlight key lessons learned; iii) outline UNDP's strategic niche based on its comparative strengths vis-à-vis other partners; iv) provide practical guidance to country offices in operationalising a holistic approach to the design of initiatives in this area; and v) present key partners and other actors in the field and resources in terms of funds, expertise, and knowledge products. This Practice Note will be complemented by individual tool-kits on each of the areas of decentralisation, local governance, and urban/rural development that will provide more detail on methods and approaches as well as the conceptual framework for each of the three areas. Position papers on specific issues will likewise be developed.

## II. The Issue and its Dimensions

**Decentralised governance for development (DGD)** is used in this Practice Note as the term that encompasses decentralisation, local governance, and urban/rural development and their linkages. The basic goals, actors, functions, dynamics, entry points, principles, and levels of DGD are presented in Figure 1: Decentralised Governance (Annex 1)

**Decentralisation** refers to the restructuring of authority so that there is a system of co-responsibility between institutions of governance at the central, regional and local levels according to the principle of subsidiarity. Based on such principle, functions (or tasks) are transferred to the lowest institutional or social level that is capable (or potentially capable) of completing them. Decentralisation relates to the role of, and the relationship between central and sub-national institutions, whether they are public, private or civic.<sup>11</sup> There are four main types of decentralisation. See Box 2.

**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 actors across all sectors, multiple flows of information, institutions of accountability, and a pro-poor orientation.

**Urban and rural development** covers the broad range of specific issues affecting dwellers in cities, towns and villages such as shelter, jobs and income, water, and HIV/AIDS at the local level. Rural-urban relations promote a spatial integration of these concerns through policy-making and policy implementation for the flows of people, goods and capital between urban and rural areas.

### Box 2 - Types of decentralisation

**Political decentralisation** transfers political power and authority to sub-national levels such as elected village councils and state level bodies. Where such transfer is made to a local level of public authority that is autonomous and fully independent from the devolving authority, **devolution** takes place.

Under **fiscal decentralisation**, some level of resource reallocation is made to allow local government to function properly, with arrangements for resource allocation usually negotiated between local and central authorities.

**Administrative decentralisation** involves the transfer of decision making authority, resources and responsibilities for the delivery of selected public services from the central government to other lower levels of government, agencies, and field offices of central government line agencies. There are two basic types. **Deconcentration** is the transfer of authority and responsibility from one level of the central government to another with the local unit accountable to the central government ministry or agency which has been decentralised. **Delegation**, on the other hand, is the redistribution of authority and responsibility to local units of government or agencies that are not always necessarily, branches or local offices of the delegating authority, with the bulk of accountability still vertical and to the delegating central unit.

Finally, **divestment or market decentralisation** transfers public functions from government to voluntary, private, or non-governmental institutions through contracting out partial service provision or administration functions, deregulation or full privatisation.

Source: Work, Robertson/UNDP/BDP. *The Role of Participation and Partnerships in Decentralised Governance: A Brief Synthesis of Policy Lessons and Recommendations of Nine Case Studies on Service Delivery for the Poor*, 2002, pp. 3-4. <http://www.undp.org/governance/marrakechcdrom/concepts/Work%20Role%20of%20Participation.pdf>

DGD offers opportunities for achieving cost-effectiveness in service delivery, economic efficiency, national unity, poverty reduction and the other goals of human development. However, DGD is not a panacea. Framers of DGD reforms must be guided by the need to debunk the three myths sometimes associated with DGD, i.e., decentralisation leads to local governance; local governance leads to local development (both in urban and rural areas; and local development leads to poverty reduction. Decentralisation is a necessary, but not a sufficient condition for, local governance. The same relationship exists between local governance and local development and between local development and poverty reduction.

Initiatives that are poorly designed and implemented may create unnecessary risks and more serious problems, given particularly the highly political nature of DGD. DGD involves changes in the existing allocation of powers and resources. Some may lose (e.g., central governments) while others are expected to gain (e.g., local governments and the communities themselves) from the process. Win-win solutions are also possible as power is increased throughout the societal system. Without appropriate accountability mechanisms, however, abuse of power, corruption, and capture by elites are likely to happen. Conflicts may also arise when DGD reforms fail to address issues of social inclusion and respect for local customs and traditions. Any DGD initiative, therefore, should be preceded by a risks analysis. In general, the challenges facing DGD supporters are real: poor capacities, poor culture of participation, and lack of economic viability to secure mobilization of resources, among others.

### III. UNDP's Niche and Possible Entry Points

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In some countries, UNDP may be seen as a small player in terms of the magnitude of financial resources that it contributes to the total basket of funds provided by all donors in a given country. However, governments continue to rely on UNDP for support in recognition of its comparative strengths in other aspects vis-à-vis other donors. UNDP is considered as an honest **broker and a reliable partner**. In such a highly political area as DGD, this perception about UNDP carries a lot of weight. UNDP assumes the role of **facilitator**, supporting dialogue at national and local levels as a crucial step towards policy formulation. This facilitative role is reinforced by UNDP's institutional **expertise**, supported by its communities of practice and knowledge networks, its continuing search for cutting-edge approaches and methods, and its ability to broker knowledge from other sources. These factors enable UNDP to play its role as a **topnotch adviser** to governments in developing policy options based on good practices and innovative thinking. UNDP can also play an important role in assisting a country in **donor coordination** so that advice from different donors is complementary.

Several other donors – bilateral and multilateral institutions - are interested in, and support DGD initiatives. However, what sets UNDP apart from many of them is in its **signature approach**: i) a human development approach – pro-poor, pro-women, and pro-environment, taking into account the long term; ii) a human rights approach – based on the principles of equality, participation and accountability; iii) a holistic approach – multi-thematic, multi-actor, multi-level, multi-functional, and yet, offering flexibility in points of entry and modalities; and iv) a participatory dialogue and process consulting approach – enabling stakeholders to be involved in every stage of the reform process.

Based on these comparative strengths and taking into account lessons from experience, UNDP's niche in DGD lies in the following areas:

- Creating enabling environment and institutional framework at national and sub-national levels using participatory approaches
- Developing capacities of local democratic institutions, especially locally elected governments, as well as national agencies tasked with supporting them
- Strengthening citizen participation and community empowerment
- Facilitating partnerships among various actors and brokering knowledge and resources

In addition to the above, UNDP's niche may also be defined in the following thematic areas:

- Fiscal decentralisation, mainly in partnership with UNCDF, focusing on capacity development and accountability of the actors concerned
- Participatory budgeting, involving key stakeholders in resource allocation at the sub-national level
- Piloting and scaling up of initiatives directed at urban governance, urban poverty, and urban environment: capacity development, public sector management and urban planning, sustainable livelihoods, and living environment; policy development to support urban-rural linkages - (Annex 2)

Cross-cutting all the above is another distinctive niche for UNDP - Experimenting with innovative approaches to DGD.

## **IV. Operational Implications**

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### **1. Lessons and Principles for Action**

UNDP has gained significant experience in DGD through its portfolio of DGD initiatives along with those supported by UNCDF. Recent assessments undertaken in the last three years looked into UNDP's contribution in terms of making decentralisation and local development work for the poor. See Profile of UNDP Support to DGD initiatives and Key Results (Annex 3) and Global Programmes in DGD (Annex 4)

While some evidence may show progress in attaining the goals of DGD, there is room for improvement in terms of making UNDP support in this area more effective. Lessons from the experience of UNDP with UNCDF and other development institutions can inform the design of better programmes and their subsequent implementation. In addition to the assessments mentioned above, other sources offer some useful lessons, as noted in this section. Following are key lessons drawn from such sources.

#### **1.1 Operationalising a holistic approach**

DGD is a multi-faceted process that requires interventions at different levels, with different actors, and at different sectors of society, requiring in several cases, simultaneous implementation of complementary initiatives. For example, a UNDP research project that looked into the role of partnerships and participation in decentralised governance based on nine case studies on service delivery for the poor concluded that while a strong national enabling framework is important, it does not guarantee success. Many other elements need to be developed, e.g., effective participation, equitable partnerships, capacities at the local and central levels, innovative leadership, and sufficient resources.<sup>iii</sup> Encouraging national ministries to decentralise, while attempting to strengthen local governments at the same time, is more likely to result in mutually reinforcing outcomes.<sup>iv</sup>

#### **1.2 Link to poverty reduction**

Many of the innovations in DGD seem to lead to improved service delivery. However, empirical evidence linking decentralisation and local governance to poverty reduction is incomplete or mixed, according to a recent UNCDF paper on empowering the poor.<sup>v</sup> Nevertheless, the extent to which decentralisation and local governance genuinely increase the incomes of the poor and enable them to become productive members of society is a longer-term concern. Empowering the poor and the marginalized will enable them to take greater control of their lives. However, there is a need to ensure that adequate local economic growth takes place to support poverty reduction initiatives and other human development goals.<sup>vi</sup>

#### **1.3 Need for a systematic capacity development strategy**

First of all, such a strategy has to be founded on the premise of building upon locally available capacities for efficiency and ownership. Much of what has been offered in training and other re-tooling exercises and technical support has failed to recognize the importance of building up existing local capacity and resources and to take advantage of strategies employed by local communities. Planning and technical principles should be adapted to the local political reality and the community's needs. Secondly, DGD is a highly political process and capacity development initiatives should target not only technical skills but also political capacities such as bargaining, consensus building, and consolidating all factors necessary for shared decision-making.<sup>vii</sup> Moreover, the different dimensions of capacities (e.g., human resources, institutional processes) need to be addressed.

#### 1.4 Need for effective stakeholder involvement, including more useful engagement of civil society and the private sector

Good governance requires the effective involvement of all three actors, i.e., government, civil society and the private sector. Such involvement is critical to promoting national ownership and sustainability. While some headway has been achieved in terms of involving government and the private sector (for example, through public-private partnerships in environment demonstrated by the PPPUE), more efforts are needed to ensure the strengthening of a vibrant civil society that can effectively participate in development initiatives. Still, there are some countries like Tunisia, where there is a lack of well organized NGOs and private sector initiatives, or Ethiopia where the advocacy role of NGOs and community-based organizations are kept in check by the state machinery.<sup>viii</sup> The mushrooming of civil society organizations (CSOs) per se may not be sufficient. In Nepal, for example, many of the CSOs that were formed during the last decade have yet to emerge as powerful institutions that can countervail the centrality of state institutions and to be involved in functions beyond service provision, e.g., raising public awareness to influence national policies.<sup>ix</sup> One basic principle that has also emerged from experience is that CSOs should be able to exercise their rights to participate **and**, at the same time, to fulfill their responsibilities.

#### 1.5 Need for an effective partnership strategy

A partnership strategy needs to answer the question "With whom, in what ways, and when should the actors involved work in partnership?" Lessons learned in this regard emphasize the importance of an enabling environment at the macro level, the support of inspired leadership, development of capacities, dialogue towards a common agenda, understanding of stakeholders' self-interest, selection of the most appropriate entry point based on common local priorities, targeting of a large population for support of groups, linking appropriate partners to strategies for scaling up initiatives, and enhanced donor coordination.<sup>x</sup> Local-local dialogue and partnership of the local actors has been well demonstrated in the LIFE Programme, for example.

## 2. Approaches and Techniques: Practical Guidance for Country Offices

This section aims to provide practical guidance to country offices, including staff of programmes and projects supported by UNDP, on how to operationalise a holistic approach to the design, implementation and monitoring of DGD initiatives in areas where it is believed UNDP can make a difference. (Annex 5) It builds upon lessons that have emerged from UNDP experience, much of the time in partnership with UNCDF. (Annex 6) **A basic reminder to keep in mind when considering the application of guidance provided here: Be context-specific.** There is no "one size fits all" approach to DGD and the steps described here need to be adapted to the context

### Box 3 - Assessing the social and cultural DNA: its use in designing social mobilization programmes

The assessment of the social and cultural DNA of local communities is crucial when designing social mobilization programmes. For example, in Papua New Guinea, social mobilization failed because of significant ethnic diversity and weak civil society groups. On the other hand, social mobilization was more successful in Bougainville where communities are much smaller. In Cambodia, as a consequence of the Khmer Rouge's disastrous experiment in mass mobilization, there is still a general lack of cohesion, trust and solidarity which impacts on the level of community participation. In Laos, where villages are small and homogenous, the demonstrated success of village forestry committees in managing forest resources has proven that social mobilization in support of good governance at the local level is possible, even in a one-party, deconcentrated state.

Source: UNDP SURF- Pacific, Northeast and Southeast Asia, 2003

prevailing in the country, at both the national and local settings. (See, for example, varying experience with social mobilization under different socio-cultural contexts in Box 3.)

Based on the main components of UNDP's practice architecture<sup>xi</sup>, guidance is provided in the following areas: 1) advocacy, policy development and monitoring; 2) capacity development; 3) participation, community building and empowerment; and 4) partnership building and resource mobilization.

## **2.1 Advocacy, policy development and monitoring: supporting an enabling environment for DGD**

Enabling frameworks at both national and sub-national levels should serve as the vehicle for defining and confirming clearly the relationships between decentralised governance and its goals, the relationships between the various stakeholders, and for providing needed resources, capacities and accountability arrangements. In a sense, the enabling framework embodies the country's holistic perspective of DGD.

The basic enabling environment must be enshrined nationally in the constitution and be reinforced clearly and strongly through legislative enactments, regulatory and institutional frameworks at the national and sub-national levels. Examples of **enabling instruments at the national level** include a constitutional provision or amendment, a legal code, a decentralisation law, a national decentralisation strategy, a local governance act, a law empowering NGOs and CBOs, laws regulating public-private partnerships, laws defining resource allocations to sub-national levels, restructuring of the overall government machinery based on a decentralised system, and land use regulations. **Sub-national frameworks and mechanisms** include administrative processes to implement resource transfers, civil service reforms in decentralised ministries, electoral reforms to enable broader constituencies to participate in free and orderly local elections, public-private partnership agreements, and modalities providing women's access to credit and basic services.

### **2.1.1 Have a thorough understanding of the political, economic, social, cultural, ecological and geo-physical conditions obtaining in the country.**

It is important that the enabling instruments for DGD are fully owned and understood by the people through their involvement in the formulation process at the very start. UNDP should support participatory assessment, by relevant stakeholders, of the development context obtaining in a given country at the national and sub-national levels, i.e., the challenges and opportunities that bring to bear the demand for DGD. Are there any significant changes in the political system that call for decentralised governance, e.g., a shift from a central dictatorship to a democratic system? How do globalization trends affect the economy, poverty level and state of human development at the national and sub-national levels, taking into account gender differences? What societal norms affect people's attitudes and behavior towards shifting of power from central to local and for sharing of power with women and broader constituencies such as the civil society? What is the "existing cultural DNA"?<sup>xii</sup> Take into account ecological considerations, especially natural resource scenario, which can affect employment prospects, social stability, tax base, etc. Geophysical conditions also matter as they may influence decisions on size and responsibilities of local units.

### **2.1.2 Consider various gradations of DGD in choosing entry points.**

A holistic approach seeks to address the different issues of decentralised governance from all perspectives with the flexibility of choosing the appropriate entry points that a specific country context demands. Under this approach, therefore, it is possible, and in fact, it could make better sense in some instances, to consider various gradations of DGD. For example, strengthening local governance can be achieved under various forms of decentralisation. Even under administrative decentralisation, there is scope to improve local governance such as the introduction of participatory budgeting to make the local administration more accountable to the citizens even in the absence of an elected local government. Especially in LDCs, taking into account local constraints and capacities, there is often a need to design decentralisation reforms that involve varying degrees of administrative, fiscal and political decentralisation. UNDP should be able to advocate and promote good local governance under any of these variations while at the same time assist the government to prepare the conditions for moving to the next stage of the reform process.



### 2.1.3 Analyze the appropriate number and size of local tiers of government/administration.

One of the problems often faced when strategizing on DGD policies is to decide on numbers and tiers of local government and administration. Larger-size tiers may have the advantage of economies of scale and cost-effective delivery of services but may also lead to increased bureaucratic complexity that would require a higher level of management skills. They tend to be seen as extensions of central government and do not facilitate participatory decision-making. Smaller-size tiers are less complex to manage and tend to facilitate responsiveness to local needs; however, if resources are not adequately provided, a further deterioration of the quality of public services at the local level may result. Some factors to consider when deciding on the size, structure and scope of responsibilities of local governments and authorities: people's participation, cost of service delivery, political control, and security issues. Size of the country is not always a determinant. For example, Tuvalu has a population of only 10,000 people but its government faces strong popular pressure to transfer powers, staff and resources from the capital to the outer islands.

### 2.1.4 Address issues of linkages and analyze implications on timing/sequencing of DGD reforms.

As a reform process, DGD cannot be undertaken in isolation from reform initiatives in other governance areas as well as from other efforts aimed at achieving MDGs and goals related to human development. Linkages need to be established among actors in government, civil society and the private sector and between any of their hierarchical levels. Synergies in approaches need to be developed, for example, between bottom-up and top-down initiatives. Urban-rural linkages also have to be addressed.

- **DGD and other governance areas**

DGD implies many **public administration** policies, e.g., redeployment of staff, functional reviews, policy development and coordination in key central ministries, audit systems, etc. Civil servants at various tiers and sectors of government are at the forefront of making decentralisation work. It is therefore essential to work towards strengthening civil service capacity and supporting incentive measures. In Ethiopia, for example, there is a conscious effort to link the civil service and decentralisation programmes through joint work plans and inter-ministerial coordination.

A strong link between DGD and state reforms like public administration and public fiscal reforms is particularly critical in countries that are in transition and in post-conflict situations. In the case of Cambodia or in similarly situated countries where state institutions are in the process of reconstruction or of being established, and where the capacity is weak, the timing and sequencing of these various reforms need to be considered. For example, the formulation and implementation of fiscal decentralisation needs to be undertaken within the broader context of public finance, in particular, reforms of the treasury, budget and audit. The devolution of service delivery functions to sub-national government units needs to take into account the deconcentration of functions within the state administration.

There are also the various technical issues like which services to devolve first and what would be the corresponding assignment of revenue base to LGUs. For example, in some countries, devolving responsibility for urban services (e.g., garbage, local roads, and regulation of markets) to autonomous local authorities has been a first step, followed by administration of elementary schools and health services.

DGD also should be linked to **human rights**, specifically to ensure that a country's obligations under international human rights law are made explicit in the context of DGD. It is the central government and parliament, not regional or local governments, which have committed the country to human rights norms and principles. When powers, resources and administrative responsibilities are decentralised to lower levels, those entities to which such transfers are made should be aware of the country's human rights obligations when they exercise their new powers and dispose of resources. It is essential to incorporate awareness-raising about human rights into the decentralisation process and in the development of local governance, and to develop the capacities of "duty-bearers" to meet their obligations and of "rights-holders" to claim their rights. This will ensure integration of human rights with decentralisation based on the UN Common Understanding on a Rights-Based Approach to Development Cooperation.

DGD should be characterized by transparency and accountability, especially when one considers that shifts in allocation of powers, functions and resources take place. There are different types of accountability (as will be discussed below). Within the context of DGD, political accountability is best associated with local **elections** and **anti-corruption reforms** in local governments. Local governments have to be accountable to their local constituencies. Their performance, the manner they have discharged their responsibilities, and the integrity with which they have handled fiscal resources will be judged through local elections. UNDP could support independent authorities mandated to oversee honest and orderly elections and civic education programmes. Related to anti-corruption is the need to minimize the risks of local elites capturing opportunities and resources made possible through decentralisation and abusing their positions of advantage. The extent of capture depends on the level of social inequality, prevalence of a caste system, irregularity and unfairness of elections, and absence of transparency in decision-making. Where the potential for capture by local elites is serious, immediate focus should be on establishing or strengthening local accountability mechanisms.

- **DGD, MDGs and human development goals**

DGD seeks to contribute to the attainment of four specific MDGs, i.e., MDG1 – eradication of extreme poverty and hunger, MDG3 – gender equality and women’s empowerment, MDG6 – combating HIV/AIDS, and MDG7 – environmental sustainability. These MDGs are also part of the goals and service lines under UNDP’s MYFF for 2004-2007.

Decentralisation is a necessary but not a sufficient condition for improved local governance. Improved local governance may contribute to, but not guarantee, local development. Similarly, local development may contribute to, but not guarantee **poverty reduction**. An empirical study of decentralisation processes in 60 countries concluded that decentralisation may lead to poverty reduction only if three conditions are met:<sup>xiii</sup> i) adequate funds for elected bodies at lower levels; ii) adequate powers for the same bodies; and iii) reliable mechanisms for accountability of elected representatives to citizens and for accountability of bureaucrats at lower levels to elected representatives.

UNCDF has developed and implemented a strategic tool to address poverty reduction, i.e., the LDP, which in several cases has complemented UNDP’s support to upstream initiatives such as establishing an enabling environment for DGD. See Box 4. In both upstream and downstream initiatives, however, pro-poor targeting should be clearly established, to include **women** and other vulnerable groups and to give them spaces for genuine participation and **empowerment**.

DGD should likewise be linked to initiatives aimed at addressing the **HIV/AIDS** pandemic. UNDP has piloted a [decentralised transformative approach to HIV/AIDS \(DTAH/A\) in Nepal](#), applying innovative concepts such as emotional intelligence<sup>xiv</sup> and social artistry<sup>xv</sup>. DTAH/A is being extended for piloting in other countries/regions to generate further lessons from experience.

In establishing the link between DGD and **environmental sustainability**, the key issue that needs to be addressed is who exercises control or regulation of the use of natural resources – central or local government – and the role that communities play in the process.

DGD initiatives also need to be designed and implemented in the context of pre- crisis, crisis, and post-crisis situations. For example, how do you decentralise if there is no legitimate government in place?

#### Box 4 - UNCDF’s Local Development Programme (LDP)

The LDP is an integrated and iterative approach that establishes relations between different elements:

- i) reforms (political, administrative and fiscal decentralisation, land reform);
- ii) local capacity and institutional development; and
- iii) local governance (stakeholders’ empowerment, promoting the local economy, and improving local social governance for delivery of services).

The synergy among these elements can create sustainable livelihoods which in turn can contribute to poverty reduction. LDPs are specifically targeted at people living in the poorest rural areas in 17 LDCs. Many of these LDPs have already had a significant impact on national policy and practice for delivery of services at the local level in several countries, and have also shaped the approaches of larger donors such as the World Bank.

Source: UNCDF, 2003

Assistance in **crisis prevention and recovery** needs to address a basic question: How can DGD enable the poor and the vulnerable to have sustainable access to public services and in the process prevent further escalation of, or possible reversion to, a crisis situation? It is argued that programming at the local level would benefit from better information (e.g., for mine clearance and small arms disarmament), help promote local economic development and facilitate the transition from relief to development through local resettlement and reintegration initiatives. With DDR as the vital nexus, local communities should be involved to the fullest, and job creation should be the focus.<sup>xvi</sup>

- **Vertical and horizontal linkages**

Vertical linkages between levels of governance need to be strengthened in terms of communication and the flow of resources, both from top down and bottom up. Information from national authorities needs to be communicated to sub national levels and priorities and plans of villages, towns and cities need to find their way into national planning and budgeting. Horizontal linkages and peer learning between local authorities in different parts of the country, both urban and rural, can be fostered through national associations of local authorities. These often need to be strengthened in their operations. Likewise, horizontal communication and support among NGOs and CBOs can be strengthened through national NGO networks.

- **Urban-rural linkages**

Development policy and systems of governance continue to treat rural and urban development as independent, largely unconnected sectors. In a globalizing world that is rapidly urbanizing, the need to overcome these dichotomies by incorporating urban-rural linkages into policy and planning is becoming increasingly self-evident. Cross-jurisdiction planning is an example of how this could be done. See Box 5 for examples of current trends and approaches in promoting urban-rural linkages.

UNDP and UNCDF should collaborate more closely in this area: Consolidate their lessons and experience in working with the urban and rural poor, respectively, and use this as a basis for supporting major policy initiatives aimed at building urban and rural synergy.

#### **Box 5 - Trends and approaches in promoting urban-rural linkages**

- Migrants from rural origins usually remain in touch with their roots and establish a cultural and financial cycle between the new urban dwelling and the rural origin, particularly in Africa.
- Regions that have stronger rural-urban relations lowered poverty levels as compared to other areas with weaker linkages.
- In Southern and Eastern Africa, rural people depend on small towns which play a functional role in enhancing agricultural productivity by providing urban goods and services, non-farm employment centres, processing centres for local goods and distribution centres for commodities.
- Research from UNCRD demonstrates that the rural production structure has greater influence on the development of small towns than the towns have on agricultural development.
- In Romania, many people returned by choice from urban to rural areas so that they could cultivate land and produce their staple food, as inflation made it difficult to live as urban dwellers subject to the cash economy and market prices.
- In Nepal, a joint UNDP/UN HABITAT Rural-Urban Partnership Programme demonstrated the importance of developing an information system and data collection for opportunities and potentials in both rural and urban areas, formation of micro-enterprises, establishment of a market development fund, and capacity building at the municipal level.
- In the state of Parana, Brazil, a programme of Rurban (rural+urban) Villages resulted in the implementation of over 300 new communities located in peri-urban areas through partnership between state government, municipalities, water and sanitation company and electricity company. Houses are built through self-help. Families have a 25-year credit agreement to pay for their land through soft instalments, counting on a grace period so they can plant and commercialize their first harvest.

Source: BDP, 2003

#### **2.1.4 Put in place appropriate accountability mechanisms that will enable performance monitoring with the use of benchmarks and indicators.**

A national integrated system of accountability is important to increase chances for positive performance of DGD actors as well as to minimize risks for abuse of powers. Political accountability has been mentioned earlier, i.e., the downward accountability of elected local governments to their constituencies. Local governments also have to be accountable to state or central governments (upward vertical accountability). A particular type of accountability that is often neglected is the accountability of deconcentrated local authorities to elected local governments (horizontal accountability), and yet this is critical, as there have been several cases where newly elected local governments are paralyzed or marginalized by the lack of a local administration that is not accountable to them.

Such a system of accountability should consist of appropriate institutional arrangements (e.g., a national ministry with a set of powers over sub-national levels, a national auditing/monitoring body) as well as the necessary benchmarks and indicators to monitor and assess performance of local governments and other DGD actors. One area that needs to be given priority is the participatory monitoring of MDGs at the local level. Albania is one of the pioneers in this regard and its experience can be a source of lessons for other countries. The region of Elbasan, with the support of UNDP and other UN agencies, piloted the formulation of a regional strategy for the attainment of MDGs. Involving representatives of local and central governments and CSOs operating at the local level, the initiative aims to localize the MDGs at the regional level.<sup>xvii</sup>

## 2.2 Capacity development

Capacity development is the process by which individuals, organizations, institutions and societies develop abilities (individually and collectively) to perform functions, solve problems, and set and achieve objectives. It needs to be addressed therefore at three inter-related levels: individual, institutional, and societal.<sup>xviii</sup> Capacities of government, civil society and private sector actors at both local and national level must be developed. A recent work done by UNDP proposes a new paradigm for capacity development.<sup>xix</sup> Existing capacities should be acknowledged, honored and built upon. Good policies, as well, should be home-grown. This new paradigm looks at the issues of capacities at three interlocking categories: vision, institutions, and social capital. The challenge is to find the right balance by setting priorities (vision), developing the appropriate capacities to support those priorities (institution), and establishing a deliberate policy to balance social norms and cultural values with development (social capital).

### 2.2.1 Assess the needs.

A systematic, objective and transparent assessment of existing capacities should precede any capacity development initiative. For this purpose, an assessment tool should be developed to help determine the strengths and weaknesses of specific institutions or groups that play a key role in the design and implementation of DGD policies and programmes. It will also help in identifying the right skills or capacities that need to be improved and the appropriate modality to be used.

### 2.2.2 Prioritize whose and what capacities need to be developed.

There are several actors in DGD, i.e., government, civil society, and private sector at all levels. Relevant national ministries often require capacity development to help them empower lower levels of governance. However, **democratically elected local governments**, when they exist, often serve as the fulcrum for DGD, and therefore, top priority should be given to developing their capacities and of their leaders to respond to DGD challenges. Capacity development initiatives for elected local governments and officials should be targeted at the following: a) inculcation of the right values – principles of good local governance founded on a human rights-based approach and pro-poor orientation; b) political skills – civic dialogue, negotiation, conflict management, consensus building; c) technical skills – revenue generation and financial management; d) participatory approaches, with special reference made to participatory monitoring of progress made in the attainment of MDGs, local planning, decision-making, service delivery in both crisis and non-crisis situations and bringing these experiences to inform the development of national policies.

Capacity development support should also be extended to **new decentralised structures in government**, e.g., formulation of their terms of reference, transferring competencies and resource modalities.

The strengthening of **civil society** should focus on their ability to participate and to give voices to the poor. Mechanisms should be put in place to engage CSOs in political development and national and local governance processes.

Capacity development for the **private sector** should put emphasis on the value of working for the public good (balancing this value with their profit orientation) in partnership with government and civil society.

### 2.2.3 Determine appropriate modality, provide necessary resources, and retain new capacities developed.

Capacity development calls for taking advantage of knowledge developed internally and externally and making the necessary adaptations to make them particularly useful to local capacity needs. It also emphasizes the role that **knowledge networks** can play in capacity development. UNDP's global knowledge networks and SURF system are designed to share global experience and lessons. Other examples of such networks could be **associations of local officials** that could be the platform for knowledge and experience sharing on addressing common issues (see Box 6 for Vietnam's experience), or **national/local government centres** that are thoroughly familiar with national/local conditions and maintain close links with similar regional or international centres to keep them up to date with state of the art concepts and practices. There is an inherent advantage in engaging primarily national/local institutions for capacity development initiatives as they can serve as creators and repository of new knowledge and skills that can be easily accessed by other institutions in the country. While individual foreign consultants or experts may be engaged in a short-term basis, it is the national/local institution that should take the driver's seat and not the other way around. **South-South**, or **East-East** (i.e., Eastern Europe and CIS), or **decentralised cooperation** (where institutions from the North share their competencies with institutions in the South) also offer alternative modalities for capacity development. A **sustainable national training system** for local and regional governments, including those for newly elected officials, will also support capacity development

#### Box 6 - Networking with local government associations: Vietnam's experience

UNDP Vietnam through one of its projects supporting local elected bodies has developed innovative partnerships with local government associations in the Asia-Pacific region (i.e., Australia, China, Indonesia, Malaysia, New Zealand, Philippines, South Korea, and the Asia-Pacific Chapter of IULA). This has catalyzed a very intensive process of exchange of experiences that has benefited the views and understanding of Vietnamese local authorities about modern trends in democratic practices at the local level, local government management, decentralisation, and the international municipal movement.

Source: UNDP Vietnam, 2003.

The use of **anchoring institutions** (which may be local, national or regional) in the design and implementation of specific initiatives such as those under UMP builds upon existing capacities and increases the chance of sustaining such initiatives. **Public-private partnerships** enable use of differing orientations and expertise in a complementary manner to address, for example, urban poverty and environment issues.

**Civic education** programmes to raise awareness or sensitize communities and their leaders on human rights and good local governance principles are also important as value transformation could contribute to changes in behavioral norms and practices.

UNDP should continue experimenting with, and applying, **innovative approaches to DGD** such as the transformative leadership for results approach that has been used in a few HIV/AIDS initiatives, one of which has been piloted within a decentralised context.

Capacity development initiatives need to be supported with adequate resources. This has been the approach of UNCDF's LDPs. By providing a package of capital assistance (i.e., small grants) and

technical advisory services in policy analysis and programme design, LDPs enable local governments to **learn by doing**.

The advent of **ICT** allows greater opportunities for improved, pro-poor and responsive service delivery (e.g., the use of online land registration for rural areas in India has reduced corruption, transaction time and cost) as well as for disseminating information to a broader audience more quickly. ICT can stimulate development dynamics through the provision of basic information structure for marginalized populations, including indigenous peoples. This needs to be complemented, however, by face-to-face interactions among knowledge providers and users through workshops, symposia and other discussion forums that may be co-sponsored/co-financed by partners.

Regardless of the type of modality to be used, it is essential to put in place a mechanism for assessing new capacities developed in terms of how effectively they are used. This will help validate if indeed the right capacities have been targeted and developed, and if necessary, make the necessary modifications.

## 2.3 Participation, community building and empowerment

Overall, UNDP should continue working with government and strengthen the engagement of civil society and the private sector more than it has done so far, and where these two sectors are weak, support should be given to their development or improvement. An enabling instrument encouraging the development of civil society in particular will be useful. However, direct support should be considered in improving their capacities and developing their potential not only as service providers but also as a powerful sector that could influence national and local policies. Finally, mechanisms should be put in place that will enable the broader and deeper participation of CSOs, communities and people in the development process, specifically in decentralised governance initiatives.

### 2.3.1 Who need to participate?

Given the multi-dimensional and multi-faceted nature of DGD initiatives, an inclusive, affirmative approach is essential and several stakeholders need to be involved in planning, implementation and monitoring. They include:

- the poor and the vulnerable, the claim-holders, especially women, and the legitimate groups representing them (women's groups, trade unions, and NGOs) who should be given voices in governance and development processes at the local and national levels and make them true partners, not just target beneficiaries.
- traditional authorities, especially of indigenous and tribal peoples
- private businesses especially those that operate at the local level and could be tapped for partnership agreements with local bodies in community projects such as those dealing with environmental issues (water supply, waste management, etc.), income generation, etc.
- authorities, bodies, elected officials at local and other sub-national levels
- government agencies operating at the national and sub-national levels, e.g., central and decentralised offices of ministries of local governments, finance, health, social services and development, agriculture, industry, etc.
- media

It is important to be fully informed about these groups and institutions. Map them. Identify and know their profiles in terms of the communities, specific sectors or constituencies they serve or work with, their organizations, and their capacities.

Identify also the factors that constrain participation. To illustrate, there are sufficient examples of decentralisation laws and policies that ignore traditional authorities, when in fact, they may have a much greater say on the ground than elected local governments. This problem exists, for instance, in the South Pacific, where traditional authorities play a key role in social and political life and where formal laws and institutions are often misunderstood or ignored by the people because they conflict with local customs and traditions. Decentralisation policies that ignore these realities may face strong resistance and even create

serious social and political conflict. A trade-off needs to be made between newly introduced democratic values and local traditions.

### 2.3.2 How to engage stakeholders

The challenge is getting the stakeholders engaged productively. For citizens, the ultimate objective is for them to expand their role from being mere providers of information (that has been the case in several instances in the past) to empowered partners in development who are delegated with responsibilities, resources and control.<sup>xx</sup>

Capacity 21 has supported the Local Agenda 21 movement and has created a wealth of experience and expertise in promoting effective DGD in developing countries and economies in transition, for example, in Europe and the CIS. Within the framework of Local Agenda 21, mechanisms for enhancing “daily democracy”, public participation and partnerships have been put in place and local and indigenous capacity for strategic and integrated planning has been developed. See Box 7 for Capacity 21 experience in Turkey.

#### Box 7 - Capacity 21 experience in Turkey:

“Community participation...involvement of the full spectrum of local stakeholders...establishment of local partnerships...decentralization of local decision-making processes...All of these are elements of the Local Agenda 21 process.” The project has expanded from nine in 1997 to 39 participating cities today throughout Turkey.

Partners range from housewives to children and youth, academicians, mayors and governors, and the private sector that are represented through the Local Agenda 21 Council. The Council, Women Platforms, Youth Councils, neighborhood authorities, sister-city arrangements, networking of local authorities and unions of municipalities provide participatory platforms for communities to identify their major problems and to develop joint solutions.

Demonstration projects include the promotion of women participation in politics, establishment of permanent residence for street children, rehabilitation of the Nilufer River, and others aimed at poverty alleviation and public health.

Source: Implementing Local Agenda 21 in Turkey (2<sup>nd</sup> phase). See <http://www.undp.org/capacity21/europe/turkey.html>

In countries with complex context like China, starting with villages and urban communities is a way of testing the water through grassroots entities such as neighborhood committees.

Experiences with city consultations undertaken under UMP<sup>xxi</sup> and other DGD initiatives suggest the following steps to ensure successful engagement of stakeholders:

- Build a strong political will and dedication of stakeholders. The leadership and proactive role of a single individual (e.g., a mayor) or a group (e.g., a local partner or “anchor” institution) is also crucial.
- Let the main priorities for consultations and collaboration be defined by the stakeholders themselves based on a common understanding of, and respect for, mandates, roles, and contributions.<sup>xxii</sup>
- Learn how to manage conflicts among stakeholders.
- Let stakeholders agree mutually on assigned responsibilities and provide

mechanisms for carrying out such responsibilities, e.g., working groups to deal with specific thematic issues

- Demonstrate initial results of the process to reinforce commitment and sustained interest of stakeholders.
- Institutionalize the process by adopting it as an integral part of planning, resource management, or service delivery with membership and responsibilities of stakeholders provided in local development councils or budget committees.
- Improve weak capacities, e.g., negotiation and facilitation skills, and technical skills in local taxation.

## 2.4 Partnership building and resource mobilization

Each UNDP country office should have a partnerships and resource mobilization strategy that will play on its comparative advantage vis-à-vis other development partners in the field of DGD. This strategy should

be based on a clear understanding of the reasons for partnering which may vary from one type of institutional partner to another, and should consider the following points:

#### **2.4.1 Highlight the role of UNDP as facilitator, catalyst, adviser and broker of knowledge and resources.**

UNDP should continue playing its role as facilitator, catalyst, adviser and broker of knowledge and resources that could effectively function as an agent of change. This role may vary from one country to another depending on the opportunities and UNDP's relative strengths and weaknesses in the country. For example, the experience of South-South cooperation between Latin American municipalities has proven highly successful. UNDP's brokering role is particularly significant in a setting where there are several clients in more than 12,000 municipalities, 600 provinces and 55 regions, most of which have increasing roles and responsibilities because of decentralisation processes and national crises taking place. Banking as well on its recognized neutrality, UNDP should find appropriate entry points in the political arena and contribute to the political debate.

#### **2.4.2 Enhance donor coordination and create new alliances.**

In a complex and cross-sectoral field such as DGD, more than one donor cooperates with the programme country. Where nationally driven donor coordination is absent, UNDP should seek the means with other donors to coordinate donor activity and offer necessary services. UNDP and UNCDF should pursue coordination with major actors in the field of international support to DGD such as the World Bank, UN-DESA, UN-HABITAT, OECD-DAC, Cities Unies, City Net, IULA, the Commonwealth Local Government Forum, and the Inter-American High-Level Network on Decentralization, Local Government and Citizen Participation, as well as bilateral donors. The practice of entering into Memorandum of Understanding can prove useful in delineating areas of cooperation and promoting greater synergy towards common objectives.

Considering also the multiplicity of potential clients as well as the variety of issues covered under DGD, UNDP cannot possibly have all the required capacities in-house to respond to all issues and must acknowledge the benefit that it could gain from working with new partners. UNDP needs to engage associate experts (i.e., practitioners, centres of excellence, etc.) in the DGD sub-practice community in order to have the necessary specialized knowledge to advise its clients.

#### **2.4.3 Place more emphasis on the role of civil society and the private sector and partnerships with local authorities.**

This could be done through UNDP support to the development of the appropriate enabling environment and institutional framework that define the complementary roles and functions of civil society and the private sector in DGD. It is also critical to promote partnerships among local governments, private sector and civil society in policy formulation, service delivery and resource management.

#### **2.4.4 Seek more diverse execution and implementation arrangements.**

UNDP should seek execution and implementation arrangements with a greater mix of government-CSO-private sector organizations.

UNDP should continue to adopt the concept and practice of "anchor institutions" in the design and implementation of DGD initiatives. Applied, for example, by UMP, it offers the benefit of having expertise provided by institutions which could also help secure the sustainability of innovations introduced.

#### **2.4.5 Explore different modalities of supporting DGD initiatives.**

UNDP should continue to promote partnerships in terms of common basket funding to support DGD and to create support systems that are consistent with the vision of UNDAF, MDGs and the MYFF. UNDP should continue to take the lead (together with UNCDF in LDCs) to provide technical support and to promote policy dialogue. Partner governments may then use this support to mobilize resources for the



different aspects of the national action plans and as a sounding board for the directions they might want to take. Through this, support for locally determined programmes could be generated.

Support from decentralised cooperation (DC) actors is another modality. DC actors are decentralised entities from the North providing development cooperation to the South. They are local public entities like cities, provinces and regions but also actors at these levels (e.g., NGOs, trade unions, universities, private sector). Generally, DC is initiated by local public institutions which bring their own constituencies to implement such cooperation. DC has been most valuable in bringing a sustainable dimension to cooperation at local levels, with the Northern entity contributing its own experience of how it dealt with a specific issues and transferring its knowledge and resources directly to the community/local entity concerned. In most cases, DC actors will fund only a specific component of a local governance or development programme linked to their own knowledge and competencies (e.g., setting up programmes against social exclusion in a city or region in the South), and with more limited resources than traditional donors could provide. DC actors could provide technical assistance through experts, channel funds to the local counterpart, fund the intervention directly, and/or channel the funds through a UNDP project through cost-sharing or trust fund mechanism.

## **V. Partners and resources**

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### **1. Partners**

UNDP works with several partners including agencies in the UN System, local government associations, resource centres, universities and institutes. (Annex 7)

### **2. Financial Resources: Requirements and Availability**

The multi-faceted and multi-dimensional nature of DGD requires an integrated or holistic programme with distinct but inter-related components or as the MYFF report puts it, a strategic package of mutually reinforcing components. While such a package requires a larger amount of funding, it opens up possibilities for partnering with government, civil society, private sector and other donors through cost-sharing or co-financing arrangements. UNDP and these other entities could agree mutually on what specific components of an integrated programme could be funded by them respectively. Roughly, a single component would cost at least \$50,000 while a programme covering more than one component would be \$100,000 or more. Programmes range from a few \$100,000 to \$20 million.

At the global level, the **DGTTF** may be tapped as a source of funds to support innovative and catalytic activities. DGD is Service Line 5 of the DGTTF. Projects up to \$250,000 to be completed within one calendar year are eligible for funding under the DGTTF. Typically the approval process for the DGTTF begins in September of the prior calendar year.

At the country level, however, there is a need to mobilize resources for specific initiatives. The common basket funding and decentralised cooperation modality, discussed in Sec. IV, 2.4.5, are examples of modalities that could be explored.

### **3. Knowledge Resources**

These include both internal and external resources such as UNDP and UNCDF policy advisors at headquarters and the SURFs, the UNDP community of practice in DGD, the Democratic Governance Fellowship Programme in the Oslo Governance Centre, experts, websites and publications. See list of knowledge resources in DGD (Annex 8)

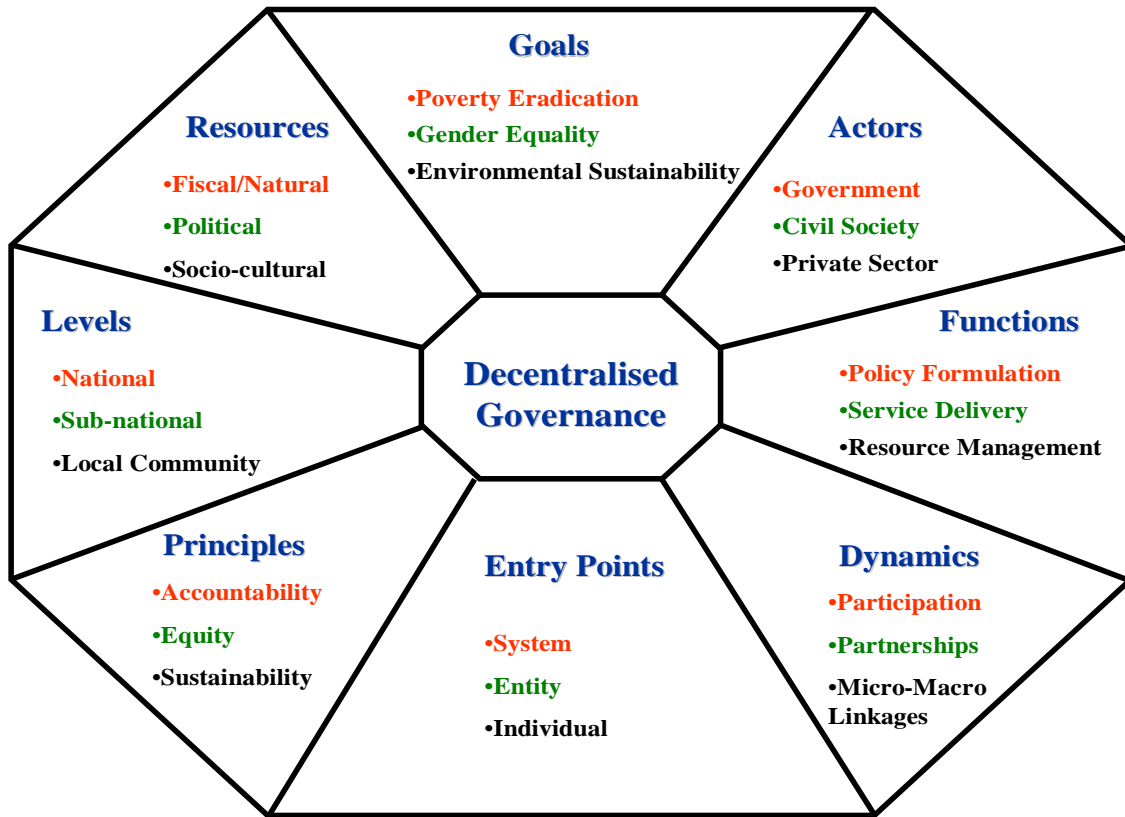
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## **END NOTES**

- <sup>i</sup> *Second multi-year funding framework, 2004-2007*, approved by the UNDP Executive Board at its second regular session, September 2003, para. 49-60.
- <sup>ii</sup> UNDP/MDGD. *Decentralised Governance Programme: Strengthening Capacity for People-Centred Development*, September 1997, p.4
- <sup>iii</sup> Work, Robertson/UNDP/BDP. *The Role of Participation and Partnership in Decentralised Governance: A Brief Synthesis of Policy Lessons and Recommendations of Nine Country Case Studies on Service Delivery for the Poor*, 2002.
- <sup>iv</sup> UN-DDSMS/UNDP. *Local Governance*. Report of the UN Global Forum on Innovative Policies and Practices in Local Governance, Gothenburg, Sweden, September 1996.
- <sup>v</sup> Bonfiglioli, Angelo/UNCDF. *Empowering the Poor: Local Governance for Poverty Reduction*, 2003.
- <sup>vi</sup> Work, Robertson/UNDP/BDP. *The Role of Participation and Partnership in Decentralised Governance: A Brief Synthesis of Policy Lessons and Recommendations of Nine Country Case Studies on Service Delivery for the Poor*, 2002, pp. 35-36.
- <sup>vii</sup> UNDP Evaluation Office. *Essentials (Partnership for Local Governance)*, No. 7, August 2002, pp. 3-4.
- <sup>viii</sup> UNDP DLGUD Network. *Consolidated Reply: Discussion: Consultation on Capacity Development Tools for decentralised Governance*, 8 July 2003.
- <sup>ix</sup> UNDP/BDP. *Decentralised Governance in Malawi, Nepal and Venezuela: Synthesis of policy Lessons from Country Thematic Assessments*, 2002, p. 18.  
<http://www.undp.org/governance/marrakechcdrom/concepts/UNDP%20BDP%20Decentralised%20Gov%20in%20Malawi,%20NEP%20and%20VEN.pdf>
- <sup>x</sup> UNDP Evaluation Office. *Essentials (Partnership for Local Governance)*, No. 7, August 2002.
- <sup>xi</sup> In building communities of practice, UNDP adopts a practice architecture with the following key components: agenda setting, policy development, advocacy, knowledge management, professional development, community building, partnership building, communications, management, and resource mobilization.
- <sup>xii</sup> See, for example, Work, Robertson/UNDP/MDGD. *Factors to Consider in Designing Decentralised Governance Policies and Programmes to Achieve Sustainable People-Centred Development*, 1998.  
<http://magnet.undp.org/Docs/dec/DECEN923/Factors1.htm>
- <sup>xiii</sup> Manor, J / World Bank. *Decentralization and Sustainable Livelihoods*, 2000. Quoted in Bonfiglioli, A. / UNCDF. *Empowering the Poor: Local Governance for Poverty Reduction*, 2003, p. 44.
- <sup>xiv</sup> Daniel Goleman introduced this term to describe a set of competencies that are highly correlated with both individual and institutional success, consistent across gender, cultural and hierarchical categories. Distinct from, but complementary to academic intelligence, it enables leaders, for example, to deal better with their own state of mind and others. There are four emotional intelligence factors: self awareness, self-management, social awareness and relationships management. (Daniel Goleman's *Emotional Intelligence*, Bantam, New York, 1995. See also *Primal Leadership: Realizing the Power of Emotional Intelligence*, Goleman, Boyatzis and McKee, Harvard Business School Press, March 2002.
- <sup>xv</sup> "Social artistry involves intensive self unfoldment and social discovery involving paradigm shifts in self and society. Social artists are created through intellectual, physical, emotional and cultural exploration within a form that is sensory-rich and experience-laden and through training that calls forth the whole mind of the whole person." Dr. Jean Houston is the leading advocate of social artistry. See <http://www.socialartistry.com/>
- <sup>xvi</sup> *A Local Governance Approach to Post-Conflict Recovery*, Report of the proceedings of a workshop organized by the Institute of Public Administration and co-hosted by UNDP/BCPR and UNCDF, New York, October 2002, pp. 4-5. See [http://www.theipa.org/publications/workshop\\_proceedings.doc](http://www.theipa.org/publications/workshop_proceedings.doc)
- <sup>xvii</sup> UNDP Albania. *Promoting Local Development through MDGs*, 2002. <http://www.undp.org/rbec/related/>
- <sup>xviii</sup> UNDP/MDGD. *Capacity Development*, Technical Advisory Paper 2, 1997
- <sup>xix</sup> UNDP. Fukuda-Parr, Sakiko, Lopes, Carlos and Malik, Khalid (ed.). *Capacity for Development: New Solutions to Old Problems*, p. 20
- <sup>xx</sup> Arnstein, Sherry R. "A Ladder of Citizen Participation," *Journal of the American Planning Association*, Vol. 35, No. 4, July 1969, as quoted in *Urban Management Programme. Participation to Partnership: Lessons from Urban Management Programme City Consultations*, 2001. See <http://www.unhabitat.org/programmes/ump/documents/UIMP27.pdf>
- <sup>xxi</sup> *Urban Management Programme. Participation to Partnership: Lessons from Urban Management Programme City Consultations*, 2001. See <http://www.unhabitat.org/programmes/ump/documents/UIMP27.pdf>
- <sup>xxii</sup> UNDP Evaluation Office. *Essentials (Partnership for Local Governance)*, No. 7, August 2002. p. 7

## ANNEX 1

### Figure 1: Decentralised Governance



## ANNEX 2

### UNDP Areas of Work in Urban Development

#### 1. Capacity development

- Support to reform and restructuring of local authorities and decentralisation
- Improvement of revenue generation and financial management
- Community, household and women's empowerment to participate in decision-making

## **2. Public sector management and urban planning**

- Reform of land use legislation for enhanced local tax base and pro-poor approaches
- Integration of macro and micro strategies
- Strengthening of urban-rural relations

## **3. Sustainable livelihoods**

- Reducing institutional barriers to informal sector activities
- Promotion of linkages between formal and informal sectors
- Reducing gender inequality in access to credit, housing and basic services
- Promotion of income generation activities

## **4. Living environment**

- Implementation of Local Agenda 21
- Resource conservation and recycling
- Promotion of renewable energy
- Improvement of basic services
- Local consultations on environmental development in slum areas

# **ANNEX 3**

## **Profile of UNDP Support to DGD and Key Results**

Over the past decade, UNDP support to DGD increased more than six-fold. Currently in this area, UNDP supports over 250 programmes in 95 countries, a number of strategic regional programmes in all regions, and five global programmes. The UNDP ROAR for 2001 reported that DGD has become a major part of UNDP's business, having expanded from an already established base. (See [www.undp.org/governance/decentralization.htm](http://www.undp.org/governance/decentralization.htm) for the complete analysis of the magnitude and nature of support to DGD during this year.) The *Report on the Multi-Year Funding Framework, 2000-2003* further confirmed the importance of decentralisation which, along with democratic reform, has emerged as UNDP's most prominent area of intervention in governance. The report suggested that UNDP's support in general appeared to be 'going sub-national' with an intensifying of efforts linked to local governance and characterized by specific local demands in, for example, recovery from conflict, natural resource management in degraded ecosystems and local employment generation.

Decentralisation and local governance presently accounts for the largest DGTTF allocation, with an increase from \$4.3 million in 2002 to \$4.7 million in 2003. UNDP also supports at least 300 urban-targeted initiatives at the global, national and city levels at a total cost of over \$400 million. These projects address issues in urban environment, poverty, governance and infrastructure as well as gender issues in the urban setting.

UNCDF, a close partner in DGD, has a portfolio of 20 LDPs in 17 LDCs, affecting 23.8 million people. Funds invested by UNCDF amount to \$96 million, representing approximately 60% of total project cost. Of the \$96 million, around \$64 million is for LDFs. A typical LDP consists of a package of capital assistance (small grants) and technical advisory services in policy formulation and programme design.\*

UNDP support to decentralised governance has contributed to certain achievements, as borne out by recent assessments undertaken in the last three years, e.g., the end-of-cycle (2000-2003) assessment report on the Multi-Year Funding Framework (MYFF)\*\*, the joint UNDP-Government of Germany (BMZ) evaluation on the Role of UNDP in Decentralization and Local Governance (2000) in Guatemala, Mali, Philippines, Thailand, and Uganda\*\*\*, and the external evaluation of the LIFE programme (1999)\*\*\*\*. The reports assessed, among others, UNDP contribution in terms of making decentralisation and local development work for the poor. Following are highlights of these reports:

***i. Drafting new laws for decentralisation***

The MYFF report stated that UNDP has worked with 46 countries to revise and draft legislation on decentralisation over the past three years. In Nepal, for example, UNDP assistance in preparing the national decentralisation plan and governance framework, combined with support to local development funds, resulted in the creation of 15,000 community organisations covering 1.5 million people.

***ii. Enhancing local planning and fiscal management***

Building local capacity for better planning and fiscal management, often through pilot projects, has been a prominent feature of UNDP support for local governance since 2000, as stated in the MYFF report. For example, Venezuela has used its national human development report to guide regional and municipal funding allocations.

***iii. Advancing local access to services***

The MYFF report revealed that initiatives have concentrated on expanding local access to basic services and productive assets, housing, sustainable agriculture and employment. Priority has gone to vulnerable groups, such as refugees and IDPs in Panama. Most of LIFE's 216 small-scale projects have reached the poor, directly benefiting 1.2 million people, and indirectly more than 5.2 million people in terms of improving their environmental and living conditions.

***iv. Backing social mobilization, community empowerment and capacity development***

The MYFF report highlighted UNDP's role in brokering partnerships among local authorities, civil society and local communities that constitute a backbone of local human development programmes in Cuba,

Mozambique and Tunisia. In the post-conflict situations in the Philippines and Uganda, the 2000 joint UNDP-BMZ evaluation noted UNDP's role in fostering social cohesion, specifically its support for participatory processes that have been effective in securing the trust, cooperation and participation of people in communities.

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\* Bonfiglioli, Angelo/UNCDF. Empowering the Poor: Local Governance for Poverty Reduction, 2003, p. 143.

\*\* UNDP. *Report on the multi-year funding framework, 2003 (draft)*. Annual Report of the Administrator, Annual Session 2003 of the Executive Board of UNDP and UNFPA, 6-20 June 2003, New York. See <http://www.undp.org/execbrd/word/dp03-12.doc>

\*\*\* UNDP/Government of Germany, *The UNDP Role in Decentralization and Local Governance: A Joint UNDP-Government of Germany Evaluation*, February 2000, pp. 16-18. See [http://www.undp.org/eo/documents/decentralization\\_final\\_Report.PDF](http://www.undp.org/eo/documents/decentralization_final_Report.PDF)

\*\*\*\*LIFE *Global evaluation Results and Recommendations, Executive Summary*, 1999

## **ANNEX 4**

### **Global Programmes in DGD**

## Global Programmes in Decentralised Governance for Development

### Decentralised Governance Programme (DGP)

DGP focuses on how capacities for good governance of various actors at appropriate levels can be strengthened in policy formulation, resource management, and service delivery. Among its achievements are: i) a global research project on the role of participation and partnerships in decentralised governance based on nine country case studies on service delivery for the poor; and ii) thematic assessments that identify best practices, lessons, and policy recommendations from three countries that are relevant as well to other developing countries struggling with decentralisation reforms.

<http://www.undp.org/governance/decentralization.htm>

### Local Initiative Facility for Urban Environment (LIFE)

LIFE is a UNDP global flagship programme in operation in 12 developing countries. It promotes local-local dialogue and partnership between NGOs, CBOs, local governments and private sector to improve the living conditions of the urban poor and to influence policies for participatory local governance. Using "upstreaming-downstreaming-upstreaming" approach, LIFE provides small grants directly to NGOs and CBOs for need-based, participatory, community-based projects in urban poor communities, supports capacity development of local actors and promotes advocacy and policy dialogues using the experience of the projects.

<http://www.undp.org/governance/local.htm>

### Public-Private Partnerships in Urban Environment (PPPUE)

The PPPUE is a UNDP multi-partner facility that supports local authorities in developing countries in their efforts to implement inclusive partnerships involving government, business, CSOs and CBOs to reduce poverty. It focuses on small and medium-sized cities, on direct poverty reduction impact through service extension to poor neighborhoods and job creation for the disadvantaged communities, and on basic services. The PPPUE is presently supporting three national programmes in Namibia, Nepal, and Uganda and 12 other innovative partnership projects in all regions.

<http://www.undp.org/pppue>

### Urban Management Programme (UMP)

Executed by UN Habitat in Africa, Arab States, Asia, and Latin America and the Caribbean, UMP focuses on addressing poverty, governance, environment and HIV/AIDS issues in urban areas. UMP involves a network of over 40 partner institutions and has supported more than 120 city consultations in 57 countries. The city consultation process involves stakeholders in the preparation of a city profile, the discussion and preparation of an action plan, the implementation of that plan, and replication of the process in other cities.

<http://www.unhabitat.org/programmes/ump/>

### World Alliance of Cities against Poverty (WACAP)

WACAP is a contribution made by cities from all continents to the International Decade for the Eradication of Poverty (1997-2006) proclaimed by the United Nations General Assembly. Designed to leverage the ability of municipal governments to contribute to reducing poverty and to mobilizing public opinion, WACAP is now bringing the MDGs to the local authorities' level. WACAP has connected over 200 cities the world over among themselves and to UNDP, thus, establishing a network through which to circulate information, empower member cities and create new partnerships for change.

<http://mirror.undp.org/switzerland/wacap/>

## ANNEX 5

### Opportunities in Programming

Have relevant stakeholders undertaken participatory assessment of the development context obtaining in the country at the national and sub-national levels? What are the challenges (e.g.,

absence of an enabling law, poor local capacities, weak citizen participation) and opportunities (e.g., improving service delivery, reducing poverty) that establish the demand for DGD? What are the risks associated with the DGD initiative being considered (e.g., capture by elites, corruption)?

✓ In the context of a holistic approach to DGD, what is the appropriate entry point for UNDP support? For example, is it creating an enabling law for DGD or is it strengthening the capacities of local governments in the context of a newly enacted law providing them a set of fiscal powers? How is the DGD initiative linked to other democratic governance service lines particularly public administration, election, and anti-corruption reforms? How about its links to other UNDP practice areas, the MDGs and national development priorities? What mechanisms will strengthen linkages between national and sub-national level entities from the government, civil society and private sector and ensure their respective accountabilities?

✓ Is the capacity development initiative based on a reliable capacity assessment in terms of priority needs and target participants? What is the appropriate capacity development approach or modality (e.g., South-South, East-East, decentralised cooperation, UNVs; knowledge networking; national training, civic education, learning by doing)? Will the initiative build on existing capacities? To what extent will it contribute to long-term capacity development at the individual (e.g., elected local government officials), institutional (e.g., local government units) and societal (e.g., culture of participatory governance) levels?

✓ How inclusive is the DGD initiative? To what extent will it involve and empower the poor especially women and other members of society who are normally deprived of opportunities to participate in decision-making and other development processes at the national and grassroots levels? For example, are traditional authorities being respected and given their voice in these processes?

✓ Are the specific results targeted by the DGD initiative clearly defined both in terms of outcomes and outputs? Are the outcomes in line with the relevant country programme and the core results outlined in the new MYFF for 2004-2007? What indicators will be used for baseline and periodic data? Who will be responsible for the collection and analysis of these data? Is it anticipated that the particular DGD initiative would be part of a broader outcome evaluation?

✓ Who are the key partners? Are other actors like local government associations and academic and research institutions in DGD being tapped? Is there a solid basis for UNDP's cooperation with these partners in terms of common interest and comparative advantage? Is there a clear delineation of responsibilities and accountabilities? Have these partners been involved early on at the conceptualization stage?

✓ What is the magnitude of resources required to support the DGD initiative? Will UNDP be able to leverage additional financial and knowledge resources from partners? How will the ground for sustainability be built?

✓ What are the implementation and management arrangements? Will these arrangements ensure sustainability of the DGD initiative by, for example, strengthening the capacity of a central ministry to support local governments?

## ANNEX 6

### Good Practice Examples

1. Two UNDP cases are presented to illustrate how the different practice elements – advocacy, policy development and monitoring; capacity development; participation, community building and empowerment; and partnership building and resource mobilization – have been operationalised in two DGD initiatives at the country level. Both deal with two substantive concerns of DGD. The **Uganda**



case is on promoting fiscal decentralisation and local development through practical experimentation while the **Colombia** case is on strengthening local governance to improve service delivery to the poor.

## Uganda Promoting fiscal decentralisation and local development through practical experimentation

The design of the District Development Project (DDP) started in 1995 in response to a request by the Government of Uganda (GoU) to develop a pilot system for practically **implementing and 'testing' the recently passed Local Government Act** and further to test operations that would become part of the Government's Financial and Accounting regulations. Subsequently, a task force was formed between GoU and UNCDF to oversee the project formulation process. Following a series of institutional analysis, research and consultations with stakeholders (central and local governments, politicians, community leaders, communities, donors and NGOs), the project was approved in 1997. The consultations reviewed existing practices and local knowledge, the concept and alternative methodologies, and systems for the implementation of the DDP. The **participatory nature** of the consultations enhanced ownership on the part of local governments and communities towards the objective of the project. The DDP system developed a set of institutional mechanisms that provided incentives for linking capacity building with improved performance, increased transparency, and improved service delivery at the local level.

With UNCDF technical assistance, the DDP was designed to pilot the devolution of development planning and budgeting in seven districts (Arua, Jinja, Kabale, Kayunga, Mukono, Yumbe and Kotido). The project was designed in support of the Uganda Constitution (1995), the Local Government Act (1997) and the decentralisation framework. The main objective was poverty alleviation through the use of participatory planning, allocation and management of development resources for service delivery and infrastructure to the rural poor. The project worked with the Ministry of Local Government's Programme Management Unit as the executing agency and the pilot districts as implementing agencies. There were four key elements that set this project apart from other local planning and development initiatives:

1. The introduction of a system to link participatory planning and budgeting at the local government level.
2. The introduction of a stable discretionary development fund for the local governments to use in conjunction with their own planning process, based on an agreed upon allocation formula.
3. A system of minimum conditions and performance measures that triggered the disbursement of the funds, with penalties for not meeting the requirements and rewards for meeting and/or exceeding the requirement.
4. The provision of a capacity building fund to support the learning and evolutionary process of the decentralised system of local government.

The utilization of these combined elements in a decentralised programme enabled the pilot project to test how each contributed most effectively to the successful implementation of the proposed decentralised planning and financial management process. As a pilot project, the annual internal reviews brought together the central and local governments, politicians and community leaders to take stock of the implementation experiences and bottlenecks, and to assess the design and relevance of the project parameters and government rules, regulations and procedures. This method of trial and error resulted in the testing and adjustment of the participatory planning, delivery and management of infrastructure and service provision at various levels of government.

With UNCDF's direct participation in the design of other donor projects, replication of the model by other donor **partners** has allowed expanding it to an additional 51 higher local governments in the country, including urban local governments. Ongoing evaluations and replication by other donors led UNCDF to review its own support towards filling some of the gaps identified in the DDP process. As a result, the District Development Project II (2002-2005) was initiated in support of piloting activities in the areas of: a) coordinated participatory planning and budgeting, especially at the lower local government level; b)

generation of revenue by the local governments as a key factor to ensure sustainability of the decentralisation process; c) gender mainstreaming component to encourage the equal participation of women and men in the decentralisation process, with focus on gender budgeting at local government levels; and d) local councils at sub-county, parish and village levels to provide an alternative to the formal, less accessible and expensive court system.

The **capacity building** component has been a key element focusing on communities, local governments and central government. By following a 'process consulting' approach, the project has continued to encourage an increase of responsibility and decision making away from the 'project' and into the mainstreamed government decentralisation process. The process has gone from a technically assisted pilot, to Programme Management Unit-managed project, to a government programme with technical support from its own established Coordination Unit and on demand technical assistance. Next steps will include comprehensive government management of the process with continued on demand technical assistance.

#### Further Information

- UNCDF, *Taking Risks*, 1998
- Doug Porter and Martin Onyach-Olaa, *Inclusive Planning and Allocation for Rural Services*
- L. Kullenberg and D. Porter, *Accountability in Decentralized Planning and Financing for Rural Services in Uganda*, Entwickling and Landlicher Raum, 1998
- UNCDF/GoU, *Internal Reviews of DDP*, 1998 and 1999
- UNCDF, *Mid-term Evaluation of DDP*, 2001
- UNCDF, *Project Concept Paper DDP 2*, 2001
- UNCDF, *Project Document: DDP 2*, 2002
- <http://www.uncdf.org/english/countries/uganda/index.html>

## **Strengthening local governance to improve service delivery to the poor The LIFE Programme in Colombia**

*A driving rationale for UNDP's concern with decentralisation and good local governance is to improve service delivery to the poor: the lack of basic services equates with the lack of means to attain minimal human development. Weak local governance hampers the quality, access and affordability of these services, particularly for the poorest. This case illustrates the approach used by UNDP's LIFE Programme to begin addressing these challenges among the urban poor, by strengthening local governance through participatory, small-scale projects (SSPs). LIFE's entry points are the deficits that adversely affect living conditions in poor urban communities, such as lack of access to health, water, sanitation, and basic infrastructure. This approach may be explored through the experiences in Colombia, where LIFE has been active since 1995.*

**LIFE in Colombia:** *Colombia is a country where the global and national macroeconomic crises of the 1990s drastically reduced public spending and affected service delivery, particularly to the poor. The situation has been worsened by decades of armed conflict, leading to massive influx of displaced people into already stressed cities. Cartagena de Indias is one such city in Bolivar Department. While there exist in Colombia impressive numbers of civil society organizations; a legal framework that recognizes citizens' rights to monitor public decisions, policies and investments; and legal recognition of NGOs and CBOs, participatory governance is not often the reality at the local level.*

LIFE's activities in Colombia were initiated in Cartagena, as a demonstration to encourage replication of a participatory local governance approach across municipalities and at the policy level. At the outset, a National Coordinator (NC) was selected; a multi-stakeholder Local Selection Committee (LSC) established (with representatives from the municipality, private sector, CBOs, and NGOs); and LIFE publicized in Cartagena's communities. Many projects were prepared from the ground-up by the communities. The potable water project in Paraiso II was one of those selected for support from LIFE.

Paraiso II, a neighborhood of 400 households, lacked access to a drinking water source ever since it came into existence. People were forced to buy water at about 30 pesos a month from private vendors, who carried water in bags transported on donkeys. Attempts to get municipal water supply were unsuccessful. Following a LIFE workshop on environmental solutions and community involvement, the community developed a project for building an aqueduct for potable water supply, and received a grant of \$30,000 from LIFE to connect 200 houses to water. A committee was set up by the community to implement and manage the project. Working in close technical cooperation with the local private water supply facility, the community installed 1,200 meters of pipes, connected the pipelines to the water supply system and installed meters in every house. LIFE conducted workshops to build community capacity to fully participate in the project and manage the new system. By 1998, more than 200 households had 24-hour supply of potable water in their homes, paying just 1 - 2 pesos monthly for this service.

As with all successful LIFE projects, while the tangible benefits lie in immediate improvements to the lives of the poor, the most important impacts relate to strengthened aspects of participatory local governance, essential outcomes if the service delivery gains are to be sustained and scaled-up. In Paraiso II, a community's capacity to organize; prioritize its needs; design its own solutions; manage, implement and monitor projects; liaise effectively with diverse partners; become credible in the eyes of local authorities; and become a vital player in development and service delivery was greatly strengthened. This confidence resulted in other service improvements that followed, including installation of 85 sewer pits. Likewise, numerous other projects in Colombia are strengthening other aspects of local governance:

- **Engaging local authorities and instituting participatory methodologies in government processes:** A central focus of LIFE is to engage local government, the key actor for local development, in participatory approaches. In Colombia, the growing positive experience with the SSPs is slowly convincing local authorities to support such approaches. Cartagena's experience, for example, convinced the Mayor's office to contribute \$70,000 towards LIFE projects. In 2000, 6 new mayors signed commitments to involve the LIFE methodology in their governance plans and to create Community Participation Funds to support projects using this methodology. Bolivar's governor requested the NC to implement SSPs in conflict-affected municipalities, to join the Bolivar Peace Commission, and to contribute to the Peace Plan and its implementation.
- **Building capacity of Government and communities:** Recognizing the centrality of local authorities also means building their capacity to respond to demand and to engage participation. Capacity building is a notable feature of the Colombia effort, targeting both communities and local authorities. From 1995 to 2003, over 7500 local actors from all sectors participated in a variety of training events, e.g., workshops in participatory approaches to municipal planning. Technical and process-related skills, as in Paraiso II, are also gained through the crucial process of learning-by-doing.
- **Increasing community empowerment and participation:** A 1999 evaluation of LIFE Colombia found community empowerment and leadership to be the best outcomes, as demonstrated by the CBOs' successful management of projects in Cartagena, and their participation in the LSCs. Women's empowerment, inclusion and participation is also notable: Women's participation in Colombia LIFE projects has typically been 65–85%. They often form the majority of the LSCs, and are prime beneficiaries of capacity building efforts. One indicator of multi-stakeholder support is the success in mobilizing contributions in cash and kind from communities, CBOS, NGOs, steering committee members, foundations, individuals and the municipalities.
- **Building partnerships and dialogue:** Hundreds of dialogues have been organized and increased partnerships and communication among the different social groups, which include local and departmental authorities. Local-local dialogues have been the most successful, while dialogue with government is improving.

LIFE's SSP approach has costs and benefits. On the one hand it is highly adaptive to specific needs of the poorest communities; it achieves depth of impact and behavioral change, and is easily monitored by beneficiaries. On the other hand, it is time- and cost-intensive; engaging local authorities at the outset, before demonstrable success, has been difficult; and while depth is obtained, the breadth of impact is

limited. Nevertheless, the 1999 evaluation estimated that LIFE Colombia had directly benefited 8,815 people, engaged 15,991 people in capacity development, dialogue and networking activities, and helped achieve healthier living conditions in beneficiary communities. These are no mean accomplishments in an environment of continued instability, and they attest to slow but steady contributions to the transformation necessary for achieving good local governance, development and poverty eradication.

<http://www.undp.org/governance/local.htm> , <http://magnet.undp.org/Docs/dec/LIFE.pdf>  
**Marlene Fernandes, COLOMBIA LIFE Programme National Evaluation Report (9/1999)**

2. The following sources also provide good examples of what works and does not work based on experience of external institutions involved in DGD:

Schou, A. 'Synthesis Study on Supporting Decentralisation and Local Government – Lessons Learned, Good Practices and Emerging Issues', Report for the DAC Working Party on Aid Evaluation, Organisation for Economic Co-operation and Development (OECD), 2003.  
[http://www.uneval.org/docs/DAC\\_EV\(2003\)3.doc](http://www.uneval.org/docs/DAC_EV(2003)3.doc)

UNDP Evaluation Office. *Essentials (Partnership for Local Governance)*, No. 7, August 2002.  
<http://www.undp.org/eo/documents/essentials/PartnershipforLocalGovernance.pdf>

Work, Robertson/UNDP/BDP. "The Role of Participation and Partnership in Decentralised Governance: A Brief Synthesis of Policy Lessons and Recommendations of Nine Country Case Studies on Service Delivery for the Poor," 2002.  
<http://www.undp.org/governance/docsdecentral/participationandpartnershippdf.pdf>

3. The following websites are specifically dedicated to DGD best practices:

- UN Habitat Best Practices Data base <http://www.bestpractices.org/>
- The Thematic Centre on Local Government Initiatives for Sustainable Development and Urban Environment – ICLEI <http://www.iclei.org/habitat-centre/index.htm>
- Latin American Information System on Successful Municipal Experiences - ICLEI Latin America (Spanish) <http://www.iclei.org/redal21/capacidad/>
- Dubai International Award for Best Practices in Improving the Living Environment <http://dubai-award.dm.gov.ae/>
- The United States Conference of Mayors, Best Practices Database [http://www.usmayors.org/uscm/best\\_practices/search.asp](http://www.usmayors.org/uscm/best_practices/search.asp)

## ANNEX 7

### Partners in DGD

#### 1. UN System

- **UN DESA** and UNDP collaborate in many country programmes as well as in the conduct of capacity development workshops on DGD themes as part of the annual Global Forum on

Reinventing Government.

<http://www.unpan.org/globalforums.asp>

- **UN HABITAT** executes most of UNDP's urban programmes including the UMP, one of the global programmes supported by UNDP. <http://www.unhabitat.org/>, <http://www.unhabitat.org/programmes/ump/>. UMP has a wide [network of anchor institutions across regions](#).
- **World Bank Institute** and UNDP signed an MOU outlining specific areas of collaboration and initiatives, including those related to i) local governance, fiscal decentralisation and access to information, and ii) community empowerment. [http://www.decentralization.org/Active\\_Pages/index.asp](http://www.decentralization.org/Active_Pages/index.asp)

## 2. Local government associations

- International Union of Local Authorities (with access to local government associations around the world) – UNDP has an MOU with IULA <http://www.iula.org/>. As from January 2004- we should be aware of the website - "United Cities and Local Governments"
- Council of European Municipalities and Regions <http://www.ccre.org/docs/index.html>
- International City/County Management Association <http://www.icma.org>
- International Council for Local Environmental Initiatives <http://www.iclei.org>
- World Association of the Major Metropolises| <http://www.metropolis.org>
- World Associations of Cities and Local Authorities Coordination <http://www.waclac.org>
- Sister Cities International <http://www.sister-cities.org/>

## 3. Resource centres, universities and institutes

- Asian Resource Center for Decentralization (ARCD) <http://www.decentralization.ws/>
- Barefoot College (India) <http://www.barefootcollege.org/html/about.htm>
- Fiscal Decentralization Initiative <http://lgi.osi.hu/fdi/>
- Ghana Institute of Management and Public Administration (GIMPA) [kadarko@yahoo.com](mailto:kadarko@yahoo.com)
- Institute for Housing and Urban Development Studies- HIS Rotterdam, The Netherlands <http://www.ihs.nl>
- Institute of Public Administration (IPA), USA <http://www.theipa.org/index.html>
- Institute of Regional and Metropolitan Studies (Spain) <http://campus.uab.es/iermb/>
- International Development Department- IDD School of Public Policy, University of Birmingham, UK <http://www.bham.ac.uk/idd>
- Kiev-Mohyla Academy (Ukraine) [iccf@i.kiev.ua](mailto:iccf@i.kiev.ua)

- Network of Institutes and Schools of Public Administration in Central and Eastern Europe (NISPAcee)  
<http://www.nispa.sk>
- Open Society Institute/Soros Foundation  
<http://www.soros.org/>
- School of Planning and Architecture (India)  
[jhansari@bol.net.in](mailto:jhansari@bol.net.in)
- Taubman Center for State and Local Government  
Kennedy School of Government, Harvard University  
<http://www.ksg.harvard.edu/taubmancenter/>
- Universidad Privada Antenor Orrego (Perú)  
[vcarrerat@yahoo.com](mailto:vcarrerat@yahoo.com)
- University of the Philippines  
School of Urban & Regional Planning  
<http://www.upd.edu.ph/>
- University of the Philippines  
National College of Public Administration and Governance  
<http://www.upd.edu.ph/~ncpag/>
- Centre for Environmentally Sound Technology Transfer - Sichuan University  
P.R. China  
<http://www.cestt.org.cn/English/>

## **ANNEX 8**

### **Knowledge Resources in DGD**

#### **1. UNDP and UNCDF Policy Advisors**

## 1.1 UNDP HQ

- Robertson Work – Principal Policy Advisor on Decentralisation – [robertson.work@undp.org](mailto:robertson.work@undp.org)
- Jonas Rabinovitch – Senior Advisor on Urban Development and Urban/Rural Relations – [jonas.rabinovitch@undp.org](mailto:jonas.rabinovitch@undp.org)
- Gita Welch – Democratic Governance Practice Leader, [gita.welch@undp.org](mailto:gita.welch@undp.org)

## 1.2 UNDP SURFs

- Luigi Tessiore – Decentralisation and Local Governance Advisor, SURF/Central and East Africa – [luigi.tessiore@undp.org](mailto:luigi.tessiore@undp.org)
- Henrik Larsen – Decentralisation and Local Governance Advisor, SURF/West and South Asia – [henrik.larsen@undp.org](mailto:henrik.larsen@undp.org)
- Juan Manuel Salazar – Local Governance Advisor, SURF/Latin America – [juan.manuel.salazar@undp.org](mailto:juan.manuel.salazar@undp.org)
- Jurgita Siugzdiniene – Local Governance Advisor, SURF/Europe and CIS – [jurgita.siugzdiniene@undp.org](mailto:jurgita.siugzdiniene@undp.org)
- Sonia Duran – Decentralisation and Institutional Advisor, SURF Latin America - [sonia.duran@undp.org](mailto:sonia.duran@undp.org)
- SURF/Arab States will also have a DGD Advisor in the near future.

## 1.3 UNCDF Local Governance Unit

- Kadmiel Wekwete – Director, [kadmiel.wekwete@undp.org](mailto:kadmiel.wekwete@undp.org)
- Leonardo Romeo – Principal technical Adviser, [leonardo.romeo@undp.org](mailto:leonardo.romeo@undp.org)
- Roger Shotton – Senior Technical Adviser, [roger.shotton@undp.org](mailto:roger.shotton@undp.org)
- UNCDF also has a number of regional advisors

## 2. Community of Practice in DGD

To strengthen its role and capacity in promoting DGD, UNDP is building a community of practice among its staff. Following the launch of the DLGUD practice in Marrakech in December 2002, a number of initiatives have been undertaken. These include the: i) establishment of the DLGUD Network as a platform for maintaining connectivity among practitioners, ii) conduct of a regional workshop in Europe and CIS (with one in the Arab States set for December 2003), and iii) implementation of global and regional plans.

The DLGUD Network serves as a platform for maintaining connectivity among DGD practitioners. It aims to actively engage colleagues, especially from the country offices, in building and sharing lessons, experiences and knowledge products that will be particularly relevant to the work they undertake on the ground; promote e-discussion of key issues that have significant implications in terms of cutting-edge approaches to promoting DGD; and keep practitioners up-to-date on relevant developments and resources at the global, regional, sub-regional and country levels. DLGUD Network Facilitator – Elena Marcelino – [elena.marcelino@undp.org](mailto:elena.marcelino@undp.org)

## 3. UNDP Democratic Governance Fellowship Programme at Oslo Governance Centre

The Oslo Governance Centre is an integral part of BDP's support services. It awards an annual Democratic Governance fellowship programme. The fellowship programme provides staff members with opportunities to spend between 1-2 months in residence in Oslo, where they can reflect on and write up their experiences on governance issues, DGD. More information on the fellowship programme can be obtained by contacting the Oslo Governance Centre at: [Oslogovcentre@undp.org](mailto:Oslogovcentre@undp.org).

## 4. Individual experts

Individual experts in DGD are listed in the SURF Expert Roster of the Knowledge Connection at <http://stone.undp.org/main/surf/database/index.cfm?Search=Expert>. Additional Expert Rosters with DGD specialists have been developed in various COs or SURFs, such as the [SURF for Eastern Europe and CIS](#). Regional SURFs may be contacted for external support or for taking benefits from UNDP internal competencies. Additional experts are also available through the extensive [TCDC roster](#).

## 5. Websites

- 5.1 UNDP websites on decentralization, local governance and urban development.** Currently, the following websites (to be streamlined eventually) provide access to information and resources relating to DLGUD:  
<http://intra.undp.org/bdp/dlgud/intro.htm>  
<http://www.undp.org/governance/marrakechcdrom/index.html>  
<http://www.undp.org/governance/decentralization.htm> (on decentralization)  
<http://www.undp.org/governance/local.htm> (on local governance)  
<http://www.undp.org/governance/urban.htm> (on urban development)
- 5.2 Website of the Regional Project, Knowledge Fair on Local Governance in Latin America,** [www.logos.undp.org](http://www.logos.undp.org)
- 5.3 UNCDF Local Governance Unit (LGU) website.** This provides access to LGU policy papers, thematic papers (e.g., fiscal decentralisation, poverty and local governments), and links to detailed information on UNCDF country programmes in 20 countries.  
[http://www.uncdf.org/english/local\\_governance/index.html](http://www.uncdf.org/english/local_governance/index.html)
- 5.4 Decentralization Net.** This website is intended to assist people who are working on various aspects of decentralization by providing access to key resources including lessons learned not only from World Bank experiences but also from others.  
<http://www1.worldbank.org/publicsector/decentralization/>
- 5.5 Decentralization.org.** This is the website of the WBI Public Finance, Decentralization and Poverty Reduction Program which may be accessed at [http://www.decentralization.org/Active\\_Pages/index.asp](http://www.decentralization.org/Active_Pages/index.asp).
- 5.6 Development Gateway.** This has been set up by the World Bank as a clearinghouse, or resource center, for information related to various development issues, and has a section on local governance operated in cooperation with UNCDF.  
<http://www.developmentgateway.org/governance>
- 5.7 GRC Exchange.** Available at <http://www.grc-exchange.org>, this new website presents recent thinking in governance for development. It provides key texts and resources exploring key governance themes (e.g., service delivery) and cross-cutting issues.
- 5.8 Local Government and Public Service Reform Initiative (LGI).** Launched by the Open Society Institute-Budapest, the LGI seeks to promote local government and public service reforms in Central and Eastern Europe and the former Soviet Union. The LGI website, <http://lgi.osi.hu/publications>, contains information on LGI publications.



- 5.9 Public-Private Infrastructure Advisory Facility (PPIAF) <http://www.ppiaf.org/>.** The Public-Private Infrastructure Advisory Facility (PPIAF) is a multi-donor technical assistance facility aimed at helping developing countries to improve the quality of their infrastructure through private sector involvement.
- 5.10 School of Forestry and Environmental Studies, Yale University, USA.** The School is a key partner for the PPPUE Global Learning Network (GLN) activities. The GLN project database and Virtual Library are managed by the Yale team, including regular update of resources in the database. <http://www.yale.edu/forestry/>
- 5.11 UN HABITAT Website** – The website, <http://www.unhabitat.org/>, features a number of urban development programmes, including the UMP. More information on the UMP is available online at <http://www.unhabitat.org/programmes/ump/>.
- 5.12 Water, Engineering and Development Centre (WEDC), Loughborough University, UK. :** <http://www.lboro.ac.uk/departments/cv/wedc/>. WEDC is one of the world's leading institutions concerned with education, training, research, and consultancy relating to the planning, provision, and management of infrastructure for development in low- and middle-income countries.
- 5.13 World Bank Website on Urban Development** – The website features the following topics: City Development Strategies, Disaster Management, Housing and Land, Local Economic Development, Municipal Finance, Urban Services to the Poor, Urban Poverty, and Urban Waste Management. <http://www.worldbank.org/urban/>
- 5.14 Websites specifically on DGD best practices**
- UN Habitat Best Practices Data base  
<http://www.bestpractices.org/>
  - The Thematic Centre on Local Government Initiatives for Sustainable Development and Urban Environment – ICLEI  
<http://www.iclei.org/habitat-centre/index.htm>
  - Latin American Information System on Successful Municipal Experiences – ICLEI Latin America (Spanish)  
<http://www.iclei.org/redal21/capacidad/>
  - Dubai International Award for Best Practices in Improving the Living Environment  
<http://dubai-award.dm.gov.ae/>
  - The United States Conference of Mayors, Best Practices Database  
[http://www.usmayors.org/uscm/best\\_practices/search.asp](http://www.usmayors.org/uscm/best_practices/search.asp)

## **ANNEX 9**

### **Basic Bibliography and Acronyms**

#### **1. Basic bibliography**

##### **1.1 UNDP/BDP Practice Notes and Policy Positions**

Other Practice Notes are available on <http://www.undp.org/policy/practicenotes.htm>. In addition to the Practice Notes on other areas of Democratic Governance, the Practice Note on the engagement of civil society (under

Poverty Reduction) may be particularly relevant to DGD.

## **1.2 Lessons from UNDP global programmes**

UNDP/Local Initiative for Urban Environment (LIFE) Programme. "Participatory Local Governance, LIFE's Method and Experience, 1992 – 1997, 1997. <http://magnet.undp.org/Docs/dec/LIFE.pdf>

UNDP/Urban Management Programme (UMP). "Participation to Partnership: Lessons from Urban Management Programme City Consultations," 2001. <http://www.unhabitat.org/programmes/ump/documents/UMP27.pdf>

## **1.3 Documentation of workshops and conferences on DGD**

A Local Governance Approach to Post-Conflict Recovery, Report of the proceedings of a workshop organized by the Institute of Public Administration and co-hosted by UNDP/BCPR and UNCDF, New York, October 2002. [http://www.theipa.org/publications/workshop\\_proceedings.doc](http://www.theipa.org/publications/workshop_proceedings.doc)

Arab States Local Governance Forum, Sana'a, December 2003. <http://www.undp.org/rbas/forum/>

Innovations Linking Decentralised Governance and Human Development: A Capacity development Workshop under the Fifth Global Forum on Reinventing Government, Mexico City, November 2003. <http://www.undp.org/governance/mexico.htm>

UNDP's 1<sup>st</sup> Global Sub-Practice Meeting on Decentralisation, Local Governance and Urban Development, Marrakech, December 2002. <http://www.undp.org/governance/marrakechcdrom/index.html>. The collection of papers on concepts and tools in DLGUD prepared for this meeting may be accessed directly at <http://www.undp.org/governance/marrakechcdrom/conceptsAndTools.html>

## **1.4 UNCDF case studies on local infrastructure and service delivery**

Case studies for the AFRICITIES Conference, Yaoundé, December 2003, in partnership with the Regional Bureau for Africa and SURF/Addis Ababa, and with the Programme de Développement Municipal, Cotonou. [http://www.uncdf.org/english/local\\_governance/africities/](http://www.uncdf.org/english/local_governance/africities/)

Case studies for a Regional Seminar and Learning Event on "Local Governance and Pro-Poor Service Delivery in Rural Asia," Manila, 10-12 February 2004, which UNCDF is co-sponsoring, along with the Asian Development Bank and the Asian Development Bank Institute. [http://www.uncdf.org/english/local\\_governance/adb/index.html](http://www.uncdf.org/english/local_governance/adb/index.html)

## **2. Acronyms**

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CBOs	community-based organisations
CIS	Commonwealth of Independent States
CSOs	civil society organisations
DDR	demobilization, disarmament and reintegration
DGD	Decentralised governance for development
DGP	Decentralised Governance Programme
DGTTF	Democratic Governance Thematic Trust Fund
DLGUD	Decentralisation, local governance and urban/rural development
DTAH/A	Decentralised Transformative Approach to HIV/AIDS
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDP	Internally displaced persons
IULA	International Union of Local Authorities
LDCs	Least developed countries
LDF	Local Development Fund
LDP	Local Development Programme
LGUs	Local government units
LIFE	Local Initiative Facility for Urban Environment
MDGs	Millennium Development Goals
MOU	Memorandum of Understanding
MYFF	Multi-Year Funding Framework
NGOs	non-governmental organisations
PPPUE	Public-Private Partnerships in Urban Environment
ROAR	Results-oriented Annual Report
STDs	sexually transmitted diseases
UMP	Urban Management Programme
UNDAF	United Nations Development Assistance Framework
WACAP	World Alliance of Cities against Poverty

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