ISSUE BRIEF

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LOCALIZING SUSTAINABLE HUMAN DEVELOPMENT:

CONSIDERATION FOR POST-2015 GLOBAL DEVELOPMENT AGENDA

The deadline set by the United Nations to achieve the MDGs is just three years away. Discussions on developing a new global development agenda to replace the MDGs are on-going. The global goals that are agreed at the end of those discussions must be accompanied by effective implementation mechanisms. The challenge for all governments and development partners is how to create a system of governance that translates global consensus into local action and results. The experience of implementing the MDGs offers some lessons on how to proceed.

When the MDGs were launched, the idea was for conventional sectoral systems to be used to implement the programmes. With that understanding, poverty reduction strategy programmes and sector-wide approaches were adopted as implementation strategies. Sector institutions and ministries, including finance, health, education, agriculture and forestry, were strengthened to lead implementation of the sectoral

goals. Development partners adopted corresponding funding process that involved direct budgetary support, and there was an assumption that countries would channel budgetary funding to these sectors to support MDG implementation.

The mid-term evaluation of the MDGs in 2008 introduced certain key aspects shared by the United Nations Secretary-General.[1] There was a clear indication that the achievement of the MDGs was not just a pursuit of discrete actions to improve statistics in the respective sectors, but a long-term concerted process that required elaboration of issues on ownership, local accountability, viability of local institutions, and sustainability of gains. This introduced the term 'Localization of the MDGs'.[2] Development partners and sector ministries at the national level sought to reflect MDG targets that were relevant and realistic to local settings. Localization of the MDGs thus made local governance and local development central, not only for achieving the MDGs, but to provide a reliable institutional base for sustaining the MDGs' key social and economic gains.

What do Local Governance and Local Development mean?

Local governance refers to a range of interactions between multiple actors (local governments, private sector, civil society and community-based organizations), institutions, systems and processes at the sub-national level through which services are provided to citizens, groups, enterprises and local communities. The interaction involves decision-making, planning, financing, implementation, monitoring, accountability and management of local development processes. This does not rest only on the powers, resources and actions of local governments, but also the important space and roles given to non-state actors and local citizens. Local governance is therefore an important input to the process of achieving local development.

Local development involves the provision of basic infrastructure and services, creation of livable, integrated cities, towns and rural areas, mobilization of local revenue and promotion of local economic development.

The experience of the local governance approach in the implementation of the MDGs

The introduction of a role for sub-national governments plus recognition of local governance and local development in the implementation of the MDGs added a sense of urgency to the localization process. Local initiatives became central to national and sub-national development plans and poverty reduction strategies. Development partners, governments, NGOs and civil society groups not only supported local institutions, both urban and rural, in interpreting the MDG targets to local needs, they also facilitated the planning, ownership and nurturing of local institutions to sustain the gains.

In their response to MDG 1 (eradicating extreme poverty and hunger), sub-national governments started local economic development programmes with support from national governments and development partners in many countries in Africa, Latin America, Eastern Europe and Asia. Support to sub-national governments brought about improvements in the capacities of local enterprises to create economic opportunities, utilize local resources, and increase local incomes in activities that also targeted women and youth.[3] For MDG 2 (achieving universal primary education), sub-national governments in many countries are traditionally responsible for providing infrastructure for basic schools. Sub-national governments partnered with sector ministries in charge of education and other development partners to provide incentives for increasing school attendance and reducing drop-out rates, particularly for girls. In Africa and Asia, sub-national governments in many countries implemented free basic school programmes, school feeding and free transportation programmes. They provided a platform for mobilizing farmers, entrepreneurs and civil society groups who participated in the school feeding programme. Reports suggest that this has been a significant success (WFP, 2011).[4] In almost all countries where these interventions were implemented by sub-national institutions, basic school participation increased. Women's empowerment advanced from advocacy to manifestation when sub-national institutions took the lead in implementing programmes. Gender analysis and application featured in local representation, data-collection and decision-making, development prioritization, resource allocation and reporting. In countries such as Armenia, Chile, Rwanda, Tanzania, Samoa and Bangladesh, this has contributed to significant MDG3 gains.[5]

Sub-national governments have been responsible for providing and managing public health facilities in their respective jurisdictions. The response to MDGs 4, 5 and 6 has been monumental, as sub-national governments continued to be the focus for mobilizing NGOs, community groups, and resources, and for using local systems for campaigns on immunization, maternal care, HIV-AIDs, and distribution of mosquito nets. In many of these countries, institutions such as primary healthcare units were established and have become part of the regular sub-national government administrative structure. This system has made it possible for healthcare to routinely reach much wider areas and populations. The compilation of health data and reports on health indices at the sub-national level has helped to target health responses. The United Nations AMICAALL programme, which involved 1,500 mayors in 13 countries, has been acknowledged as an appropriate and essential response to HIV/AIDs prevention and control in Africa.[6]

> **Limitations of the MDG approach**
>
> MDGs influenced the setting of somewhat rigid national policy agendas, following international benchmarks, rather than **local conditions** and often ignoring the complexities of the development process; in the global debate, the MDGs led to overemphasizing financial resource gaps to the detriment of attention for **institutional building and structural transformations**.
>
> From *The future we want (UNDP, 2012)*

In many countries, urban and natural resource management remains the responsibility of sub-national governments. In 2008, the Union of Cities and Local Governments questioned how MDG 7 (ensuring environmental sustainability) could be achieved without to the keen involvement of sub-national governments. Sub-national governments used innovative strategies, such as public-private partnership, community management schemes and partnerships with informal producers and dwellers, to improve water, sanitation and slum conditions in many municipalities. The challenge of climate change and natural resource management emphasizes ownership, local participation and local financing mechanisms. Responding to these challenges has been a significant task, particularly with large-scale strategies that involve central government delivery mechanisms. The few innovations that do exist have involved municipalities and communities.[7]

Local governance systems and institutions have provided mechanisms for implementing the MDGs. They have created avenues that have localized the MDGs in terms of ownership, participation and accountability. They have provided the means with which to reach out to beneficiaries in conflict and post-conflict areas. And they have established an institutional base for sustaining MDG gains.[8]

Local governance and sustainable human development

Discussion of the 'Beyond 2015' development agenda has so far been shaped by two global forums, the 4th High Level Forum on Aid Effectiveness in Busan, Republic of Korea, in November 2011, and the Rio+20 United Nations Conference on Sustainable Development in Rio de Janeiro in June 2012. While the Busan forum emphasized the role of local governance in ensuring effective local ownership and accountability, the Rio+20 conference underlined the role of local governance in mobilizing views for decision–making and harnessing local potential for planning and implementation of policies for sustainable development.

Does local governance have a place at Rio?

The Rio+20 conference concluded that sustainable development requires the meaningful involvement and active participation of regional, national and sub-national legislatures and judiciaries, local authorities, as well as other stakeholder in processes that contribute to decision-making, planning and implementation of policies and programmes for sustainable development at all levels.

From the *UCLG Report, 2012*

The outcome document recognized that the key development challenges now and for the future are **poverty**, **inequality** and **sustainable environment**.[9] Based on the MDG experience and substantial evidence from many countries – middle-income, low income, least developed and post-conflict – paragraph 42 of *The Future We Want, Rio+20 Outcome Document* clearly underlines the role of local governance and local development in a future development agenda.[10] They provide a framework with which to engage citizens **in decision-making** and **accountability**, **information gathering** for effective decision-making, **planning** and **implementation** and accounting for **development results**.[11]

Consensus is emerging globally that people must utilize available resources to enlarge their choices, capabilities and needs – but they must do so without compromising the needs of future generations. This implies that development must operate within a defined ethical framework, which requires some regulation without constraining the necessary space for local diversity and innovation. Local governance as a policy and practice provides that opportunity, because it harmonizes societies' interests, aspirations and diversities in the use of available resources in an equitable manner.

Sustainable human development lies at the core of the global development discourse. It requires a balance between economic demand, social satisfaction and environmental resources. Keeping that balance has been the responsibility of

Sustainable human development

Sustainable human development is defined as the enlargement of people's choices and capabilities through the formation of social capital so as to meet as equitably as possible the needs of the current generations without compromising the needs of futures ones. It focuses on development that not only generates economic growth, but distributes its benefits equitably, that regenerates the environment rather than destroying it, that empowers people rather than marginalizes them.

From UNDP's *Human Development Report, 2011*

Figure 1. Achieving Sustainable Human Development in Local Spaces
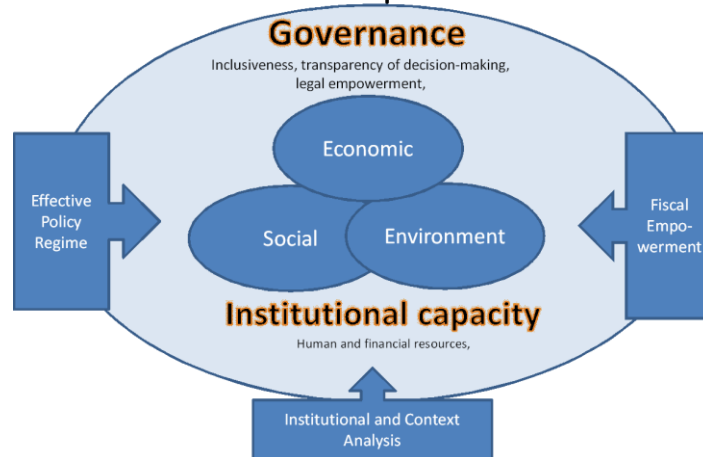
Local governance and Busan

The Busan partnership emphasized the critical role that local governments play in linking citizens with government and ensuring ownership of countries' development agendas. It pledged to further support local governments to enable them to assume, more fully, roles above and beyond service delivery to enhance participation and accountability at the sub national levels.

From the *UCLG Report, 2012*

central governments through policy development and resource disbursement. The implementation and manifestation of the balance takes place at the local level and is referred to in this context as 'local space'.

The management of this local space to maintain the balance depends on local governance and local development arrangements (relationship between the centre and the local space, the level of inclusiveness in decision-making, transparency in administration, demand for accountability and respect for the rights of minority and marginalized groups) and the level of local institutional capacity (human and financial resources, and interaction of the institutions). Paragraph 37 of the Rio+20 outcome aptly captures this analogy: "We reaffirm

that to achieve our sustainable development goals, we need institutions at all levels that are effective, transparent, accountable and democratic".

The place of local governance in the post-2015 development agenda

Local governance systems provide a useful platform for the interaction of different players (community leaders, civil society, private business sector, public sector official, local political representatives, local public servants and minority and marginalized groups). The MDG experience implementation demonstrates that citizens' engagement solely in policy discussions and local electoral processes may not be enough to provide and solidify local identification and ownership. Modern communication facilities have led to a high demand by citizens for engagement. The shift from a paternalistic government to an engaging government calls for multi-stakeholder decision-making with transparent information sharing and regular mobilization of local views, not just for policy development but for planning, implementation and accounting for development results.

Local governance in Rwanda

In Rwanda, local governance and local development represented a way to rebuild trust, give local people greater voice in governance processes, increase transparency and maintain political stability. Local authorities are thus implementers of plans and policies drawn up with them at the national level. Without local governance, there can never be a sustainable development process.

Hon. James Musoni, Minister for Local Administration, Government of Rwanda (2008)

Strengthening the role played by local governments through organized development dialogues will ensure that decisions and choices are not only **inclusive,** but **relevant** **an**d **locally owned**. This engagement has accounted for the changed phase of MDGs. The pursuit of sustainable human development therefore demands a balance of local interest among various stakeholders, demanding more dialogue and engagement to establish agreements, commitments and **ownership**. Local governance and local development respond to this vital element of balance – creating a sense of **ownership** and commitment for **sustainable human development**.

Local governance and local development provide the most practical means of developing accountability, because they effectively serve as a fulcrum for beneficiaries to relate plans to delivery, targets to achievements and resources to outputs. They provide a powerful and practical way for ordinary citizens

to demand accountability from elected representatives and public officials – and because local institutions are located where services are delivered, results can readily be verified by beneficiaries.

Given that sustainable human development requires ready, specific and reliable information that reflects location,

"Local governance and local development provide the most practical means of developing accountability"

gender, income and other characteristics for effective monitoring and decision-making, local government institutions are well placed to provide that. In many developing countries, the unpredictable nature of these elements can make information gathering demanding and too frequent. Sub-national government institutions are closer to the sources of information, so they are better positioned to collect data and interpret nuances than national government agencies. The ever increasing demand for information suggests that sub-national government, both rural and urban, will have a key role to play in the next development agenda.

Local governance and local development presents opportunity for local people to identify their own needs and aspirations and to create strategies and actions to respond appropriately to issues that affect them, define targets, and mobilize resources. It is through this essential

"Local governance offers appropriate ways to manage local diversities, minority needs and specific local situations"

function of sub-national governments that relevant services (e.g., education, health services, access to water and sanitation, agricultural extension, roads and other economic infrastructure) are provided. Local governance also offers appropriate ways to manage local diversities, minority needs and specific local situations. A local governance and development system with defined, recognized and statutory functions provides a clear **institutional base** to **coordinate local actions and initiatives**, serve as a link between local aspirations and national perspectives and provides a reference point and focus for local development.

The performance of sub-national governments determines to a large extent whether citizen entitlements to universal primary basic education, basic health care, water, sanitation and drainage networks, and a safe environment are guaranteed. The performance of local governments as service providers and regulators of local service provision help determine whether many of the MDG targets are met and can be met and, indeed, whether the next development agenda can be achieved and sustained. Local governance and local

development therefore constitute a nexus for responding to the challenges of poverty, inequality and sustainable environment.

Challenges of local governance and local development

The implementation of a local governance and local development framework brings a number of challenges. Sub-national governments were often accused of being corrupt, irresponsive and a repository for recalcitrant and incorrigible public servants. Although that situation has greatly improved since the 1990s, the psychological challenge remains.[12] The main practical constraints to local governance and local development include statutory and policy weaknesses, inadequate capacity and insufficient resources.

Many countries in Africa, Asia and Latin America have developed decentralization policies and programmes as part of broader strategies to establish effective local governance and local development processes. But even when statutes and policies have been established to devolve decision-making power to sub-national governments, they are often not implemented. In many countries, the framework for local governance continues to be ad-hoc and at the discretion of the central executive.

In Africa and Asia, many sub-national governments still lack the basic capacity to apply tools and methods to basic functions, such as planning, budgeting, revenue mobilization and service delivery. The situation is worse in countries that have not clarified the division of functions between national and sub-national institutions.[13] The greatest challenge for sub-national governments is the availability of resources for their work.

Fiscal decisions in most cases are still centralized and even when decentralized, funds are often inadequate. Opportunities for raising local revenues are limited, particularly in rural sub-national governments. That, of course, inhibits the delivery of local services and programmes. Notwithstanding these challenges, in countries where sub-national governments are provided with the necessary support to operate – Philippines, Rwanda, Bangladesh, Ghana, Nicaragua, Tanzania and Chile, for instance – sub-national governments have been able to provide leadership to respond to municipal challenges as well as leading in the implementation of the MDGs.

Policy implications for sustainable human development

The potential for sub-national institutions to respond effectively to hunger, inequality and a sustainable environment is enormous and remains central to the implementation of any new development agenda. But the appropriate conditions must be in place if this opportunity is to be grasped and expanded. Key areas for consideration and discussion include:

1. **Decentralization** Decentralization policies (or a lack thereof) determine the nature, structure and quality of local governance and its ability to implement development processes and achieve positive outcomes. Promoting fiscal, political and administrative decentralization may be a key condition for the effective implementation of local governance and local representation.

2. **Relationship between sub-national and national governments** This relationship is necessary to ensure the coordinated articulation and implementation of development priorities, both local and national. The relationship may benefit from strengthening when there are clearly defined lines of responsibility, authority and resources between national and sub-national government.

3. **Capacity development for sub-national institutions** In situations where personnel exist, but lack the necessary skills, knowledge and ability to deliver, training is essential. But where there are no personnel to carry out the assigned functions, there may be a need to facilitate **the administrative functioning of sub-national institutions**. Specific tools and methods should be developed to support community leaders, community based groups, traditional authorities to facilitate civic engagement and accountability.

4. **Predictable resource regime for sub-national governments** Effective programme planning and implementation requires a predictable and reliable source of funding. There is a need to institute measures that enable national government and development partners to commit to a medium-term financial framework for sub-national governments. Defined and fixed proportions from central government investment funds could be earmarked for investment support to sub-national levels on a mid-term perspective of three to five years.

5. **Sub-national governments delivering special services** Sub-national institutions have been adept in responding to demands for regular municipal services, such as health, education, water and sanitation. They have, though, been challenged by new demands of urbanization, employment creation and sustainable environment. Special policy packages could be developed to provide the necessary legal, institutional and resources incentives to deal with these local demands.

6. **Local revenue mobilization** MDG implementation at the local level depends very much on donor support and national government transfers. Many urban local governments that are in the position to mobilize a

substantial part of the local revenue are not doing so. Successful implementation of sustainable development goals will depend on improving the fiscal effort of sub-national governments to mobilize local resources.

Setting Goals for local governance after 2015

Positioning local governance and local development at the global level in a new global agenda that includes sustainable human development demands a common global understanding. More importantly, it must identify and agree on areas for development and measurement. Here, local governance and local development will focus on responding to the challenges of poverty, inequality and a sustainable environment. It would also be technically convenient if the measurement is stratified to correspond to global, regional and country targets. It is more expedient to express a country target to be relevant at a sub-national government level than working from a global goal, which may be considerably vague.

> **"Local governance and local development have huge potential to translate the global development agenda to the local reality"**

The challenge of how to build on these target chains from the sub-national (local) level to aggregate a measurable global result still remains a challenge.[14]

Local governance and local development have huge potential to translate the global development agenda to the local reality. Providing legislative and political support to countries to institutionalize a local governance framework – as well as supporting them to define and articulate a vision for local development – is the way forward in the implementation of new global development goals. There should also be a focus on developing tools and methodologies that enhance the capacity of local governance institutions to coordinate and manage local public expenditure systems. Support to civic engagement that ensures equity and inclusive development will be needed. Finally, local governance and local development systems must be harnessed for local service delivery and as a key channel through which to achieve sustainable human development.

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Endnotes

1 UN (2008) Committing to action: Achieving the MDGs. Background note by the UN Secretary-General to the high level event on the MDGs, 28 September 2008

2 UNDP (2011) Urban Millennium Partnership: Localizing MDGs for meeting the challenge of MDGs in cities

3 UNDP, UNCDF and UN-Habitat supported the initiation of Local Economic Development programmes in 15 least developed countries in Africa including post-conflict countries such as Burundi, Sierra-Leone and Somalia. Southern and Eastern Africa | UNCDF; UN-HABITAT.

4 The WFP document, *School feeding cost benefit analysis* (WFP, 2011), recorded countries such as Bangladesh, Ghana, Kenya, Laos, Mozambique, Malawi, Cambodia, Zambia.

5 www.undg.org/docs/11421/MDG3_1954-UNDG-MDG3-LR.pdf

6 Amicall – Alliance of mayors and municipal leaders on HIV/AIDS in Africa

7 Local Government Inputs for the High Level Event on MDGs; MDG Centre

8 Millennium Declaration and the MDGs

9 Paragraph 3 of the Busan Outcome Document; and Paragraph 37 of The Future We Want Rio+20 Outcome Document highlight these challenges.

10 The Future We Want Rio+20 Outcome Document

11 Busan Outcome Document; The Future We Want Rio+20 Outcome Document

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