

Strategic Priorities and Operational Challenges for European Support for Democratic Decentralisation in the Context of the new ACP-EU Partnership Agreement

Christiane Loquai



This paper was prepared as a follow-up to the informal expert seminar entitled 'European Support for Democratic Decentralisation and Municipal Development: A Contribution to Poverty Reduction and Local Development?' that was held in Maastricht on 14 and 15 June 2000. The seminar was organised jointly by the ECDPM and the Swedish Ministry of Foreign Affairs.

The background research for the seminar and this publication were co-financed by the Swedish Ministry of Foreign Affairs and the Belgian Directorate-General for International Cooperation.

October 2001

Content

ACKNOWLEDGEMENTS.....	5
1. THE EVOLVING CONCEPTS AND CONTEXT OF DECENTRALISATION.....	9
2. WHAT OPPORTUNITIES AND RISKS DOES DECENTRALISATION HOLD FOR POVERTY REDUCTION AND LOCAL DEVELOPMENT?.....	11
3. STRATEGIC AND OPERATIONAL CHALLENGES FOR EUROPEAN SUPPORT TO DECENTRALISATION	15
3.1 SUPPORT FOR DEMOCRATIC DECENTRALISATION IS A ‘RISKY BUSINESS’	15
3.2 ACKNOWLEDGING THE POLITICAL NATURE OF DECENTRALISATION	16
3.3 DEVELOPING CONTEXT-SPECIFIC APPROACHES	18
3.4 COOPERATING WITH EMERGING SUB-NATIONAL GOVERNMENT.....	19
3.4.1 <i>Challenges for the European Community and bilateral cooperation.....</i>	<i>19</i>
3.4.2 <i>Challenges for European NGOs.....</i>	<i>21</i>
3.4.3 <i>Challenges for sub-national government actors involved in international cooperation</i>	<i>22</i>
3.5 GEARING SUPPORT FOR DECENTRALISATION TO POVERTY REDUCTION OBJECTIVES	23
3.6 TAKING ACCOUNT OF GENDER IN SUPPORT OF DECENTRALISATION AND LOCAL GOVERNANCE	25
3.7 RECOGNISING THE ROLE OF TRADITIONAL AUTHORITIES.....	26
3.8 EXPLORING THE ROLE OF LOCAL GOVERNMENT IN DECENTRALISED ECONOMIC DEVELOPMENT	27
3.9 ADAPTING AID INSTRUMENTS AND MANAGEMENT TOOLS	29
3.9.1 <i>Developing instruments and aid management tools for multi-actor dialogue</i>	<i>29</i>
3.9.2 <i>Monitoring and evaluating (support for) democratic decentralisation.....</i>	<i>30</i>
3.10 ENHANCING COHERENCE AND COMPLEMENTARITY OF DIFFERENT ‘CHANNELS’ AND INSTRUMENTS IN SUPPORT OF DECENTRALISATION AND LOCAL GOVERNANCE	33
4. THE COTONOU AGREEMENT: OPPORTUNITIES AND CHALLENGES FOR EUROPEAN SUPPORT FOR DEMOCRATIC DECENTRALISATION	34
4.1 IMPORTANT PROVISIONS AND NOVELTIES IN THE AGREEMENT.....	34
4.1.1 <i>The new strategic focus on institutional development, capacity-building and dialogue with different actors in development.....</i>	<i>35</i>
4.1.2 <i>The legal foundations for future ACP-EU cooperation on decentralisation, municipal development and local governance</i>	<i>35</i>
4.1.3 <i>Modes and levels of intervention</i>	<i>37</i>
4.1.4 <i>Implications of the new programming process</i>	<i>39</i>

4.2	OPERATIONAL CHALLENGES AND QUESTIONS RELATED TO THE IMPLEMENTATION OF THE NEW PROVISIONS.....	39
4.2.1	<i>Increasing awareness of and information on new opportunities for cooperation in the field of decentralisation and municipal development</i>	40
4.2.2	<i>Putting the commitment to participation and bottom-up policy dialogue with ‘decentralised actors’ into practice.....</i>	40
4.2.3	<i>What role can the European Commission play in supporting decentralisation and decentralised initiatives for poverty reduction and local development?</i>	41
4.2.4	<i>Strengthening overall complementarity and coherence of support</i>	42
4.2.5	<i>Mainstreaming poverty-reduction objectives in ACP-EU cooperation on decentralisation and municipal development.....</i>	43
5.	ADDRESSING THE CHALLENGE: OPTIONS FOR FUTURE EUROPEAN SUPPORT FOR DECENTRALISATION	44
	BIBLIOGRAPHY.....	48
ANNEXE:	LIST OF THE PARTICIPANTS OF THE SEMINAR	53

Acknowledgements

This working paper is a synthesis of the discussions that took place at an informal expert seminar on 'European support for decentralisation and municipal development', which was organised by the European Centre for Development Policy Management (ECDPM) and the Swedish Ministry of Foreign Affairs on 14-15 June 2000. The paper thus mainly draws on the written and oral contributions of the participants, whom the organisers would like to thank for their valuable inputs and the wealth of ideas generated. These are complemented by references to recent research on this theme and information on strategic debates within European donor agencies.

The following analysis draws on notes on the different sessions of the seminar prepared by Terhi Lehtinen, who also contributed substantially to the organisation of the seminar and made comments on this paper. The author would like to express her gratitude to Terhi Lehtinen for her collaboration and valuable inputs provided.

This publication would not have been possible without the support of the Swedish Ministry of Foreign Affairs, who, as the main sponsors of the seminar, co-financed this publication as part of a joint research programme on European support for decentralisation and local development.

ECDPM would like to express its gratitude to the Belgian Directorate-General for International Cooperation, who co-financed preliminary desk studies and consultations with donors in preparation for the seminar, and also provided a written contribution discussing experiences in monitoring Belgian support for decentralisation and municipal development in Côte d'Ivoire.

The author of this paper, would also like to thank the European Commission's Directorate-General for Development for co-financing the participation of several European and African experts and their written contributions to the seminar in the name of ECDPM.

ECDPM is most grateful to the following agencies and organisations, who co-financed participants and contributions by ACP participants and/or their own staff: ACT Consultants, the African Union of Local Authorities, the Agence Française de Développement, the Association de l'appui au développement global (ADG) Mali, the Association de Co-opération Technique (ACT)/Belgium, Cabinet Gressard, Danish International Development Assistance, the Department for International Development (DFID), the Directorate General for Development Cooperation of the Community of Madrid, ENDA Tiers Monde, the Finnish Department of International Development Cooperation, the French Ministry of Foreign Affairs, the Friedrich-Ebert Foundation, GEMDEV, the German Technical Cooperation Agency (GTZ), the Institute for Housing and Urban Development Studies/Rotterdam (IHS), the Institute for Local Government Studies/Ghana, the Netherlands Development Organisation (SNV), the Programme de Développement Municipal/Cotonou (PDM), Sheldrake Associates, Swedish International Development Cooperation (SIDA) and the Association of Netherlands Municipalities (VNG).

Last but not least, I would like to thank Jean Bossuyt of ECDPM, who chaired and facilitated the discussions and Tony Parr who edited this paper.

Christiane Loquai

Executive summary

Since the end of the 1980s, African governments have launched a new generation of democratic decentralisation programmes aimed at establishing new frameworks for self-governance at a sub-national level.

These ambitious political and administrative reforms are attracting substantial interest and support from an increasingly diverse range of European donors. The European Union, bilateral cooperation agencies, NGOs, and sub-national and local governments are all interested in the way in which development cooperation affects democratic decentralisation and local governance. In addition, because of their systemic nature, these reforms will fundamentally change the framework for development cooperation in other areas.

Experts agree that democratic decentralisation and local self-governance provide new opportunities for pursuing poverty reduction and local development objectives. However, there is an acute awareness that the benefits will not automatically accrue to the poor and politically marginalised.

How support for decentralisation can help to harness opportunities for poverty reduction, local economic development and gender equity is a strategic issue that has become of increasing importance to European donors and their partners. The debate is still at an embryonic stage at present. A more strategic approach will probably require investment in the capitalisation of experiences with partners as well as more systematic efforts to explore and conceptualise linkages in projects and programmes.

Support for democratic decentralisation and local governance is generally perceived as a risky business, posing many strategic and operational challenges and placing considerable pressure on donors to adapt their aid rationale, instruments and management systems to the changing institutional and political context. This is due, for example, to the high political sensitivity of support for the reform process, and the dynamic, complex and context-specific nature of decentralisation. Moreover, the provision of support for democratic decentralisation is a relatively new area of cooperation. There is not much conclusive empirical evidence on the impacts of such reforms and related assistance and what evidence there is, is hard to substantiate methodologically.

While the specific challenges faced by European donors may vary, all European donors and their partners are equally keen to clarify the role of local government as a partner in development, gain a better understanding of the effects of support for decentralisation by means of monitoring and evaluation, and promote better coordination and complementarity in external support.

The Cotonou Agreement provides many opportunities for extending and consolidating ACP-EU cooperation on democratic decentralisation and local governance, including by involving local government in a dialogue on cooperation strategies. However, the Agreement only defines the objectives, instruments and procedures in fairly general terms, leaving considerable scope for interpretation.

Opening up ACP-EU cooperation to a wide variety of actors at a sub-national level is going to be a tough nut to crack. Generating awareness among the various actors and stakeholders both at a sub-national level and within Europe, as well as giving them access to information, will be crucial not only for implementing the many new provisions and novelties of the Agreement in relation to cooperation on decentralisation and local governance, but also for implementing the commitment to multi-actor dialogue and bottom-up strategy formation with sub-national actors. Investing in a more structured exchange of experiences between European donors and their partners may help them to make more effective use of the variety of instruments available for European development cooperation. It could also serve as a basis for further efforts to jointly clarify the role and added value of ACP-EU cooperation in the field of decentralisation and local governance.

Introduction

The institutional landscape in Africa is rapidly changing. As part of the process of democratisation, liberalisation and state reform, many African governments have launched a new generation of decentralisation programmes. This new wave of decentralisation, which seeks to establish democratically elected sub-national authorities with their own competences, resources and powers of self-administration, has been the subject of substantial interest and support from the donor community.

Much of the external support for the formulation and implementation of decentralisation programmes and related municipal development processes in African countries has been provided by donors from the European Union¹, such as the European Community (EC) and bilateral donor agencies, as well as European NGOs, and regional and local government bodies.²

There is a broad consensus among European donors and their partners in Africa that democratic decentralisation is fundamentally changing the political and institutional framework for development cooperation in partner countries. There is also broad agreement that there is a need to look at new strategies, instruments and modes of cooperation that can facilitate institutional change and help to tap opportunities for promoting strategic development objectives, such as poverty reduction or local economic development, in a context of transition.

This consensus and the rising interest in democratic decentralisation is reflected in the Cotonou Agreement, the new 20-year framework for cooperation between the European Union and the ACP group of countries. Building on the experiences gained under the previous Lomé Conventions, the new Agreement signed in June 2000 makes more ample provisions for assisting decentralisation processes and initiatives for poverty reduction and local development at a sub-national level.

Against this background, the ECDPM and the Swedish Ministry of Foreign Affairs decided to organise an informal expert seminar on European support for democratic decentralisation. The seminar brought together some 40 African and European experts,³ representing a variety of institutional interests and professional experiences, with the following objectives:

- to provide an opportunity for a structured exchange of views on new instruments and modalities of support for decentralisation and municipal development, and in particular on their relevance to poverty reduction and local development;
- to jointly reflect on a number of common strategic and operational challenges faced by European donors and their partners in this new area of development cooperation and in pursuing strategic development objectives such as poverty reduction;
- to identify opportunities and challenges for future ACP-EU cooperation in the field of decentralisation, in the light of the new provisions of the Cotonou Agreement.

This discussion paper summarises and analyses the discussion on a number of strategic and operational issues raised during the seminar and in written contributions made to it, in the light of the

¹ According to the Treaty on European Union, which provides a single institutional framework for the existing European Communities (the EC, the European Community for Steel and Coal and Euratom) and two other fields of cooperation, both trade and development cooperation provisions fall under the responsibility of the EC.

² In line with the terminology used in the Cotonou Agreement, the author has decided to use the term 'local' or 'sub-national' government, rather than the legally more 'neutral' terms 'decentralised corporation' or 'sub-national authority'. The terminology has been chosen with a view to ensuring maximum readability and coherence with the terminology currently used in the English literature and does not imply any judgement on the quality of a particular administrative system. For more information on the issue of terminology and different legal foundations of decentralised governance systems in Africa, see Conyers 1983, Olowu 1988 and Manor 1999.

³ See the annex for a list of participants.

current international debate and more recent information on strategic reflection processes within European donor agencies.⁴ The paper does not aim to give a detailed account of the many technical and operational issues that were raised during the seminar. Rather, it attempts to highlight recent tendencies in European support for decentralisation processes and to describe the key strategic and operational challenges that are of common concern to European donors and their partners in Africa, in particular those related to poverty reduction and local development.

The paper is structured as follows:

Chapter 1 provides background information on the nature of the new generation of democratic decentralisation processes in Africa. It comments on the resultant changes in the framework for development cooperation and identifies a number of broad strategic and operational questions related to support for decentralisation and these contextual changes.

Chapter 2 asks what opportunities and risks decentralisation may hold for poverty reduction and local development, and summarises the views of experts as expressed during the seminar.

Chapter 3 sets out the key strategic and operational challenges encountered by European donors and their partners in their efforts to support processes of democratic decentralisation in Africa. Particular attention is paid to the challenges and dilemmas linked to pursuing poverty reduction and local development objectives in this new field of development cooperation.

Chapter 4 focuses on the implications of the Cotonou Agreement. The first section of this chapter gives a brief overview of the relevant novelties of the new Partnership Agreement. It outlines the new opportunities created by the Cotonou Agreement for ACP-EU cooperation to play an active role in supporting decentralisation and municipal development processes. The second section summarises various strategic and operational challenges for future European support that emerged from the debate.

Based on the above analysis, *Chapter 5* puts forward a number of options for addressing key strategic and operational challenges for further discussion.

⁴ Written contributions and background material from the seminar are available on the following web-site: <http://www.ecdpm.org/en/events/20002/index.htm>. Hard-copy versions of publications may be obtained from Jacquie Croucher at the European Centre for Development Policy Management, e-mail: info@ecdpm.org.

1. The Evolving Concepts and Context of Decentralisation

Since the end of the 1980s, many African countries have launched a new generation of decentralisation programmes. Development researchers and practitioners have widely acknowledged the fact that these reform programmes are central to democratisation and the constitution of new local governance systems in Africa.

There is also a broad consensus that the current decentralisation efforts are of a *new quality*. For the first time since independence, the governments of many African countries have engaged in what has been described as ‘devolution’ (Rondinelli and Cheema, 1983) or more recently as ‘democratic decentralisation’ (Manor, 1995), i.e. institutional reforms that aim to transfer competences, resources and decision-making power to democratically elected local authorities (see Box 1).

In many African countries, the formulation and implementation of this new generation of decentralisation programmes has been greatly assisted by the international community, and donors from the European Union have become important sources of external support.

Not only the European Community and bilateral donor agencies, but also European NGOs and sub-national entities (such as local governments, regional bodies, federal authorities and their associations) have stepped up development cooperation in support of these reform processes since the beginning of the 1990s.

A panoply of ‘new actors’ in development has emerged in the course of democratic decentralisation and other reform efforts (e.g. privatisation, deregulation and deconcentration). Local government, citizens’ groups, cooperatives and business associations – to name but a few – are all claiming an increasingly political role in development alongside traditional leaders and the central government. In principle, all these ‘actors’ constitute partners or ‘entry points’ for specific measures in support of democratic decentralisation (e.g. training local councillors, civic education of community-based groups, and raising the capacity of local entrepreneurs for public tendering for local-government contracts). In a situation in which emerging local governments and civil society are struggling to establish their legitimacy as development actors and competing for local resources and external funding, the choice of partners and ‘entry points’ is of a highly political nature.

Democratic decentralisation is thus fundamentally changing the framework for development cooperation for all donors. As the institutional landscape becomes more diverse, so development cooperation in general and support for decentralisation in particular, are becoming more complex and political. Moreover, the speed of the changes and the fluidity of emerging local government structures is placing considerable pressure on European donors and their partners in terms of their ability to undertake political and institutional analysis, as well as in terms of the flexibility that is needed to accommodate change in the process.

For this reason, many European donors are engaged in strategic debates aimed at assessing experiences and defining their future roles in supporting decentralisation processes and new systems of local governance. It is clear from both published strategy documents and consultations with decentralisation experts that the following issues reflect common concerns:

- *What opportunities and risks* does the current wave of decentralisation processes hold for strategic development objectives such as poverty reduction and local development?
- What changes in the *rationale, strategies and instruments of development cooperation* are required to effectively support democratic decentralisation processes and the related strategic development objectives? What would be the most appropriate partners and entry points on which to focus (e.g. local government, central authorities, non-governmental organisations, etc.) and how might a diversification of partners affect cooperation with ‘traditional’ target groups?

- How should *aid-management tools and systems be adapted* to the requirements of this new area of cooperation? To what extent can current procedures and aid-management tools, which were designed for a different political and institutional context, effectively support decentralisation processes? How can we ensure that external support responds flexibly to social and institutional changes that occur in the course of the process and builds on past experiences?

Recognising the systemic nature of support for decentralisation and the diversity of externally financed projects and approaches, commentators have expressed growing concerns about *coherence and coordination*. At the time of the seminar, i.e. shortly after the new Cotonou Agreement was signed, many questions were also raised about the implications of the new agreement, for example for the scope and nature of ACP-EU cooperation with regard to decentralisation or the future role of the European Community as a donor and ‘actor’ in this new area of development cooperation.

Box 1: From decentralisation to local governance

Decentralisation is not a new concept in development research and cooperation. The term has been used since the 1950s for a wide range of institutional reform programmes, including devolution, deconcentration of administrative tasks and central administrative capacity, delegation of decision-making and management authority to semi-autonomous bodies and even the outsourcing of public services to the private sector.⁵

Since their independence, many African countries have pursued decentralisation efforts with a view to achieving objectives that are of vital importance to their development strategies. However, many of these decentralisation efforts have failed to live up to their initial promise. In some countries, the reforms were used by autocratic regimes as a means of tightening their grip over rural areas and became a tool for oppression. In other countries, the reforms never went beyond the initial stage, thus creating local authorities without any democratic legitimacy or genuine powers for local policy-making and self-governance.

At the end of the 1980s and the beginning of the 1990s, African governments launched a new generation of decentralisation programmes. Conceived in a context of democratisation, these programmes pursue more forcefully a logic of devolution of power and resources to elected sub-national authorities and emphasise the objective of promoting more participatory and accountable forms of governance. This tendency has been captured in Manor’s concept of ‘*democratic decentralisation*’, which refers to ‘*the transfer of resources, tasks and decision-making powers to lower-level authorities which are (a) largely or wholly independent of the central government, and (b) democratically elected*’ (Manor 1995, p. 81). It is also reflected in the present international debate, in which the political dimension of decentralisation plays a prominent role.

Other concepts highlight the multiple dimensions of the current decentralisation processes or the diverse institutional landscape in which these reforms occur.

The Netherlands Development Organisation (SNV), for instance, bases its support on a three-dimensional concept comprising:

- 1) a political-administrative dimension;
- 2) a socio-political dimension, including the devolution of responsibilities and tasks to non-state actors; and
- 3) a economic decentralisation, i.e. the delegation of tasks to the private sector (SNV n.d., pp. 9-10).

The search for new concepts, that are adapted to the diversity of actors and pluralistic approaches to governance and development at a local level, is also reflected by the shift from traditional concepts of ‘decentralisation’ to concepts of ‘local governance’. The latter emphasise the need to look beyond the narrow perspective of legal frameworks and ‘local government’ to include the variety of formal and informal relationships between different ‘actors’ in development (e.g. local government, the private sector, associations, de-concentrated agencies) that shape and influence the output and effectiveness of political and administrative systems at a sub-national level.⁶

⁵ For more details on the successive ‘waves’ or generations of decentralisation processes, see Manor 1999, Ott 1997 and Rondinelli and Cheema 1983.

⁶ See, for example, Pitschas 2001 and Simon (K.) 2000 on the concept of local governance.

2. What Opportunities and Risks does Decentralisation hold for Poverty Reduction and Local Development?

Decentralisation is not pursued as an end in itself, but with a view to achieving certain development objectives. These may vary from one country to another. The current decentralisation programmes in Africa generally refer to broad development objectives, such as the promotion of local democracy, participation, poverty reduction and local development.

In the light of the rising interest in poverty reduction as a global development objective and a priority aspect of ACP-EU cooperation (see Box 2), it is worth reflecting on the opportunities that decentralisation programmes may hold for tackling certain dimensions of poverty. More specifically, donors subscribing to the mainstreaming of poverty concerns might wish to analyse the impact that their support for decentralisation could have on the poor.

Box 2: The Cotonou Agreement's focus on poverty

Arguably, the new Agreement establishes for the first time a broad consensus on the prioritisation of poverty reduction concerns in ACP-EU cooperation. During the negotiations, many debates revolved around the question of how to ensure that the objective of reducing and ultimately eradicating poverty would be given due priority in practice. Compared with previous Lomé Conventions, progress has been made in the following areas, which are interesting points to consider when reflecting on the poverty orientation of European support for decentralisation.

Making poverty reduction a central objective

Compared with the successive Lomé Conventions, the Cotonou Agreement gives a more prominent place to poverty reduction. The first article already stipulates that *'...the partnership shall be centred on the objective of reducing and eventually eradicating poverty.....'*, a commitment that is reiterated in each chapter. The text of the agreement clearly puts the concern for poverty at the heart of ACP-EU cooperation.

Recognising the political dimension of poverty

The Agreement recognises the multi-dimensional nature of poverty. While it does not explicitly refer to political causes of poverty, numerous provisions implicitly acknowledge the political dimension of development and poverty. *Article 1*, for instance, emphasises the importance of the institutional framework and political environment for equitable development and social cohesion. The recognition of the political dimension is also reflected in the centrality of the concept of *good governance* defined in *Article 9*, the emphasis on participation in *Article 2* and the strategic role of support for *political, institutional and legal reforms*.

Mainstreaming poverty reduction objectives

Much of the debate on poverty during the negotiations focused on how best to ensure the adequate mainstreaming of poverty concerns in the new partnership framework. As a consequence, each part of the Agreement now contains numerous references to poverty and the need to pay particular attention to the needs and situation of poor, disadvantaged and vulnerable groups. This is illustrated by the provisions on structural reforms (*Article 22*) and social sector development, which are relevant to support for national and sectoral decentralisation programmes (see below). The *Compendium on cooperation strategies*⁷ and the *programming guidelines for the 9th EDF*⁸ contain more practical guidance on how to mainstream poverty reduction objectives throughout all types of support.

Making poverty reduction a central performance criteria

The Cotonou Agreement is no longer based on the principle of automatic entitlements, but on the idea of a needs-based and performance-based partnership. The progress made in 'poverty alleviation and reduction' will be one of the criteria used for assessing performance.⁹ According to the programming guidelines for the 9th EDF, this also requires an analysis of how political and institutional reforms are taking account of and contributing to poverty reduction objectives.

⁷ For further details, see below and http://europa.eu.int/comm/development/cotonou/compendium/compendium_en.htm or fr.htm.

⁸ The programming guidelines are an internal document of the European Commission.

⁹ See Article 3 of Annex IV to the Cotonou Agreement.

Most European donor representatives share their partners' confidence that the ongoing decentralisation processes hold opportunities for more effective approaches to poverty reduction and local development. This is also reflected by the objectives and goals of more recent development projects and programmes in support of decentralisation.

However, this confidence is based mainly on considerations of plausibility rather than empirical evidence. The debate during the seminar and the policy documents produced by European donors confirm that only a few European donors have started some form of systematic strategic reflection on the potential opportunities and risks that the current decentralisation processes may hold for poverty reduction and local economic development. This may also be due to the fact that, so far, not much effort has been made to assess and evaluate the impacts of these reform processes and related external support (see Section 3.9.)

The following inventory of *opportunities and risks*, drawn from the discussions, gives an idea of the perceptions and central assumptions underlying European support for decentralisation and municipal development:¹⁰

- An important benefit associated with democratic decentralisation is the creation of a *legal and institutional framework* that allows for more participatory approaches to development and creates more opportunities for local initiatives. The experts attending the seminar emphasised that elected local authorities can provide new institutional entry points for citizens to influence and contribute to decision-making, as well as public action on local development and poverty reduction, including the spending of public funds.
- Following a similar line of argument, it was argued that democratic decentralisation can create new *opportunities for empowering poor and marginalised groups*, provided that it is accompanied by measures that help strengthen the capacity of the poor to organise themselves so as to effectively articulate, defend and represent their interests vis-à-vis local decision-making bodies.
- In the view of many experts, democratic decentralisation can increase the *accountability and transparency of government*. It could bring decision-making closer to the people and thus make it easier for the electorate to exercise control over politicians and administrators. Proximity and opportunities for the electorate to exercise more direct control over decision-makers were seen as important preconditions for achieving greater transparency and accountability, which were in turn considered crucial for boosting the effectiveness and equality of public spending and the management of public resources. The assumption is that the latter would have a positive impact on local living conditions and poverty levels at large.
- The devolution of competences and resources for the provision and management of basic infrastructure and services to elected local authorities was seen as a potential means of *strengthening the needs orientation of public services and related local development strategies*. Here again, their main advantage was the proximity of local councillors to their electorate and better information on the latter's needs.
- A number of experts expressed the hope that democratic decentralisation would eventually enhance the *spatial coherence of development and poverty reduction efforts*. Some stressed that a democratically elected local government would constitute a more legitimate framework than existing institutions for facilitating and promoting development efforts. Others were more doubtful as to whether local governments could perform a strong coordinating role, as well as about their unique legitimacy. For them, the current democratic decentralisation processes mainly provided an opportunity for building new 'interfaces' between the national and the grassroots levels, or for promoting a more effective distribution of responsibilities between public and private actors in poverty reduction and local development.

¹⁰ For some recent literature on this issue see also Bossuyt and Gould 2000, Manor 1999 and de Jong, Loquai and Soiri 1999, Steinich 1997.

- Some participants argued that democratic decentralisation may hold considerable potential for the peaceful *settlement of local conflicts*, which were seen as forming a major constraint on local development and as being one of the causes of poverty. They argued that local government could be the ‘missing link’, acting as an arbitrator between different interests at a micro level. If perceived as broadly representative and able to make use of techniques for participatory planning and consensus building, these institutions could provide an effective framework for the mediation of local conflicts, such as those related to natural resources or the allocation of public infrastructure and subsidies.¹¹

At the same time, the experts were perfectly aware that democratic decentralisation would not automatically generate benefits for the poor and could also have an adverse effect on poverty, equality and local development. The following risks were highlighted during the discussion:

- *The legacy of coercive local government.* In many African countries, the population still has unpleasant memories of the coercive local authorities that existed under colonial rule and after independence. Consequently, there is a great deal of distrust of state structures at a local level. This is particularly true of countries in which dictatorial regimes and autocratic leaders either have pursued decentralisation programmes with the implicit aim of extending their political sway to rural areas or have put local authorities in place as instruments of oppression and resource extraction. Thus, a combination of confidence-building and tangible development outcomes will be required to overcome this legacy of the past and convince local communities that the new local government bodies have been created in order to devolve powers of self-administration and to promote the interests and well-being of the local communities within their boundaries.
- *The risk of benefits being captured by local elites.* Considerable concern was expressed that the benefits of decentralisation could be captured by local elites and that devolution could lead to a re-centralisation of power and resources in the hands of a few at a local level. Pointing to recent research by Moore and Putzel¹², some experts argued that political elites emerging at a local level may be even less willing and able to promote pro-poor social change than those emerging at a central government level.
- *Political culture and tradition may not be conducive to representative democracy and the political empowerment of the poor.* Following a similar line of argument, some participants believed that many of the above assumptions on the developmental impacts of decentralisation and the potential role of local government in poverty reduction were inspired by Western values, models and ideas in relation to politics and public administration. The West tended to ignore the fact that political institutions and policy-making in Africa, and in rural African areas in particular, were shaped by different social structures and realities. In view of the widespread prevalence of client-patronage networks and the importance of clan structures in politics, it could not be taken for granted that elected local councils would be representative of the interests of *the poor* or act as propagators of intra-communal equity. Local councils might simply reproduce local power structures, their decision-making being driven by factional interests and the aim of channelling public resources to *their* (poor) clienteles rather than that of promoting *well-being in general* or improving the living conditions of *the poor* in a given locality.
- *Disproportionate mandates, capacities and resources of local governments.* Another impediment to local governments becoming a credible actor in local development and poverty reduction was said to be the discrepancies that existed between the mandates, capacities and resources of these new bodies. Some experts referred to the tendency of legal frameworks to invest local governments with broad competencies for economic and social development without giving them the commensurate financial and human resources. Moreover, newly elected councillors were often

¹¹ See also Diallo 2000 and Mehler 2001.

¹² See Moore M. and J. Putzel 1999. *Thinking Strategically about Politics and Poverty*. Brighton: Institute for Development Studies (IDS Working Paper 101).

left with insufficient guidance and advice on how to build capacity and mobilise the necessary resources for delivering social services or maintaining the local infrastructure. Faced with huge expectations, these new structures often did not have enough resources and capacities to fulfil even the most basic administrative tasks. In this context, the participants also pointed to the risks inherent to *conflicts over mandates, roles and resources* between emerging local governments and other actors (NGOs, local associations, etc.). In the absence of appropriate mechanisms for negotiation and mediation, such conflicts could easily block existing initiatives for local development and poverty reduction.

- *The context of structural adjustment.* It was widely acknowledged that, in the context of public-sector cuts emanating from structural adjustment programmes, any redistribution of resources from central to local authorities was politically highly sensitive and bound to generate resistance from the most affected central bureaucracies. In the view of some participants, this increased the risk of competences for poverty reduction and local development being devolved to local governments or communities without the corresponding resources and capacities. This would substantially limit the reform's potential for reducing poverty.
- *Inter-jurisdictional disparities.* In the view of many participants, decentralisation bore a substantial risk of accentuating differences in the standard of living between regions and localities. If the central government did not play a strong redistributive role and if appropriate mechanisms were not put in place for countering imbalances in the allocation of resources, infrastructure and administrative capacities between jurisdictions, decentralisation could upset the national equity and engender new social conflicts. Participants also pointed to the following risk as being inherent to *external assistance*. In the present context of tight aid budgets, development cooperation was under great pressure to produce results. In practice, this could lead to a concentration of assistance on 'dynamic' or 'attractive' jurisdictions, rather than an investment in localities where positive outcomes were less certain or more difficult to achieve. In the absence of aid coordination and appropriate systems, external support for decentralisation could thus accentuate inter-jurisdictional disparities.

3. Strategic and Operational Challenges for European Support to Decentralisation

External support for democratic decentralisation processes poses a number of new strategic and operational challenges. As one participant phrased it,

‘Decentralisation requires a new rationale and type of development cooperation that transcends conventional forms of financial and technical assistance’.

The specific challenges confronted by European donors and their partners differ, in line with their mandates, approaches, instruments and aid management systems. Nevertheless, a number of common strategic and operational concerns emerged from the discussion.

The following sections outline the common strategic priorities and operational challenges that were identified during the seminar. After examining challenges of a more general nature, the analysis then moves on to those related to operationalising or mainstreaming strategic development objectives, such as poverty reduction, local economic development and gender. The final section focuses on challenges related to the need to adapt aid management tools and develop new modes of cooperation.

It is worth noting that it was relatively difficult to focus the discussions on operational challenges related to pursuing the objective of poverty reduction. This is indicative of the early state of more systematic debate on this issue among European donor agencies and partner countries.

3.1 Support for Democratic Decentralisation is a ‘Risky Business’

Both European and African experts emphasised that democratic decentralisation was a particularly risky area of development cooperation, for the following reasons:

- It is a relatively recent area of development cooperation. In many African countries, democratic decentralisation processes are still at an initial stage. There is therefore little context-specific experience on which to build.
- There are only limited opportunities for drawing on experiences gained in supporting decentralisation in other regions, e.g. Latin America and Asia, due to the substantial differences that exist in political and administrative traditions and socio-economic structures. Assistance for democratic decentralisation in Africa is therefore an experiment, that requires the development and testing of context-specific approaches (see Section 3.3.).
- Democratic decentralisation is of a highly political nature. Accordingly, external support for these reform processes is also bound to be a politically sensitive area of development cooperation. It also means that the outcomes of development cooperation in this field are highly dependent on the political framework and on political developments.
- The objectives of democratic decentralisation programmes are very ambitious. There was a consensus that these reforms would require a high-level commitment by political decision-makers and administrators in partner countries over a long time. This was necessary in view of the scale and complexity of the legal, political and institutional reforms envisaged. It was felt likely that this commitment could be maintained only if it proved possible to generate a broad-based national consensus on the priority that needed to be attached to them. Generating such a consensus was regarded as a particularly difficult task in countries in which the national consensus on democratic forms of governance was still fragile, the foundations, outreach and regulatory powers of new

democratic institutions were still weak and political priorities often had to be adapted to meet the needs of emerging crises.

- Democratic decentralisation and local self-governance demanded radical changes in political culture, attitudes and social relations.¹³ It was stressed that the success and effects of democratic decentralisation programmes and related external support would thus also depend on the willingness and ability of societies to embrace political innovation and social change.
- On the whole, all the above factors were seen to limit the scope for development cooperation in this field to contribute to a successful implementation of decentralisation processes and for achieving specific development objectives by assisting these reforms.
- At the same time, there was a feeling that, as in more technical areas of development cooperation, the opportunities for ensuring that these reforms would have a positive outcome and developmental impact would depend on the availability of appropriate modes and instruments of assistance, expertise and aid-management systems.

3.2 Acknowledging the Political Nature of Decentralisation

Dealing with the political dimension of decentralisation processes was regarded as forming one of the greatest challenges of development cooperation in this field.

Various experts emphasised that external support for decentralisation was not granted in a political and institutional void, but would necessarily ‘interfere’ with existing power structures at national and sub-national levels. Donors supporting democratic decentralisation should therefore be prepared to acknowledge the political nature of their support and the fact that they were ‘actors in the political game’. It was agreed that this political dimension of support raised a number of dilemmas, of which the following were discussed in more detail:

- *The dilemma of political expectations.* In many African countries, ongoing national decentralisation programmes are of a highly symbolic nature and make far-reaching promises in terms of development. Launched after the demise of dictatorial regimes, they are often presented as the central component of a strategy of democratisation. Thus, such programmes promise to break with past practices of centralised autocratic rule and top-down decision-making. They also promise that the institutionalisation of democratic and participatory forms of governance will result in social and economic development at a local level. For tactical reasons, the costs of these reforms are often obscured. Consequently, they tend to raise high expectations. Moreover, people’s perceptions of and support for the transition to democracy and new local governance systems depend substantially on the tangible outcomes of these reform programmes. Consequently, there is considerable pressure on the responsible authorities and donors supporting these reform programmes to quickly produce tangible results, even though time is needed to bring about genuine and sustainable changes.
- *Dilemmas related to disbursement and performance pressures.* Present aid-management and allocation systems are increasingly performance-oriented. Depending on the performance criteria used, this puts pressure on development cooperation to produce tangible results, e.g. in terms of local development and poverty reduction, or to fulfil disbursement targets. However, the concrete benefits of democratic decentralisation will probably take a long time to materialise and be

¹³ For example, a transition from a top-down and dirigistic culture of political decision-making and development planning towards one based on bottom-up policy formulation, stakeholder consultation and citizen participation. It also required the emancipation of local populations from local leaders, the transformation of members of local patronage systems into citizens willing to demand accountability from their elected representatives, and so on.

difficult to identify, due to methodological problems (see Section 3.8. and Steinich 2000). Furthermore, the sensitivity of support for decentralisation to changes in the political framework often leads to a conflict between disbursement targets, political development objectives and general concerns of aid effectiveness.

- *The dilemma of externally defined legitimacies.* Democratic decentralisation programmes seek to induce far-reaching political, institutional and cultural change. Especially in many least developed countries, the implementation of these reforms depends greatly on the presence of external finance and expertise. Donors' choices of geographic focus, partners and 'institutional entry points' may introduce biases or tilt power structures in favour of one actor or another. Moreover, 'Western' concepts of and criteria for democratic local governance may be at odds with local concepts of legitimacy. External support thus entails a risk of what may provocatively be termed 'externally defined legitimacies'.

Views differed on how to deal with the political dimension of support and the instrumental and procedural implications of these dilemmas. There was disagreement, for instance, on the extent to which external assistance for democratic decentralisation could and should seek to influence the political and cultural framework.¹⁴ Some experts argued that there was no such thing as 'politically neutral' assistance for democratic decentralisation and new forms of local governance. They questioned whether the concept of 'technical' assistance, implying a political neutrality of assistance, was still appropriate and relevant for this area of support. Others argued that the ideal of a politically neutral approach was still valid, but that the modes of cooperation would have to be adapted. For instance, technical assistance would have to cater for facilitators of political and institutional change rather than technical experts or project managers, and financial assistance would have to be mesh in with local budgeting and planning processes.

Consensus emerged, however, on the following points:

- Donors need to *acknowledge the political nature of assistance* and their political leverage when negotiating, conceiving and implementing measures in support of democratic decentralisation with their partners. Strategic reflection processes and expert training should include plenty of opportunities for discussing the political role and implications of development cooperation in this field. The following questions needed to be answered: Should development cooperation in relation to decentralisation aim to change the political framework and the political culture? How can technical cooperation in this field help to empower politically marginalised groups without falling into the trap of externally defined legitimacies? What should be the limits of the 'political role' of external assistance in the field of decentralisation? The paper given by Pekka Seppälä, entitled 'Adapting Aid Management Tools and Systems: Programme planning for Decentralised Service Provision', which outlines the role of 'aid programmes' as 'a third party' in the conflict between the sector and local administration or the new strategy of SNV contains a number of interesting views in this regard (see SNV 2000 and Seppälä 2000).
- Donors must accept that there can be *trade-offs between political reform objectives and the ownership of local governance systems*, e.g. between the representativeness of local councils and social legitimacy. Acknowledging the political dimension of support for decentralisation could therefore also mean assisting institutional frameworks and modalities that might not fully reflect the donors' understanding of democratic decentralisation or local governance, but nevertheless leave scope for traditional concepts of social legitimacy.
- Experience in many countries has shown that democratic decentralisation is a stop-go process rather than a 'linear success story'. Development cooperation in this field therefore has to make use of *instruments and modes of cooperation that are geared to a process approach and are*

¹⁴ Among the issues raised in this context were the need to address or accept political clientelism and patronage systems, and the issue of political conditionalities.

sufficiently flexible to adapt to changes in the political and institutional framework, as well as the dynamics of the reform process, including new challenges and priorities that arise in the course of reforms. Aid instruments and management tools, as well as decision-making structures and aid agencies' procedures, need to be reviewed in this light. With regard to the latter, it was broadly agreed that the ability to respond flexibly to changing conditions required further efforts on the part of donor agencies to decentralise budgets, capacities and decision-making power to the field. It was also pointed out that, as in more technical areas of cooperation, aid instruments and modalities must allow different approaches and institutional arrangements to be tested out by partners and stakeholders, including by means of a process of trial and error.

- Experts agreed that *assistance for decentralisation required longer time horizons* than development cooperation in other areas. Local self-governance not only required new institutional frameworks, but also, and perhaps more importantly, changes in the political culture and the building of new relationships of trust between citizens and their elected representatives and among a range of different actors. This would take time, perhaps even decades. Hence the need to review aid instruments and modalities in a way that would enable support to be provided from a long-term perspective, while avoiding new dependencies.
- Another challenge involved developing approaches to assistance that would allow expectations to be managed, i.e. combining measures that allowed both a tangible contribution to be made to the development priorities of local populations in a reasonable time frame and long-term reform objectives to be pursued at the same time.

3.3 Developing Context-Specific Approaches

Another challenge, partly linked to the political dimension of the current decentralisation processes, was the need to develop context-specific approaches to support. A number of experts felt that there was comparatively little scope, in the field of decentralisation and local governance, for a 'transfer of technologies' and the 'development of models for replication' as compared with other, more technical areas of development cooperation. They underlined that, due to the multi-ethnic composition of African countries and the wide variation in socio-economic structures and frameworks, the nature of the support required for pursuing democratic decentralisation could differ quite substantially, even between localities and regions in the same country. For instance, the training and capacity-building needs for urban and rural councillors may vary widely in line with their educational backgrounds and the type of problems they would have to tackle. Similarly, the institutional structures and infrastructural demands in jurisdictions with nomadic populations could be very different from those whose population was basically sedentary. This placed considerable pressure on donors' capacities to adapt their approaches and modes of cooperation to the specific geographic and social context in which they are operating.

Two specific operational challenges were highlighted in the discussion:

1. *The need to develop analytical capacities* for assessing framework conditions and monitoring changes in framework conditions that could affect development cooperation. It was emphasised that analysis would have to go beyond the 'routine approaches' presently pursued in the context of appraisal missions for projects and programmes in more technical fields. It would require more expertise in the field of political and institutional analysis, a knowledge of political culture and relevant socio-economic structures, and insights into politics, governance and political actors at both national and sub-national levels. There was a wide consensus that such capacities need to be developed mainly in-country. In the case of most European donor agencies, this still required a de-concentration of resources for analytical tasks to embassies, field offices or specific projects and programmes. There was also broad agreement that efforts to build up such analytical capacity would have to draw heavily on local expertise. This was seen to pose the challenge of developing

a strategy for investment in local capacities and/or a review of tendering and recruitment procedures.

2. *The challenge of developing aid instruments and communication systems drawing on insights from different levels of implementation and different types of jurisdiction.* The experience of many donors has shown that an ability to deal effectively with political and cultural sensitivities requires an awareness of the practice of democratic decentralisation at different levels (i.e. national, provincial and local), in different areas (e.g. rural and urban, richer and poorer jurisdictions) and in different sectors (e.g. knowledge of the feasibility of decentralising responsibilities, infrastructure and service provision in different sectors). European donors face a range of institutional challenges in gaining such insights. For donors with a large aid programme, the main challenge may lie in developing appropriate multi-level approaches to support or a programme with a sufficiently wide geographic diversity. Donors concentrating on a specific level or locality, on the other hand, may need to develop strategies for accessing information relating to other levels and areas. Donors without much direct field presence at a local level (e.g. the European Commission) or who rely heavily on consultants (e.g. the Finnish Department of International Cooperation) emphasised the need to develop appropriate communication and feed-back systems as well as instruments for institutional learning.

3.4 Cooperating with Emerging Sub-National Government

The emergence of elected sub-national or local government, as new embodiments of the state and development actors, raises the question of the status of these new entities in relation to development cooperation. It also poses the challenge of developing appropriate modes and tools of cooperation geared to the specific mandate, evolving capacities and needs of these new actors.

Invested as they are with wide-ranging legal competencies but lacking the capacities and resources to even assume basic tasks of self-administration and decentralised service provision, emerging local authorities are often perceived as weak partners who still need to prove their added value and legitimacy as partners in local development and poverty reduction.

The strategic and operational challenges encountered by different groups of European ‘actors’ cooperating in the field of decentralisation and local governance differ in line with their mandates, approaches and instruments. As the following sections illustrate, defining approaches towards sub-national authorities or treating these new actors as development partners may not only constitute a strategic and operational challenge, but in some cases also require a review of the rationale, mission and ideological premises of cooperation.

3.4.1 Challenges for the European Community and bilateral cooperation

Both the European Community and individual EU member states acting as bilateral aid providers have traditionally focused on central governments as the main partners in development cooperation. Today, the lion’s share of European and bilateral assistance in support of national and sectoral decentralisation programmes is still conceived and negotiated with national authorities. Support for actors at a sub-national level has focused largely on NGOs, community-based organisations, the private sector or local central government agencies.

In the context of democratic decentralisation, both the European Commission and bilateral donor agencies are experimenting with new modes of cooperation in support of sub-national and local government, including direct cooperation and dialogue with their representatives. Nevertheless, these donors are often still somewhat hesitant to directly channel a substantial part of their support to local government or to consider these entities as fully-fledged partners in development cooperation.

The emergence of elected sub-national authorities in the course of decentralisation raises numerous issues of a strategic and more technical nature for these donors. It was clear from the discussion that the following questions reflected major concerns at the time of the seminar:

- *To what extent and how should elected sub-national government be involved in dialogue on strategies of cooperation and in the programming of cooperation?*

In both Europe and Africa, emerging sub-national government is an important stakeholder in democratic decentralisation and related development cooperation. To date, however, these new entities and their representative bodies at national and regional levels have been considered as 'marginal actors' in the practice of European bilateral and multilateral cooperation. This perception is changing as democratic decentralisation takes hold. Both individual EU member states and the European Community are increasingly willing to involve sub-national government in concrete interventions as well as in a dialogue on cooperation strategies, instruments and aid modalities.¹⁵ However, the identification and negotiation of appropriate institutional modalities for allocating assistance to these 'new actors' and for their involvement or consultation in the formulation of cooperation strategies may touch upon politically sensitive issues (e.g. the relationship between central and local government, the mandate, outreach and representativeness of local government associations, and the status of local governments vis-à-vis non-state actors).

- *How can the financial and technical needs of hundreds of new sub-national governments be met?*

In many newly decentralising African countries, these reform efforts have led to the emergence of a multitude of new local government structures, e.g. the more than 700 communes in Mali. Especially in rural areas, getting these new entities operational poses a considerable challenge in terms of capacity-building and equipment. Assisting partner countries to develop effective instruments and mechanisms for financial and technical assistance is an important concern for bilateral EU donors and the European Commission. Two tendencies have recently emerged (both from the discussion and from a number of strategy documents): firstly, an increasing willingness to invest in national schemes in support of sub-national authorities, and secondly, a search for new aid modalities to channel assistance directly to sub-national authorities. This involves a number of new operational challenges, such as defining criteria for delegating financial resources to local governments, negotiating contributions to basket funds and assessing the potential impact that different institutional set-ups and modalities of nation-wide support schemes might have on the autonomy and long-term financial sustainability of local government. It was also noted that financial and technical assistance to local government is a highly political issue, in view of the scale of support required for enabling these new entities to assume their often very broadly defined legal mandates. In a context of declining resources for cooperation, focusing a substantial part of external assistance on strengthening the role of local government in development may drive resources away from other actors such as central authorities, local agencies or NGOs.

- *Which local government roles and capacities should external support for democratic decentralisation seek to strengthen, with a view to achieving poverty reduction and local development objectives?*

In many decentralising countries, the roles and mandates of sub-national authorities still need to be clarified. Legal frameworks may not reflect the plurality of actors in development and politics on the ground, be vague about how different local authorities are to assume their mandates and responsibilities, or be kept deliberately general so as to leave scope for negotiating different inter-

¹⁵ This willingness is reflected, for instance, in recent dialogue processes and round tables organised by or with the support of the European Commission and bilateral aid administrations. See Bossuyt 2000 and the *Memorandum of agreed conclusions of the seminar on decentralised cooperation* listed in the bibliography, a document produced in the follow-up of a seminar organised by the European Commission in the context of the negotiations on the Cotonou Agreement. See also Brunet 1997, p. 67, and VNG International 2001.

institutional arrangements. This raises the question of the role that bilateral and European development cooperation should play in assisting the definition and negotiation of a role and task division between different actors in development and the assumptions that should guide this assistance. For instance, should assistance advocate specific institutional arrangements? Should it be based on the premise that there are specific functions in poverty reduction and local development, which are better fulfilled by public than private actors? Or should assistance only aim to facilitate dialogue and negotiations between different actors on this issue?

- *How should emerging sub-national government be involved in sector investment programmes and sector-wide approaches?*

This issue forms an important operational challenge for donors, who provide a substantial part of their assistance to sector investment or sector-wide approaches or have a strong preference for budget aid (e.g. DANIDA, the Finnish Ministry of Foreign Affairs, DFID, the Netherlands Directorate General for International Cooperation, and increasingly the European Commission). The paper entitled 'Implementing Social Sector Programme Support in Decentralised Government Systems' given by H. A. Nielsen of DANIDA¹⁶ and a recent article by Bieckman¹⁷ provide some interesting insights on this point.

3.4.2 Challenges for European NGOs

The European NGOs are an extremely diverse group, and so are their approaches towards decentralisation and sub-national authorities. Nevertheless, many European NGOs have traditionally considered non-state actors such as self-help groups, user associations and community-based groups as their primary partners in their efforts to combat poverty and promote local development. Thus, much of the work of European NGOs has focused on building capacities among these actors, for example to provide the basic infrastructure and social services that the public authorities have failed to provide, and also to enable them to fend off the claims of local authorities and the system they represent. Repressive and corrupt practices in the past have led to local authorities being perceived as a cause of poverty rather than as a potential partner in poverty reduction.

In a context of democratic decentralisation, where elected local government is assigned far-reaching competencies for social and economic development, many European NGOs and their partners are engaging in a strategic debate on how to interact with these new public authorities. Some, such as the Netherlands Development Organisation (SNV) or the Friedrich-Ebert Foundation, have reoriented their work towards a strategic focus on support for decentralisation and local governance. Others are finding it more difficult to embrace decentralisation and local government in their strategies, as a representative of a Belgian NGO that facilitates such debates in the field explained:

'It is difficult to convince our staff and target groups that we have to adapt to changes in our environment and should start to consider newly emerging local governments as a potential partner. In view of their experiences with decentralisation programmes and public authorities in the past, they find it difficult to believe that the new institutions may become a real actor in development and poverty reduction to the benefit of our traditional target groups.'

Recent consultations in the field confirmed that many European NGOs regard the integration of local government in their approach to poverty reduction and local development to some extent as a

¹⁶ The presentation was based on the following paper, which provides more detailed insights into this challenge: Nielsen, H. A. 1999. *Sector Programme Support in Decentralised Government Systems: A Contextual Donor Challenge*. Copenhagen: Ministry of Foreign Affairs, Copenhagen (Danida Discussion Papers, No. 2.).

¹⁷ See Bieckman 2000. The following documents and publications listed in the bibliography also contain interesting reflections and reactions to this challenge: Commission européenne 1997, AFD 2001b and Simon (K.) 2000.

challenge to their mission and ideological principles. The strong donor focus on support for decentralisation processes and local government may tempt or require NGOs and their partners in the field to reorient their strategies to new funding possibilities at the expense of other priorities.

In spite of the diversity of approaches, the following strategic and operational challenges emerged as the common concerns of the European NGOs participating in the seminar:

- ensuring that the definition of legal frameworks and the implementation of decentralisation programmes take due account of their partners' existing capacities for addressing poverty and promoting local development;
- investing more in the development of instruments of civic education with a view to informing their traditional target groups about their rights and obligations vis-à-vis local government;
- enabling community-based groups and associations to articulate their needs and interests vis-à-vis sub-national authorities, influence local decision-making processes and hold local elected representatives to account.

3.4.3 Challenges for sub-national government actors involved in international cooperation

Local and regional authorities in the EU member states gradually extended their activities in the field of international cooperation in the 1990s. Endowed with new competencies for development cooperation, these sub-national entities managed to initiate and access new funding schemes for 'decentralised cooperation', 'twinning' or 'municipal cooperation' with partners in Africa.

The experts involved in such cooperation efforts between European and African local government actors felt that these forms of support for municipal development and local governance, as well as their specific experiences in poverty reduction and local development, tended to be somewhat neglected by mainstream development cooperation. Furthermore, those involved in these initiatives often found it difficult to access information on the broader context of policy reform and external assistance in African countries, which could have a substantial impact on their small-scale and localised activities. Major operational challenges were thus seen in:

- gaining greater recognition for this decentralised form of support for democratic decentralisation and local governance;
- identifying appropriate ways of involving African local authorities in debates on policy and strategies for bilateral and multilateral cooperation pursued by (European) donors;
- ensuring that national authorities and donors take account, in formulating policy and strategy, of experiences in poverty reduction and local development gained in the context of such 'decentralised' cooperation initiatives between Northern and Southern local government actors.

3.5 Gearing Support for Decentralisation to Poverty Reduction objectives

At the time the seminar took place, not many European donor agencies had engaged in a more systematic debate on how support for decentralisation could help to achieve poverty reduction objectives in a given country context. However, many donor representatives consulted during the preparations for the seminar identified debate and operational guidance on this issue as being of a strategic interest. The discussion of the strategic and operational challenges revolved mainly around the following two issues and was fairly controversial:

- *Should project and programme documents explicitly link European support for decentralisation to poverty reduction objectives ?*

Broadly speaking, the participants adhered to the following two strands of argument:

One group of participants felt that projects and programmes for assisting democratic decentralisation should seek primarily to achieve objectives of political and institutional reform, such as the promotion of democratic forms of local governance or improving the performance of decentralised public services. The introduction of explicit poverty reduction objectives in projects and programmes supporting democratic decentralisation was regarded as methodologically highly questionable – if not dysfunctional.

Some warned of a ‘conceptual overload’, whilst others pointed to the risk of raising unrealistic expectations about the capacity of newly established local government to tackle poverty. In the absence of conclusive empirical evidence and more insights into the effects of democratic decentralisation programmes, the postulation of such linkages was, it was argued, little more than a ‘propagandistic claim’.

Another group of participants insisted that, even in the absence of conclusive empirical evidence, it was desirable to conceptualise and articulate the presumed linkages between support for decentralisation and poverty reduction objectives. This would help to spur the debate on how to operationalise the commitment to poverty reduction in this new area of development cooperation. ‘Whilst there is no reason to expect that support for decentralisation is pro-poor, we shall have to make an effort if we want it to be.’

Systematic efforts to mainstream poverty concerns in development cooperation, so the argument ran, were also necessary to ensure that these high-profile policy reforms did not lose sight of this global development goal, which was after all the ultimate reason for undertaking cooperation in the first place. Experience had shown that projects and programmes in support of decentralisation could easily become preoccupied with institutional structures and technical and procedural matters, at the expense of concern for broader development objectives.

- *How can support for democratic decentralisation help to achieve poverty reduction objectives?*

There was a broad consensus that most projects and programmes in support of democratic decentralisation, especially those granting support to national authorities, could, if at all, make an indirect contribution to poverty reduction, although this would be difficult to measure.

A number of experts felt that development cooperation could help to gain a better understanding of the risks and opportunities for attaining poverty reduction objectives in different country contexts and local settings that could be occasioned by decentralisation. Its contribution to generating such

knowledge could consist in helping to develop tools and frameworks for capitalising on experiences, institutional learning and knowledge management. Providing assistance for action research and investment in joint monitoring and evaluation were also cited as being interventions that could help to jointly acquire insights into the linkages between democratic decentralisation and poverty (see also Section 3.9.).

Another strategic line of intervention, emphasised by representatives of Nordic donor agencies, was that of assistance for decentralised social service provision. This, it was said, could help to reduce poverty by enhancing the quality, needs orientation and accessibility of basic services and amenities (see also Nielsen 1999 and Seppälä 2000). They felt that the facilitation of a new horizontal and vertical task division between different actors in social service provision, at a national and sub-national level, merited high priority in future efforts to render decentralisation pro-poor, a view that was widely shared.¹⁸

With regard to inter-jurisdictional equity and national poverty reduction objectives, cooperation in the field of fiscal decentralisation, for example on tax systems, nation-wide grant systems and mechanisms for cross-subsidisation, was perceived to be highly relevant, but also very challenging. Some doubts were expressed about the feasibility of the latter in countries in which central governments' regulatory powers were weak and about the role European expertise could play in helping to develop instruments that were adapted to the situation in the least developed countries.

In line with the controversy on the first issue, the desirability and feasibility of 'pro-poor targeting' within decentralisation and municipal development programmes was considered a debatable issue. The advocates argued that poor sections of society would only benefit from decentralisation if they were able to make use of the political and economic opportunities created by these reform processes. They felt that projects and programmes in support of decentralisation and municipal development should address the specific constraints placed on the poor and enable them to make use of new opportunities, for example to articulate and defend their interests vis-à-vis local councillors and administrators. Pro-poor targeting in decentralisation and municipal development programmes could take the form, for example, of setting aside resources for civic education and capacity-building programmes tailored to the educational backgrounds of the poor or concentrating decentralisation support on poor jurisdictions.

Others warned that such measures required in-depth knowledge of the local context and coping strategies of poor people. If such knowledge was lacking or if support was based on the wrong assumptions, such donor-driven measures in favour of specific groups within the community could easily introduce new distortions or deepen existing divides. Assistance should rather aim to help to develop and institutionalise more inclusive local governance, for example by promoting a culture of consultation and accountability among local councillors and administrators, and by strengthening capacities for participatory planning. This could foster a natural tendency to incorporate poverty concerns into local planning and decision-making processes.

¹⁸ This issue plays a prominent role in recent research co-financed and strategy documents produced by European donors. See, for instance, AFD 2001b, p. 4, SNV Mali 2000, p. 15, European Commission 1999, p. 2, DFID and Ministerie van Buitenlandse Zaken n.d..

3.6 Taking Account of Gender in Support of Decentralisation and Local Governance

There was a broad consensus that efforts to promote more inclusive and participatory local governance systems would have to pay high attention to gender.

Gender concerns have gained importance in the design of European assistance for decentralisation and local governance. European donors are increasingly providing assistance to national authorities and sub-national government for mainstreaming gender concerns in decentralisation strategies and local governance (see SNV Mali 2000; GTZ [1999]; Ofei-Aboagye 2000; VNG 2000).

A number of European donors have also developed operational guidelines in order to ensure that projects and programmes in support of decentralisation take due account of women's specific situation and incorporate measures to promote their political participation in emerging local government systems (see for instance Evertzen, A., van Oosten, C. and H. van Scherpenzeel 2001, GTZ 2001 and AFD 2001, p. 3). The new strategic focus on the 'gender dimension' of decentralisation mirrors assumptions and experiences that gender-specific constraints often prevent women from making equal use of the opportunities for political participation presented by new local government systems, thus potentially marginalising them in political decision-making processes. It also reflects the concern that tradition and cultural constraints on women's participation in politics may weigh particularly heavy at the level of local communities. Consequently, barriers to political participation by women may be especially high at a local level.

While there was a consensus that special efforts were needed to ensure that women would participate in local decision-making processes and benefit from new local governance systems, the 'new gender conditionality' also evoked some criticisms from African experts. European donors had to be careful to avoid dogmatism and a narrow focus on 'getting women into local politics'. Where external assistance was seen to be able to play an important role was in providing access to information and advice on affirmative action, an area in which African decentralised authorities and sub-national jurisdictions had little expertise.

One of the greatest challenges in promoting women's participation in local government was seen to lie in acquiring a better understanding of the specific impediments faced by women in entering and influencing political decision-making processes at a local level. Esther Ofei-Aboagye's case study of experiences in Ghana shows that these constraints can be very diverse (see Box 7).

Box 3: Constraints on Women's Participation in Local Self-Governance in Ghana

- lack of finance for campaigning
- time constraints: having to manage domestic responsibilities, income-generation activities and political work
- widely-held perception that political activity is dirty and not a decent job for women
- not receiving any votes because politics is seen as a men's arena
- husbands and families reluctant to have their women in the public eye
- lack of public-arena skills
- intimidation by male opponents

Source: Ofei-Aboagye, E. 2000. *Promoting the Participation of Women in Local Governance and Development: The Case of Ghana*. Maastricht: ECDPM (Friedrich-Ebert Foundation and ECDPM Discussion Paper No. 18), p. 4.

The Ghanaian experience and the discussion during the seminar both illustrate that efforts to promote women's participation in local self-governance will have to go well beyond capacity-building measures or support for 'affirmative action' as part of cooperation on decentralisation or municipal development programmes. They require an integrated approach to empowerment that transcends many other areas of development cooperation.

The experts agreed that, in view of the importance of context-specific and in particular cultural factors, local expertise had to be given an important place in efforts to assess and address these constraints.

Pointing to the surprising success of female candidates in some rural communes in Mali, experts from this country argued that, while cultural barriers deserved attention, they should not be overemphasised. In designing training and capacity-building programmes as well as incentives, it may be more instructive to analyse the opportunities and capacities already used by successful female candidates and lobbying groups in imposing themselves and inducing social change in a given socio-economic and cultural context.

3.7 Recognising the Role of Traditional Authorities

The institutional design of earlier decentralisation programmes in Africa often deliberately ignored the competencies and powers of traditional authorities. Many of the current programmes tend to opt for a more inclusive approach that takes account of the social legitimacy and *de facto* power of these institutions.

European donors increasingly recognise traditional authorities as actors in the local arena requiring specific civic education and training programmes as well as efforts to prompt dialogue and consultation on issues of local governance and development (see for instance Konrad-Adenauer-Stiftung n.d.; GTZ [1999], pp. 29). This new focus is based on the experience that legal frameworks and institutional arrangements that ignore or sideline traditional authorities place the success of reforms in jeopardy.

As was pointed out by many experts, the involvement of these actors, and the acknowledgement of their authority, can be crucial to the success of decentralised initiatives for addressing development constraints and the root causes of poverty. Thanks to their social legitimacy and moral authority, traditional and religious leaders can play an important role in conflict settlement, consensus-building on culturally sensitive issues and the mobilisation of local people for development projects.

It was also pointed out that traditional and religious authorities are often important linchpins of local solidarity networks and could therefore play an important role as informants on poverty within local communities.

While not advocating an uncritical view, some experts pleaded for a 'neutral approach' that recognises these institutions as actors in the (local) political arena and as part of social systems rather than treating them as 'rent-seekers', 'agents of corruption' or 'obstacles to change'.

The greatest operational challenge with such an approach lay in acquiring knowledge of the powers and roles of these actors in local politics, social and economic activity. Moreover, donors seeking to promote dialogue with traditional authorities in the framework of their assistance decentralisation would have to take great care to identify subtle modes of assistance and avoid creating an impression that their assistance aimed to reinforce or restore traditional power structures at a sub-national level.

3.8 Exploring the Role of Local Government in Decentralised Economic Development

Another strategic issue that emerges from recent research, policy documents and the discussions at the seminar is the question of the linkages between democratic decentralisation and local economic development, and more specifically, the role of local government in decentralised economic development in Africa.¹⁹ The following considerations play a role in current efforts to explore this issue:

- Many of the current decentralisation programmes in Africa claim to improve framework conditions and incentives for economic development at a local level and create opportunities for initiative by private operators.
- In many African countries, these reforms give local governments broad mandates to stimulate, facilitate and enable economic development within their jurisdictions. In principle, they also seek to provide sub-national authorities with competencies and resources for local economic development, for example by devolving fiscal and regulatory powers as well as property rights and responsibility for economic infrastructure and natural resources within their jurisdiction (e.g. roads, communications, energy, commercial facilities, land, minerals and water). In practice, local governments are often ill-equipped to assume their mandates for economic development and to act as a ‘facilitator’ or ‘enabler’ of local economic development.²⁰
- Due to the scarcity of central grants and subsidies, the financial and operational sustainability of local governments in Africa will crucially depend on the ability of local governments to raise their own revenues from local taxes, in particular by taxing local businesses.
- In view of the pervasive nature of income poverty, strengthening the role of local governments as facilitators of economic development is also regarded as an important line of action in an effort to render decentralisation pro-poor and meet the political expectations of local people.

It is clear from the seminar that the experts feel that emerging local and regional authorities will have to be assisted in their efforts to carry out their mandates and assume their responsibilities in the field of economic development. However, they are also afraid that such efforts might nurture a new economic interventionism at a local level. This fear mirrors controversial views expressed in the literature on the role of local government in economic development in Africa. A number of participants at the seminar therefore argued in favour of adopting a prudent approach to exploring this issue in the context of assistance for decentralisation and local governance that would revolve around the following strategic and operational priorities:

- acquiring more insights into the role played by sub-national authorities in local economic development in different political and economic contexts;
- promoting participatory planning and decision-making on matters relevant to local economic development;
- stimulating consultation, dialogue and joint action and public-private partnerships between local governments and economic operators;

¹⁹ See for instance Twerenbold-Wippermann 2001; PDM and Club de Sahel 2000; GTZ and Service Allemand de Développement [2000], pp. 47, Brunel 1997, pp. 42, Hennion et al. 2000, pp. 22, Stetten 1999, Wieland 2001 and Yatta 2000a and b.

²⁰ See the findings of Programme de Développement Municipal, Club de Sahel and Délégation de la Commission européenne en Côte d’Ivoire 1998 as well as Wieland 2001.

- building and strengthening decentralised capacities and frameworks for policy dialogue and strategy formation on economic development;
- involving local government upstream in policy dialogue and decision-making on issues of macro-economic development.

The examples in Box 4 testify to the current interest in the economic dimension of local governance and provide some initial insights into innovative approaches to development cooperation in this field.

Box 4: Promoting Multi-Actor Dialogue and Decentralised Strategy Formation on Issues of Social and Economic Development

Assisting dialogue, consultation and negotiation between sub-national authorities and other ‘actors’ in local development has become a strategic priority for European donors in the context of democratic decentralisation in Africa. Three innovative approaches to multi-actor dialogue and consultation at local government level were discussed at the seminar:

- *The ECOLOC programme*, an initiative of the Programme de Développement Municipal and the Club du Sahel, which has attracted support from a variety of European donors, including bilateral donors, such as the French Ministry of Foreign Affairs and GTZ, the European Commission and local government actors, such as the French decentralised cooperation and the Association of Netherlands Municipalities (VNG). The programme aims to promote an informed dialogue between municipal councils and representatives of the local private sector with a view to facilitating joint action and strategy formation.²¹
- *The Projet de Ville de Pikine*, a two-year exercise in participatory strategic planning in the Senegalese town of Pikine, facilitated by a Senegal-based NGO called ENDA Tiers Monde. This initiative aimed to develop instruments and frameworks for the bottom-up formulation of municipal development plans and their implementation. The initiative made use of new opportunities for multi-actor dialogue on local development created by Senegal’s new decentralisation policy (see Laurent 2000).
- The decision taken by the *Ugandan municipality of Mbale* to jointly formulate a strategy for local economic development with representatives of the private sector, and to generate a shared vision on priorities and future action in the field of economic development. The facilitation of this new approach to bottom-up strategy formation, co-financed by DFID, placed great emphasis on consultation with the informal sector and resulted in a strategy that put poverty reduction and employment generation at the heart of Mbale city council’s future economic development strategy.²²

While there were differences in terms of the methodological assumptions and the approaches to dialogue that were pursued, the following common lessons and challenges emerged:

- Multi-actor dialogue and strategy formation need to be well informed. As information on the local economy is often unavailable, attention needs to be given to developing local information and communication systems as well as strengthening the capacities of local authorities to acquire, manage and provide information on the local economy.
- Multi-actor dialogue and consultation processes will only be sustainable and yield results if they are owned by local communities and driven by local interests. Donors should therefore take a prudent approach to technical assistance and incentives to stimulate participation in dialogue.
- Donors’ funding procedures and modalities are often not adapted to a process approach, making it difficult to guarantee continuity of dialogue and consultation over time.

²¹ This information is drawn from a presentation given by F. Yatta (PDM) and B. Perquin (VNG) and a joint overview of the ECOLOC programme (cf. Yatta 2000a and 2000b). For more details on the ECOLOC programme and the progress that has been made to date, see Bossard (et al.) 2001.

²² This information has been provided in a presentation by Mark Sheldrake based Mbale Municipal Council 1999.

The discussion suggests that the efforts made by bilateral European donors and the European Commission to explore and conceptualise opportunities for decentralised economic development as part of the process of supporting decentralisation are still at an early stage. A review of recent initiatives taken by European donors, including NGOs and experiences made in the framework of international municipal cooperation could be instructive in this regard.

3.9 Adapting Aid Instruments and Management Tools

As is illustrated by the above analysis, support for democratic decentralisation puts pressure on European donors to innovate and embrace new strategic priorities. It also creates substantial challenges in terms of adapting aid instruments and management tools. Two instrumental challenges of common concern provoked a particularly spirited debate during the seminar.

3.9.1 Developing instruments and aid management tools for multi-actor dialogue

More recent assistance in support of democratic decentralisation attaches high priority to promoting dialogue, negotiation and consultation between different actors in development at a sub-national level (see AFD 2001a; SNV n.d. and SNV [2000], Bossuyt 2000; Hennion (et al.) 2000; European Commission 1999 and Kasumba 2000).²³ This emphasis reflects the shift from traditional approaches to decentralisation, focusing on the formal transfer of powers, to assistance for promoting new frameworks of 'local governance' (Simon (K.) 2000; Materu (et al.) 2000).

While the terminology and objectives may vary from one donor to another, support for multi-actor dialogue and consultation in the context of assistance for democratic decentralisation generally aims to attain the following objectives:

- building trust between different actors as a basis for collaboration and negotiation;
- instilling a culture of consultation with citizens and other stakeholders consultations into local politicians and administrators;
- generating a consensus on the respective roles, mandates and responsibilities of actors in the context of decentralisation;
- facilitating collaboration and task division between local governments, de-concentrated agencies, and the private and associative sectors in the provision of decentralised services and infrastructure for local economic and social development (e.g. in the form of 'joint action', 'strategic alliances' or 'private-public partnerships');
- achieving a better coordination, coherence and complementarity of local initiatives geared towards economic and social development.

As illustrated in a presentation given by a representative of the Netherlands Development Organisation (SNV), this new strategic focus on multi-actor dialogue builds on experiences gathered in the course of decentralisation processes.

In the case of the SNV, earlier approaches in support of municipal and local development tended to put a more exclusive emphasis on participatory *planning*, relying heavily on PRA techniques. This helped to improve the capacities of local planners to consult and take stock of the *different* needs and

²³ For an interesting analysis of the interplay of different actors in local development in a Burkinabè town see Sebahara 2000.

visions of stakeholders, including poor and marginalised people. Nevertheless, the implementation of local development plans often proved difficult, because too little attention had been given to generating a *shared vision* on development and the roles and responsibilities of different actors in implementing development plans and platforms for consultation.

Building on these experiences, more recent approaches focused more on facilitating dialogue, consensus-building and joint action between different actors in local development.²⁴ This shift in approach also required the development of new instruments of institutional support and changes in personnel policy, e.g. recruiting process facilitators rather than technical experts, and relying more on local experts for policy advice and capacity-building support for partner organisations.

Similar experiences were cited by other participants, who emphasised that a strategic focus on multi-actor dialogue and consultation also required the following changes to aid management:

- a shift from project-based approaches to actor-oriented support for processes of institutional change, thereby raising the challenge of developing aid-management tools geared to the requirements of process management and the identification of appropriate interfaces;
- a review of modalities for programming and implementing sector investment programmes with the aim of making them more conducive to bottom-up policy formation and capacity-building with decentralised actors in development;
- more flexible management and disbursement procedures to enable projects and programmes to be re-oriented in line with the dynamics of multi-actor consultation processes;
- a different approach to ‘project identification’, moving from ‘expat’ identification missions to support for the facilitation of local consultation processes on development priorities and needs for external assistance;
- a review of aid instruments operating at a macro level, such as support for sector investment programmes, structural adjustment support and other forms of budget assistance, with a view to getting actors at a sub-national level to play a role in identification.

In this context, the participants also underlined that the ability of actors to engage in dialogue and consultation processes supported by external assistance also depended crucially on their having access to information on and the transparency of modalities of support.

3.9.2 Monitoring and evaluating (support for) democratic decentralisation

In light of the current enthusiasm about democratic decentralisation as a strategy for ‘pro-developmental’ political reform, one might expect there to be a pronounced interest in information on the impacts of ongoing decentralisation programmes and related external support.

However, the discussion corroborated the view that the ‘*discourse on the advantages of decentralisation is ... a rather normative one*’ (Steinich 2000, p. 2). It also confirmed the finding that a better understanding of the empirical reality of decentralisation, its opportunities and risks, is constrained by the lack of attention given to the monitoring and evaluation of the effects and impacts of these reforms and related external support (see Steinich, 2000, p. 2).

As illustrated in a presentation by Markus Steinich drawing on the experiences of German technical cooperation, the monitoring and evaluation of support for decentralisation processes poses a number of

²⁴ For more details, see SNV Mali 2000 and SNV n.d..

methodological challenges and dilemmas related among others to the complexity and political sensitivity of these reform processes.²⁵ In many cases, current practices with projects and programmes do not go beyond the monitoring and evaluation of activities, and generally fall short of providing information on effects or impacts (see Steinich 2000, p. 4, and Weidener 2000, p. 58). The formulation and design of action to assist decentralisation processes is therefore still based primarily on assumptions and arguments of plausibility rather than on empirical evidence.

Another problem, highlighted in a case study of experiences in a programme in support of decentralisation and municipal development in Côte d'Ivoire, was the tendency to formulate programmes and projects in support of decentralisation with very ambitious objectives and of a complex design that did not take sufficient account of weak local capacities for monitoring outcomes (Siméon 2000).

Other experts argued that many project-monitoring systems primarily served the information needs of the donor and central authorities, and paid scant attention to enhancing local stakeholders' capacities for monitoring the performance of emerging local government systems and the effectiveness of related external assistance. They deplored the fact that, although some donors claimed to be committed to strengthening local capacities for monitoring and evaluation, this commitment often turned out to be half-hearted when it came to providing the concomitant resources for transport and communication to the national authorities responsible for monitoring and evaluating the implementation of decentralisation programmes.

Nevertheless, the debate and consultations which took place at the headquarters of European donors made clear that increasing attention is now being paid to the need for monitoring and evaluating decentralisation processes and related assistance.²⁶ Representatives of donor agencies showed great interest in methodological assistance as well as a further exchange of views on this issue.

Many experts felt that, in spite of methodological challenges, there was scope for taking immediate action to strengthen the monitoring and evaluation of external assistance, for example by:

- *earmarking funds for monitoring and evaluation*, as well as for debating this issue, in all projects and programmes in support of decentralisation municipal development, so as to ensure that proper attention is given to the expected outcomes of support;
- *adopting a flexible approach to the identification of appropriate indicators* for monitoring and evaluating project outcomes and impacts. In view of the above-mentioned methodological difficulties, it may neither be desirable nor feasible to identify relevant indicators during the planning stage. Furthermore, due to the diversity of socio-economic contexts, which particular indicators are deemed to be 'appropriate' may vary from one country and locality to another and also evolve in the course of decentralisation and municipal development processes. It was therefore recommended that partners should only seek agreement on indicative project or programme outcomes and allow for performance indicators to be defined in the process of implementation, which would require a more flexible use of the logical framework and project-cycle management tools.
- *building capacities for joint monitoring and evaluation*. Many experts felt that, while it was important for donors to account for assistance, those designing measures in support of decentralisation should place more emphasis on the need for building capacities among stakeholders to enable them to jointly monitor and assess the impact of assistance. For instance, projects and programmes facilitating multi-actor dialogue and consultation on issues related to

²⁵ For more details, see Steinich 2000, p. 6.

²⁶ See, for instance, http://www1.worldbank.org/wbiep/decentralisation/module14/topic_intro.htm; AFD 2001b, p. 12; United Nations Development Programme and Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung 2000, p. 50 and 58.

decentralisation should give high priority to building stakeholders' capacities at different levels for assessing the outcome of these processes and the performance of institutional frameworks. This could also help to establish a culture of accountability and to strengthen systems of checks and balances on local government.

- *investing in shared impact monitoring and evaluation systems* was another option raised during the discussion. The views on the dimensions and indicators of an Impact Monitoring and Evaluation System provided in Steinich's paper were considered valuable in terms of methodological guidance for future research and dialogue with partners (see Steinich 2000, pp. 8-12 and Box 5).

Box 5: Systems for Monitoring and Evaluating the Impact of Support for Decentralisation

The discussion on systems for monitoring and evaluating support for decentralisation revolved around the methodological 'cornerstones' outlined in Markus Steinich's paper. Steinich draws on the findings of two debates on the design of an impact monitoring and evaluation system: the debate on the evaluation of public management reforms in OECD countries and the debate on governance indicators in the OECD/DAC. He derives from the outcomes of these debates a number of methodological principles, criteria and indicators that could serve as the cornerstones of an impact monitoring and evaluation system. They include the following:

- The need to reconsider causality, i.e. move from an evaluation rationale based on a 'linear' understanding of causality applied in projects to one adapted to the systemic nature of support for decentralisation processes, focusing on feedback loops.
- The plurality of methods for data collection and sources of information that can be used in assessing impact, such as documents, stakeholder surveys, rapid field assessments, as well as consultation rounds and cross-country assessments in which experts are asked to rate the quality and effectiveness of institutions.
- The argument that, if evaluation is to have an impact on decision-making, evaluation capacity must be matched by a willingness to utilise the findings.
- The quest for appropriate indicators and criteria could focus on the following levels and dimensions:
 - the *quality and output of framework-setting*, e.g. the geographic coverage of decentralisation programmes, the preparation of sub-national elections, the implementation of support measures and related inter-ministerial co-ordination);
 - the *quality of local governance*, e.g. in terms of transparency, participation rates, people's empowerment, the rule of law, absence of corruption;
 - the *output of local government*, i.e. financial performance, quality of service delivery and infrastructure management, conflict regulation and incentive setting for economic operators;
 - the *outcome of decentralisation*, e.g. in terms of economic growth, poverty alleviation, (gender) equity, environmental sustainability and social peace.

Source: Steinich, M. 2000. *Monitoring and Evaluating Support to Decentralisation: Challenges and Dilemmas*. Maastricht: ECDPM (ECDPM Discussion Paper No. 19), pp. 8-12.

3.10 Enhancing Coherence and Complementarity of Different 'Channels' and Instruments in Support of Decentralisation and Local Governance

All participants regarded improving the coordination and complementarity of the various forms of and channels in support of decentralisation and local governance as forming a major operational challenge. While the call for strengthening the coordination of external assistance was a recurrent plea, there was a feeling that the opportunity cost of non-coordination may be particularly high in the field of support for democratic decentralisation. This is for the following reasons.

In many African countries, decentralisation programmes lie at the heart of state reform and democratisation processes. Competing concepts, approaches and modalities of external support could thus seriously threaten the coherence and stability of newly emerging political systems. Different conditionalities of financial assistance to local governments, divergent practices in topping up the salaries of local staff of local governments and a lack of coordination in the allocation of external resources to local jurisdictions could introduce dysfunctionalities or biases that would be difficult to correct.

In spite of the fact all the parties involved had declared their commitment to coordination and that many resolutions had been adopted on *strengthening coordination and complementarity among European donors*,²⁷ efforts to coordinate support for decentralisation rarely went beyond sporadic consultations in the context of project appraisals or seminars. In most African partner countries, formal coordination efforts in this area were still confined largely to an exchange of information on projects among donors. Initiatives for joint programming or co-financing and discussions aimed at harmonising procedures were the exception rather than the rule. Among the obstacles that were cited were divergent 'decentralisation philosophies', differences in aid-management procedures and the centralisation of decision-making processes in donor agencies, as well as capacity constraints and rent-seeking on the part of partners. The following were seen as being the main challenges:

- placing decentralisation on the agenda of EU coordination efforts (see Section 4.2);
- increasing the scope and incentives for field representatives and project managers to engage in coordination with other donors;
- encouraging and assisting national and sub-national authorities in their efforts to initiate and maintain frameworks for coordination.

The lack of coordination and complementarity among the various aid channels and instruments used by EU member states and the European Commission was seen as another urgent challenge that needed to be addressed. The participants stressed that many donors had not matched their flexibility in creating new instruments and funding schemes in support of decentralisation with efforts to incorporate these in a coherent and transparent strategy. Anne Simon's analysis of the European Union's approach to support for decentralisation and decentralised cooperation illustrated this challenge, which is also symptomatic of bilateral aid systems (see Simon, A. 2000; Thomi et al. 2001: p. 323; Hennion et al. 2000: p. 22).

Nevertheless, the discussions and recent initiatives are clear evidence of the fact that donors are now looking at ways of streamlining their instruments in support of democratic decentralisation and local governance (see Polte, Steinich and Thomi 2001, p. 323, Hennion (et al.) 2000, Bossuyt 2000 and VNG 2001).

²⁷ See, for instance, European Commission 2000, pp. 1.

4. The Cotonou Agreement: Opportunities and Challenges for European Support for Democratic Decentralisation

On 23 June 2000, the member states of the European Union and 77 African, Caribbean and Pacific countries (ACP) concluded a new 20-year partnership agreement in Cotonou, Benin. The ‘Cotonou Agreement’, which supersedes the Lomé Conventions, is the product of a long consultation and negotiating process that began in 1995. Even before the talks on the Agreement started, experts were predicting that the negotiations would result in a radical overhaul of what is regarded as the key legal basis for cooperation between the EU and the ACP. The Cotonou Agreement introduces a number of conceptual, procedural and instrumental innovations that will have an impact on how the European Union, its member states and their partners in Africa will approach support for decentralisation in the future.

4.1 Important Provisions and Novelties in the Agreement

The Cotonou Agreement reflects the above changes in the political environment and institutional landscape in ACP countries and adapts the strategies and instruments of cooperation to the new context. Compared with the previous Lomé Conventions, this new framework for cooperation places much more emphasis on the political dimension of development and a pluralistic approach to partnership. This is reflected, for example, in the centrality of the principle of good governance and the operational focus on policy dialogue and participatory approaches to development cooperation, which are now open to a wide range of actors in development apart from just the central government (see Box 6).

Box 6: Participation and Good Governance: Key Principles of the New Partnership

Title II of the Agreement highlights the political dimension of development cooperation. The following provisions contain fundamental definitions and orientations for future cooperation, which are relevant for support for decentralisation and municipal development.

Article 2

- Defines participation as a fundamental principle of ACP-EU cooperation.
- Extends the partnership to a wide range of actors *other than central government*.

Article 9

- Defines ‘good governance’ as ‘*the transparent and accountable management of human, natural, economic and financial resources for the purpose of equitable and sustainable development*’.
- Highlights the following component elements of good governance:

- (a) clear decision-making procedures used by public authorities;
- (b) transparent and accountable institutions;
- (c) the primacy of law in the management and distribution of resources;
- (d) building capacity for planning and implementing anti-corruption measures.

Introduces a new strategic focus on political and institutional reform processes and gives a prominent place to policy dialogue with different actors in development.

4.1.1 The new strategic focus on institutional development, capacity-building and dialogue with different actors in development

In line with this emphasis on the political dimension of development, the Cotonou Agreement gives high priority to political and institutional reform processes and allocates a prominent place to policy dialogue with different actors in development. Article 9, paragraph 4, summarises the implications for the European Community's cooperation strategies as follows:

'The Community shall provide support for political, institutional and legal reforms and for building the capacity of public and private actors and civil society in the framework of strategies agreed jointly between the State concerned and the Community.'

This new strategic focus provides new opportunities for cooperation in the field of decentralisation, municipal development and local governance.

4.1.2 The legal foundations for future ACP-EU cooperation on decentralisation, municipal development and local governance

Article 6 and 33 contain perhaps the most important provisions for future ACP-EU cooperation in these relatively new areas of development cooperation. Article 6 defines the actors of the partnership and contains a direct reference to local governments. The new article 33 on institutional development and capacity-building contains clear references to decentralisation as an important area for support for institutional reform (see Box 7 below).

Box 7: The legal foundations of ACP-EU cooperation on decentralisation and municipal development under the Cotonou Agreement

Article 6

- Defines 'the actors of cooperation' and recognises local and regional government as a specific sphere of the state and a potential partner in cooperation.

Article 33

- Introduces a new cross-sectoral focus on institutional development and capacity building.
- Mentions support for political, administrative, economic and financial decentralisation as one strategic area of cooperation in this field (Paragraph 3f).
- Highlights the importance of restoring and enhancing public-sector capacity, in particular capacity for implementing decentralisation policies at the local and municipal levels and for increasing (bottom-up) participation of the population in the development process (Paragraph 4d).

Apart from these direct references to decentralisation and sub-national government, it may also be important to bear in mind a number of provisions on sectoral and cross-sectoral priorities when thinking about how to operationalise linkages between support for decentralisation and poverty reduction in specific country contexts. In the light of the challenges identified in Chapter 3, the following appear to be particularly relevant:

Cooperation on macro-economic and structural reforms and policies

Some of the strategic priorities agreed under this heading (Article 22) refer to issues that are vital to the sustainability and impacts of democratic decentralisation processes with regard to inter- and intra-jurisdictional equity. Cooperation on macro-economic and structural reforms could involve formulating legal frameworks for fiscal decentralisation, designing direct measures for enhancing local governments' capacities to mobilise and manage (fiscal) resources, or identifying schemes and modalities for cross-subsidisation between jurisdictions.

Social-sector development

According to the European Commission, the strategic emphasis on social-sector development constitutes a cornerstone of the poverty focus of the new Agreement. Cooperation in this area aims to support ACP states' efforts to elaborate and implement sectoral policies and reforms with a view to improving the coverage, quality of and access to basic social infrastructure and services. Moreover, cooperation should give special attention to '*local needs and the specific demands of the most vulnerable and disadvantaged sections of society*' (Article 25). It should encourage the promotion of participatory methods of social dialogue. In countries implementing national and sectoral decentralisation programmes, much of the cooperation on social-sector development will probably take the form of direct or indirect support for decentralisation processes. For instance, it may involve technical and financial assistance for decentralised service provision or support for platforms for bottom-up policy formulation and monitoring of national poverty-reduction programmes (e.g. at municipal or district level).

The cross-cutting concern for gender issues

Article 31 gives gender issues a prominent place as a new cross-cutting theme. It contains a commitment to '*strengthen policies and programmes that improve, ensure and broaden the equal participation of men and women in all spheres of political, economic, social and cultural life*' and '*to improve the access of women to all resources required for the full exercise of their fundamental rights*'. As the above discussion shows, there is a broad consensus among experts that democratic decentralisation can help to achieve these objectives, provided that it takes account of gender concerns. Article 31 may thus serve as a basis for enhancing support for activities that seek to strengthen the gender concern in the design and implementation of decentralisation programmes and women's capacities to benefit from these reforms.

Moreover, anchoring gender concerns in support for decentralisation and municipal development may serve as a vehicle for operationalising the principle that '*...cooperation shall create the appropriate framework to (a) integrate a gender-sensitive approach and concerns at every level of development cooperation... (b) encourage the adoption of specific positive measures in favour of women such as ...participation in national and local politics...*'.

The Cotonou Agreement provides the European Community with a broad and explicit mandate to engage in co-operation in the field of decentralisation and municipal development. It is however worth noting, that even in the absence of such an explicit mandate the European Community had been making use of a variety of different co-operation instruments to support these reform processes at different levels.²⁸ In some countries, the European Community, as a multilateral donor, has even played an important role in promoting innovative approaches in this area.²⁹

²⁸ See the analysis of Simon (A.) 2000.

²⁹ See for instance the Community's support for the start-up aid and support for the municipal investment programme in Mali (European Commission n.d., *Framework of Cooperation Mali...*, p. 4.)

4.1.3 Modes and levels of intervention

In terms of levels of intervention and modes of cooperation, Part IV of the Agreement, on 'Development Cooperation Finance', provides for a wide variety of instrumental options. However, the European Commission has left no doubt that it strongly prefers budget aid and assistance to sector programmes (Commission of the European Communities 2000, p. 29). It is therefore likely that - if political framework conditions permit - a substantial part³⁰ of future support for decentralisation will be provided in this form, combined with technical assistance or institutional support. Much of this support will probably be channelled through national authorities (such as the respective Ministries responsible for implementing national and sectoral decentralisation programmes, national institutions responsible for allocating communal investment funds, etc.).

At the same time, Articles 70 and 71 of the Agreement also reflect a strong desire to encourage decentralised initiatives for local development and bottom-up approaches to policy formulation and reform. These articles highlight two specific modes of cooperation, which have been conceived with a view to better responding to the needs of local communities and assisting decentralised approaches to development cooperation: micro-projects and decentralised cooperation. Both have been extensively used to test new approaches to and modalities of 'decentralised' or 'bottom-up' support for decentralisation and local development processes under the Lomé Conventions.³¹

While the provisions of the Cotonou Agreement still remain rather general, it is important to note that the European Commission has made considerable efforts to clarify its concept of and approach to 'decentralised cooperation'. The recently issued operational guidelines more clearly delineate the concept and define the main lines of intervention. Based on a capitalisation of selected experiences, they also give practical guidance on how to make use of this new mode of cooperation in different political and social contexts.³²

As illustrated in Box 8, the concept of 'decentralised cooperation' advocated in the context of ACP-EU cooperation is much broader than that embraced by other donors, who tend to use the term exclusively for international cooperation between sub-national territorial entities and/or their service providers.

Articles 70 and 71 provide a strong basis for 'bottom-up' approaches to cooperation on issues related to decentralisation, municipal development and governance, as well as a basis for promoting decentralised initiatives for poverty reduction and local development. These can complement higher-level support for conceptualising, implementing and following up on decentralisation processes or assisting sectoral decentralisation and deconcentration processes that is provided under sector policies and reforms.

The 'Compendium of policy guidelines for specific areas and sectors of cooperation' issued in January 2001 and the programming guidelines for the 9th EDF reflect this new strategic consensus and the desire to give decentralised cooperation a much wider application in ACP-EU cooperation (European Commission 2001, p. 5).

³⁰ In some ACP countries the European Commission and its partners have already made flexible use of existing opportunities under the Lomé IV Convention to allocate EDF resources and structural adjustment support in the form of budget support or programme aid to national decentralisation and related municipal development processes.

³¹ See for instance Simon (A.) 2000; Dhaene (et al.) 1999 and de Combrugghe and Lévy 2000.

³² See European Commission 1999.

Box 8: Provisions for ‘Micro-Projects’ and ‘Decentralised Cooperation’

Articles 70 and 71:

- view the use of micro-projects and decentralised cooperation as specific modes of cooperation in response to development needs of local communities and as a means of encouraging development initiatives taken by ‘decentralised agents’.
- reflect a desire to develop innovative modes of cooperation aimed at promoting participatory development from the bottom up.

Micro-projects:

- aim to meet demonstrated and observed priority needs of local communities with the active participation of local communities and are intended to have an economic and social impact on their lives (e.g. communal infrastructure and services);
- are implemented with the physical and financial aid of local communities (as the beneficiaries).

Decentralised cooperation

In the context of ACP-EU cooperation, ‘decentralised cooperation’ is defined as *another type of cooperation* that places the actors themselves at the heart of the cooperation process. The latter may include local governments and a wide variety of non-state actors.

According to the operational guidelines, this new approach to cooperation revolves around three main strategic orientations or intervention platforms:

1. support for decentralisation processes, namely the emergence of legitimate and efficient local government systems;
2. assistance for local development initiatives and trends;
3. support for political and social dialogue aimed at ensuring the upstream involvement of local actors in the formulation of policies and programmes.

In terms of procedures and instruments, operations should comply with the following criteria:

- (1) active participation of all classes of actors;
- (2) collaboration and complementarity between actors;
- (3) decentralised management;
- (4) a process-based approach;
- (5) priority awarded to capacity-building and institution-building.

Under Article 71, assistance should preferably be granted to initiatives that combine efforts and resources of decentralised agents from ACP states and the European Union.

Sources: European Commission 1999, European Commission n.d.. *Partnership Agreement...* , European Commission – DG-Development. The Director-General 2000 and the ACP-EU Partnership Agreement.

4.1.4 Implications of the new programming process

Another novelty worth mentioning in the context of the debate on procedures and aid-management systems is the new process of rolling programming.³³ This procedural innovation not only radically modifies the criteria for aid allocation, but also introduces substantial changes in the way in which national and regional cooperation programmes are formulated, managed and evaluated.³⁴

Under the Lomé Conventions, the programming of national and regional cooperation frameworks used to be a rather ‘centralised’ and ‘exclusive’ exercise, largely revolving around the European Commission and its Delegations, the National Authorising Officer³⁵ and the EDF committee.³⁶ In line with the emphasis on participation and an actor-based approach to cooperation, the new modalities provide for consultation and dialogue with a broader set of actors in the preparation of the so-called ‘indicative programmes’, which form the basis for cooperation at national and regional levels. Now, they are to be prepared by the ACP state(s) and the EU ‘*following consultations with a wide range of actors in the development process, and drawing on lessons learned and best practices*’ (Article 2, Annex IV).

Expanding on this rather general consensus, the ‘Compendium on cooperation strategies’ and the programming guidelines for the 9th EDF specify modalities for consultation, information and dialogue throughout the programming process, including regular reviews of the performance of cooperation strategies and instruments.³⁷ The latter are another novelty of the rolling programming process, which introduces a ‘merits and needs-based’ approach to the allocation of aid resources. With regard to the theme of the seminar, it is interesting to note that ‘*progress with regard to poverty alleviation or reduction*’ and ‘*progress in the implementation of institutional reforms*’ are both quoted as criteria for performance assessment and thus future resource allocation (see Article 3, Annex IV). The programming guidelines for the 9th EDF define ‘genuine decentralisation efforts’ as one indicator of progress on institutional reforms.

4.2 Operational Challenges and Questions related to the Implementation of the New Provisions

The discussion at the seminar on the operationalisation and implementation of the new provisions of the Cotonou Agreement largely revolved around the following three questions:

1. What strategic and operational challenges does the implementation of the Cotonou Agreement pose for cooperation in the field of democratic decentralisation?
2. What role can the European Commission play in implementing future European support for decentralisation and decentralised initiatives for poverty reduction and local development in ACP countries?
3. What scope will the operationalisation and implementation of the new Cotonou Agreement provide for enhancing the overall coherence and complementarity of European support for decentralisation?

³³ See Annex IV to the Cotonou Agreement on ‘Implementation and Management Procedures’ and ECDPM2001c.

³⁴ In the context of ACP-EU cooperation, the term ‘programming’ refers to the process of allocating aid to different countries and regions, as well as the definition of country and regional cooperation strategies between the partners. For more details, see ECDPM 2001a.

³⁵ The National Authorising Officer is the key interlocutor, representing the government of the ACP partner country in its relations with the European Commission (e.g. a senior official at the Ministry of Planning or External Relations).

³⁶ The EDF Committee consists of representatives of EU member states, who all have a say in the programming process.

³⁷ For more details, see European Commission and ECDPM 2001b.

These questions were indicative of the information needs and concerns of European and African decentralisation experts in the immediate aftermath of the signature of the Cotonou Agreement in June 2000. They may have involved in the course of the ongoing programming process of the 9th EDF.

Of the wide variety of issues raised by the participants at the seminar, the following were shared priority concerns:

4.2.1 Increasing awareness of and information on new opportunities for cooperation in the field of decentralisation and municipal development

While the European Commission was eager to exchange views on how best to operationalise and implement the above novelties and provide guidance for the upcoming programming process,³⁸ the situation in June 2000 was that many participants were not very aware of the innovations contained in the Agreement and its implications for support for decentralisation. The discussions confirmed that, in spite of unprecedented efforts by the European Commission to consult non-governmental and local government actors in the negotiation process, many decentralisation experts and stakeholders at a local level were still unaware of the new opportunities of the Agreement and the relevant provisions.

Representatives from European donor agencies and their counterparts in Africa acknowledged that their information on ACP-EU cooperation had always been relatively selective, i.e. largely limited to details of specific projects that directly concerned their own organisation's operations. Representatives of African NGOs and associations of municipalities emphasised that their constituencies' information was largely limited to information on specific budget lines or windows for co-financing. However, it often proved difficult to access relevant information on instruments and modalities at in ACP partner countries. The participants made clear that, in the partner countries, information on the potential opportunities for undertaking cooperation or participating in the programming process was probably limited to a very narrow circle of ministerial officials and one or two representatives of civil society who had been involved in consultations during the negotiation process.

The participants stressed that broader information on and awareness of the relevant provisions, instruments and aid modalities of the Cotonou Agreement, was an important precondition for engaging in a dialogue and consultations with stakeholders. The programming process of future EDFs was thus regarded as posing a huge challenge in terms of finding appropriate strategies and mechanisms for communication that would reach out to decentralised actors.

4.2.2 Putting the commitment to participation and bottom-up policy dialogue with 'decentralised actors' into practice

Implementing the commitment to the participation of 'decentralised actors' in policy dialogue on cooperation strategies in general, and the programming process in particular, was seen as a major methodological and organisational challenge. The reasons for this were as follows:

The new programming process provided for consultation and dialogue with a broad spectrum of actors other than the central government, a radical change from former practices and an approach which went well beyond what was common practice in the context of bilateral or non-governmental European cooperation. The Agreement itself provided hardly any operational guidance on key questions such as the criteria and modalities for identifying and selecting actors and their representatives for the consultations, the appropriate fora and mechanisms of consultation or procedures of consensus-

³⁸ The above-mentioned Compendium on sectors and areas of cooperation and the programming guidelines for the 9th EDF were still in preparation at the time of the seminar.

building. Moreover, the programming of the 9th EDF would have to follow a tight time-frame, which would probably leave relatively little scope for any systematic consultation of stakeholders (i.e. European donors and actors in partner countries) on the methodology and approach to adopt.

In the absence of methodological guidance and because of the time constraints, the European Commission decided to organise a seminar with representatives of local government and civil-society associations on 21 June 2000 so as to capitalise on the experiences gained thus far with dialogue with these actors and to consult them on modalities. The objective of this seminar was to jointly identify options and concrete modalities for involving non-state actors and local authorities in the dialogue processes, as well as existing constraints and preconditions for putting the principles of the new programming process into practice.³⁹

This initiative was welcomed by decentralisation experts. However, there was also a consensus that any genuine and broad-based participation of decentralised actors in the formulation of cooperation strategy could not be attained within one programming exercise. It would have to be pursued gradually, in a process of 'experimentation' and 'learning', as it required substantial changes of mentality and capacity-building efforts in order to enable actors to adhere to and participate in such a process. In this context, the participants also pointed to manpower and capacity constraints among the European Commission's Delegations. The new approach to programming would place substantial pressure on the delegations in terms of their ability to undertake country-specific analyses of political framework conditions, trace the relevant actors and perform institutional analyses.

Some representatives of national decentralisation authorities saw the identification of representative interlocutors from civil society at an in-country level, and in particular at a sub-national level, as forming the greatest methodological challenge. Others pointed to the difficulty of defining selection criteria and instruments of capacity-building that would iron out any discrepancies in negotiating power between partners at the 'central' and 'decentralised' levels, between 'state' and 'non-state actors', and between 'donors' and 'recipients'. On the whole, there was a consensus that information and capacity-building among state and non-state actors at sub-national and local levels were necessary pre-investments for any bottom-up dialogue on cooperation strategies. Moreover, targeted efforts would probably be necessary in order to enable actors in sub-national jurisdictions to negotiate support for their initiatives for poverty reduction and local development with the central government and the European Community. In this context, participants also pointed to the need for strengthening local government associations at national and regional levels.

4.2.3 What role can the European Commission play in supporting decentralisation and decentralised initiatives for poverty reduction and local development?

One of the important concerns at the forefront of all participants' minds was the implications of the Cotonou Agreement for the European Commission's future role in supporting decentralisation and in particular in implementing assistance.

Decentralisation experts welcomed the fact that the new provisions gave the European Union a broad mandate for supporting decentralisation and municipal development processes in cooperation with different actors. In view of the variety of political and institutional contexts in ACP countries, the possibility of choosing from different levels and modes of intervention was regarded as essential.

At the same time, great concern was expressed that this wide mandate could result in a further proliferation of instruments and aid modalities. In the absence of clear strategic orientations, the European Commission might be tempted to venture into areas in which it did not offer any added value and in which other donors had already acquired substantial experience.

³⁹ See Bossuyt 2000 for more information on the outcomes of this seminar.

Of particular concern to European donor agencies and NGOs was the role that EuropeAid, the Commission's new operational structure, would play in future support. Would this new structure be responsible for managing the Commission's portfolio in the field of decentralisation and municipal development, or would it also execute projects and programmes? Without a clear definition of the Commission's key areas of competence and a clarification of EuropeAid's mandate, there was a risk that the latter would just become another - less experienced - donor agency entering the scene. The clarification of the Commission's future strategy and role in identifying, implementing and managing support for decentralisation was thus seen as an urgent strategic and operational challenge. It was argued that this challenge should be addressed in collaboration with a broad spectrum of EU donors with a professional record in providing technical and financial assistance to decentralisation in its various forms.

According to the representative of the European Commission, it was neither realistic nor desirable for the Commission to build up a large portfolio in all the diverse areas of support covered by the Cotonou Agreement. The Commission was well aware that it did not enjoy a comparative advantage in certain modes of cooperation. For instance, the emphasis in the Cotonou Agreement on participatory approaches to institutional development posed a serious operational challenge in terms of the human resources and expertise available to the Delegations and the Commission's limited field presence outside capital cities. Consequently, an important strategic and operational challenge lay in identifying those areas or modes of intervention for which the Commission had an added value and finding appropriate modalities to delegate responsibility for implementation and management to other agencies or local organisations (i.e. identifying appropriate modalities for co-financing and interfaces).

4.2.4 Strengthening overall complementarity and coherence of support

Related to the future role of the European Commission in support to decentralisation was the question of how much scope the Cotonou Agreement would provide for enhancing the coherence and complementarity of European support for decentralisation.

Representatives of European donor agencies pointed out that mechanisms for policy and operational coordination between EU donors had been relatively ineffective in relation to support for decentralisation. In the absence of a clear mandate and strategy for the European Union in this new area of cooperation, in-country coordination had been largely dependent on the personal initiative of delegates or informal contacts between EU donors. The fact that the Cotonou Agreement provided the European Union with an explicit mandate for cooperation in the field of decentralisation and municipal development was also seen as an important precondition for strengthening coordination between European donors and their respective partners.

European experts urged that the upcoming programming process should be used as an initial opportunity for consultations on how to strengthen complementarity in this area of development cooperation. It was considered wise to aim for modalities of donor consultation that went beyond the narrow circle of bilateral European donor agencies, and also associated European NGOs and associations providing support to programmes of decentralised cooperation run by the various member states.

African participants predominantly welcomed the opening-up of the programming process, but expressed concern that the recent interest in participatory policy formulation and multi-actor dialogue could lead to a proliferation of frameworks for consultation with different donors (e.g. ACP-EU cooperation, the PRSP process, bilateral aid, etc.). This would place a heavy burden on newly emerging local government structures and civil-society organisations at a local level. It was therefore said to be important to reflect carefully on the institutional implications and harmonise institutional frameworks for bottom-up programming and policy formulation, which some perceived as a 'new conditionality'.

Participants also pointed to the conceptual confusion caused by the divergent use of terminology by different European donors. The term ‘decentralised cooperation’ was quoted as an example. While it was acknowledged that the new operational guidelines for decentralised cooperation clarified the European Commission’s approach, there was a feeling that these may not yet have been sufficiently internalised by the Delegations. The partners in the field still had difficulty in understanding and adapting to the different interpretations placed on the concept of ‘decentralised cooperation’ by European donors.

On the whole, there was a consensus on the urgent need for European donors and their respective partners to exchange views on their respective approaches to decentralisation and municipal development at the level of partner countries. Some participants wondered whether the Delegations of the European Commission could not play an important role in drawing together and making available information on approaches and funding schemes run by different European donors in relation to decentralisation and municipal development.

4.2.5 Mainstreaming poverty-reduction objectives in ACP-EU cooperation on decentralisation and municipal development

This issue was only briefly discussed. It was acknowledged that, from a conceptual point of view, the new Agreement ‘contained all the necessary ingredients’, but provided little operational guidance on how to incorporate the overarching poverty concern in future measures in support of decentralisation and cooperation with municipal actors. Finding appropriate criteria and modalities that could guide the programming process, including joint performance reviews, and ensure that the interests of the poor would be represented in the programming of measures in support of decentralisation and decentralised cooperation was thus regarded as an operational challenge.

The Commission hoped to receive practical recommendations and advice from bilateral agencies with a long-standing record in supporting decentralisation and mainstreaming poverty reduction concerns. Representatives of bilateral agencies underlined the contextual nature of their experiences and the tentative nature of their views on this issue.

Experts from NGOs and local government associations underlined the fact that relevant experiences were not limited to bilateral agencies and that an outreach to poverty groups would require support to be managed and implemented in a decentralised manner. In the light of the Commission’s new emphasis on budget and sector support, they also called for an assessment of the unintended effects that the current modalities of budget support had on the capacities of decentralised actors to address poverty (i.e. the effects of programmes in support of sectoral decentralisation and the new modalities of basket funding).

The consensus that emerged from the discussions was that the issue of mainstreaming poverty concerns was not only an important methodological challenge, but also a procedural and organisational issue. With regard to the latter, much emphasis was placed on modalities of exchange of experiences that would allow European donors and their partners at different levels to capitalise on and learn from ongoing research and evaluations. In this context, some participants wondered whether ACP-EU cooperation could provide a framework for promoting common monitoring and evaluation systems that would allow joint assessments to be performed of the impact that decentralisation and external support had on poverty.

It should be noted that the programming guidelines for the 9th EDF issued in July 2000, i.e. after the seminar, take account of some of the above-mentioned concerns and challenges. For instance, they contain more specific guidelines for assessing political and institutional framework conditions and the poverty orientation of political reform processes. There are clear directives for engaging in consultations with member states and other donors to identify the added value of ACP-EU cooperation and to strengthen impact monitoring and evaluation. It remains to be seen whether these directives will

be accompanied by the necessary institutional reforms within the Commission and institutional support for local actors in partner countries so that they can put them into practice.

5. Addressing the Challenge: Options for Future European Support for Decentralisation

Democratic decentralisation is well under way in Africa. The consensus reached in the Cotonou Agreement indicates that donors from the European Union will remain an important source of external support for democratic decentralisation and municipal development processes in the next two decades.

At the same time, this new area of development cooperation raises many strategic and operational challenges for European donors and their partners in Africa. The discussions at the seminar suggest that the following lines of action may be particularly worthy of consideration when looking for ways of addressing the above challenges and dilemmas and anchoring poverty and local development concerns in European support for decentralisation and municipal development.

- ***Pursuing Strategic Development Objectives through Cooperation in the Field of Decentralisation and Municipal Development***

European development cooperation in the field of decentralisation claims to pursue a whole range of strategic development objectives, ranging from democratisation and good governance to poverty reduction, local development and the improvement of local living conditions.

So far, however, little is known about the potential offered by European support for decentralisation and municipal development processes for promoting common strategic development objectives, such as poverty reduction or good governance, in different country contexts. It could therefore be argued that the time has now come to investigate and assess this potential more systematically.

With regard to poverty reduction, this would first and foremost require a better conceptualisation of the dimensions and causes of poverty that could be addressed through and within this new field of development cooperation. It would also necessitate a more in-depth analysis of ways of operationalising linkages to these different dimensions in the form of specific reforms and related external support. Such an analysis would be of little value, of course, if it was based solely on theoretical considerations. It should be grounded in empirical evidence.

- ***Investing in a Sound Analysis of Framework Conditions, including an Assessment of Risks and Benefits***

In view of the highly context-specific nature of support for decentralisation, its political sensitivity and the need to adapt to widely differing social and cultural framework conditions at a local level, there is probably little scope for generalisation. Investment in a sound analysis of political, institutional, social and economic framework conditions, as well as the fiscal implications of decentralisation, is therefore an important precondition for assessing the scope for pursuing strategic development objectives and the potential effectiveness of specific support measures.

The discussion indicates that such an analysis should not be limited only to a description of the ‘aid environment’, but that it should also include a differentiated assessment of the potential risks and benefits of decentralisation processes and related external support for different groups of the population. Such an assessment of risks and benefits should take account of gender and poverty as criteria for a differentiated analysis.

A number of European donors venturing into this area of cooperation would be advised to further invest in capacities to access and analyse information and conduct such assessments. This may not only temper unrealistic expectations with regard to the developmental outcome of support, but also provide insights into the technical feasibility and social acceptability of support strategies and the added value of development cooperation.

Investing in a joint assessment of framework conditions with potential partners at a national and local level may be worthwhile not just for the purpose of building capacity in the field of policy and institutional analysis, but also as a means of stimulating dialogue and consultation between the actors involved in development.

- ***Promoting Capacities and Platforms for Bottom-Up Policy Formulation and Multi-Actor Dialogue at a Sub-National Level***

Judging from the discussions, the facilitation of multi-actor dialogue and bottom-up policy formulation has become a priority for European donors working in the field of democratic decentralisation and municipal development at a sub-national level.

There is a strong consensus that this will often require a heavy investment in building capacities among different groups of ‘actors’ at a sub-national level in order to enable them to participate in dialogue and influence policy formation. It will also require donors to provide assistance that leaves their partners and local populations with sufficient opportunities and time for testing institutional frameworks, modalities and interfaces and for learning from these experiences. This also seems a particularly worthwhile area for promoting the capitalisation on and exchange of experiences at national and regional levels.

Multi-actor dialogue and bottom-up policy formulation will not necessarily be pro-poor. Thus, specific measures will have to be considered in order to empower marginalised and poor people to participate in and benefit from these dialogue processes.

The references to ‘capacity-building’ for decentralisation and municipal development in the Cotonou Agreement are very broad. In order to prevent ‘capacity-building’ from becoming just another basket for traditional technical assistance, it might be useful to provide the European Commission’s Delegations with criteria for assessing proposals and operational guidance on instruments and modalities.

- ***Monitoring and Evaluating the Impact of Democratic Decentralisation Processes and Related External Support***

In order to ensure that policy formulation is informed and interventions are designed on the basis of past experience, it is crucial to gain a better insight into the effects and impacts of democratic decentralisation and external support for these reforms. While the concrete impact on poverty and local development may be methodologically difficult to trace, there is a need to reflect at an early stage on indicators and information systems that would allow assessments to be made of the performance of new institutional structures and interinstitutional arrangements to be analysed in terms of their ability to carry out their mandates for socio-economic development.

Being able to document positive effects and impacts may not only be an important precondition for keeping up the necessary long-term commitment to external support beyond the present era of enthusiasm. Mechanisms for monitoring and evaluating support for decentralisation could also help to strengthen the accountability and transparency of newly established decision-making and administrative procedures, and help to design measures of inter- and intra-jurisdictional equity.

A question to consider in this context is how to move from donor-driven, project-based monitoring and evaluation systems to building stakeholder capacity for monitoring and evaluating decentralisation processes at different levels. In this connection, it might be worth looking at the experiences of countries who have managed to attract external assistance for basket-funding national schemes and instruments in support of democratic decentralisation processes (e.g. Mali, Burkina Faso and Uganda). Another issue that deserves high attention in this context is the monitoring and evaluation of sector investment programmes or sector-wide approaches with regard to objectives of democratic decentralisation and local governance.

- ***Promoting the Exchange of Experiences and Measures to Increase the Coherence and Complementarity of Cooperation Efforts***

There is a strong consensus among European donors and their partners on the need to make progress in aid coordination, be it at the policy or the operational level. However, as experience from other areas of cooperation shows, controversy tends to arise when it comes to putting this need into practice. Nevertheless, there appears to be considerable scope for progress.

The headquarters of European donor agencies are clearly interested in engaging in a dialogue on common strategic and operational challenges. In view of the positive experiences with *expert working groups* in other areas of European cooperation, it may be worth considering ‘replicating’ this institutional arrangement. Given the increasing role of NGOs and sub-national institutions in support for decentralisation and municipal development, their representatives should be involved in such dialogue.

The European Commission’s commitment to consulting a wide variety of ACP stakeholders and donors on future cooperation strategies in the context of the new programming processes and the related emphasis on performance reviews provides a good opportunity for enhancing the coherence and complementarity of European support in the future. In order to make use of this opportunity, timely thought should be given to strengthening communication and information-sharing with donors and partners in the field as well as to reinforcing the Delegation’s capacities to facilitate this exercise. The European Commission can then take a more forceful step towards joint programming with the member states.

A strength of European development cooperation highlighted in the discussion was the ability to offer a range of choices between different approaches and experiences. However, potential partners and target groups at a national and sub-national level still find it difficult to access information on European donors’ strategies and experiences. With a view to ensuring greater transparency and awareness on the menu of choices, it might be useful to explore ways of jointly documenting and collecting experiences with partners, and to look into the modalities for improving communication on European assistance with potential partners outside central government circles.

A structured dialogue and exchange of experiences between European donors and their respective partners are also important pre-conditions for informed strategy formation at the European level.

- ***Investing in Strategy Formation at a European Level***

An agreement on strategic priorities and lines of intervention beyond the consensus of the Cotonou Agreement and the operational guidelines for decentralised cooperation could stimulate joint reflection and action on some of the above-mentioned challenges and dilemmas. It could also help to clarify for all actors involved the rationale of the different instruments of European cooperation as well as the specific role and added value of ACP-EU cooperation in the field of decentralisation and local governance.

The discussion during the seminar suggests that the following issues deserve particular attention in future efforts to formulate a common European strategy:

- clarifying the status of local governments as new partners in development;
- assessing the added value of ACP-EU cooperation in support of processes of democratic decentralisation, municipal development and local governance;
- clarifying the objectives, roles and key competences of the European Commission and its new implementation structure as actors in this new area of cooperation.

Bibliography

ACP-EU Partnership Agreement signed in Cotonou on 23 June 2000. *Supplement to the Courrier*, Special issue, September 2000.

AFD 2001a = Groupe Agence Française de Développement (AFD) 2001. *Développement local & Décentralisation. Séminaire de formation – Réflexion 23 & 24 octobre 2000. Actes du Séminaire*. Paris: AFD.

AFD 2001b = Groupe Agence Française de Développement (AFD) 2001. *L'AFD & le développement local en zone rurale. Note d'orientations opérationnelles*. Paris: AFD.

Bieckman, F. 2000. Terug naar het dorp. *Vice Versa*, 34 (2): 6-11.

Bossard, L. (et al.) 2001. *Managing the economy locally in Africa. ECOLOC handbook. Assessing local economies and their prospects*, volume 1, summary. Paris: PDM and Club du Sahel/OECD.

Bossuyt, J. 2000. *Involving non state actors and local governments in ACP-EU dialogue*. (ECDPM Policy Management Brief, 13). Maastricht: ECDPM.

Bossuyt, J. and J. Gould. 2000. *Decentralisation and poverty reduction: elaborating the linkages*. (ECDPM Policy Management Brief, 12). Maastricht: ECDPM.

Brunel, F. 1997. *La décentralisation en Afrique subsaharienne*. Paris: Secrétariat d'État à la Coopération-Direction du Développement.

Conyers, D. 1983. Decentralization: the latest fashion in development administration?, *Public Administration and Development*, 3: 97-109.

Commission européenne 1997. Le processus de décentralisation dans le secteur de la santé: rapport des deux réunions tenues à Bruxelles entre les assistants techniques et les experts nationaux des pays ACP du 20 au 23 novembre 1995 pour les pays d'Afrique occidentale et centrale, et du 22 au 25 janvier 1996 pour les pays d'Afrique orientale et australe, des Caraïbes et du Pacifique. (Série Santé et Développement, document de travail, 2). Bruxelles: Commission européenne.

Commission of the European Communities 2000. *The European Community's Development Policy. Communication from the Commission to the Council and the European Parliament, COM (2000)212 final of 26. March 2000*. Brussels: European Commission.

DFID and Ministerie van Buitenlandse Zaken n.d.. Decentralisation. *Key Sheets for Sustainable Livelihoods*. www.odi.org.uk/keysheets (forthcoming)

de Combrugghe, C. and M. Lévy 2000. *Evaluation de la ligne budgétaire coopération décentralisée. Rapport final*. Brussels, Paris : Collectif pour la Technologie Appropriée/Groupe de Recherche et d'Echanges Technologiques.

de Jong, K. , Loquai, C. and I. Soiri 1999. *Decentralisation and Poverty Reduction. Exploring the linkages*. (Policy Papers, 1/1999). Helsinki: Institute for Development Studies/European Centre for Development Policy Management.

Dhaene, C. et al. 1999. *Evaluation of project CDC/1997/13-1: 'Good Governance at local level: participatory municipal administration capacity building programme (Southern Africa)*. Liege: ACE Europe.

Diallo, A. A. 2000. *Pauvreté et conflits locaux: le cas du Sahel Occidental, Mali*. Intervention au séminaire “L’appui des bailleurs de fonds européens à la décentralisation démocratique et au développement municipal: Quelle contribution au développement local et à la réduction de pauvreté?”, <http://www.ecdpm.org/en/events/2002/diallo.htm>

ECDPM 2001a = European Centre for Development Policy Management 2001. *Participating in programming*. (Cotonou Infokit, 9). Maastricht: ECDPM.

ECDPM 2001b = European Centre for Development Policy Management 2001. *Organising to participate*. (Cotonou Infokit, 12). Maastricht: ECDPM.

ECDPM 2001c = European Centre for Development Policy Management 2001. *Performance based partnership*. (Cotonou Infokit, 21). Maastricht: ECDPM.

ENDA Ecopop n.d.. *The “Projet de Ville de Pikine”: a participatory strategic planning exercise in Senegal (summary)*. Dakar: ENDA Ecopop.

European Commission 1999. *Operational guide to decentralized cooperation*. Brussels: European Commission.

European Commission – DG-Development. The Director-General 2000. *Note to the Department of DG DEV and Delegations in the ACP/Med Countries and CEEC. Re: Support for decentralised co-operation. Operational Guide to decentralised co-operation*. http://europa.int/comm/development...sector/decentralised/index_en.htm

European Commission. EuropeAid Co-operation Office 2001. *Report on the Implementation of the European Commission External Assistance. Situation at 01/01/01*. (Staff Working Document D(2001)32947). Brussels: European Commission.

European Commission 2000. 2304th Council meeting – Development - Brussels, 10 November 2000. *Action Plan*. http://europa.eu.int/comm/development/ley/en/council20001110b_en.htm.

European Commission n.d.. *Framework of Cooperation Mali/European Community National Indicative Programme*. <http://eu.int/comm/development/stat/extrd00/export/ml.htm>.

European Commission n.d.. *Partnership Agreement between the Members of the Group of African, Caribbean and Pacific States and the European Community and its Member States. Compendium on co-operation strategies* http://europa.eu.int/comm/development/cotonou/compendium/compendium_en.htm.

Evertzen, A., van Oosten, C. and H. van Scherpenzeel 2001. *Local Governance Processes: A Reference Guide. Updated second version August 2001*. The Hague: SNV.

de Combrugghe, G., et M. Lévy. 2000. *Évaluation de la ligne budgétaire coopération décentralisée: rapport final*. Bruxelles: Consortium COTA/AEDES/GRET/IIED.

GTZ GmbH [1999]. *Atelier “Décentralisation en Afrique occidentale et centrale” Bamako, 9 au 12 novembre 1999*. Documentation par Sylvia Tag, tome I. GTZ GmbH: Eschborn.

GTZ GmbH, Service Allemand de Développement [2000]. *La Décentralisation en Afrique Occidentale et Centrale*. Documentation de l’Atelier Régional, Niamey, 6 au 9 novembre 2000, organisé par le DED Niger en collaboration avec la GTZ Eschborn réalisé par Christine Ludl, tome I. GTZ GmbH: Eschborn.

Hennion, M. (et al.) 2000. *Comment mieux articuler les appuis aux initiatives de développement à la base et à l'appui à la décentralisation? – Capitalisation sur les pratiques et acquis de la coopération française en Afrique au sud du Sahara*. Rapport final (synthèse) préparé pour le compte du Ministère des affaires étrangères. Coopération et Francophonie. Bureau des Collectivités Locales et du Développement Urbain. Paris: ACT consultants.

Kasumba, G. 2000 : Rakai Case Study. In: Materu, J. (et al.) 2000. *Decentralised cooperation and joint action: building partnerships between local government and civil society in Africa*. (ECDPM Policy Management Report, 10). Maastricht: ECDPM: 125-143.

Konrad-Adenauer-Stiftung n.d. *The Role of Traditional Leaders in Local Government in South Africa*. Johannesburg : Konrad-Adenauer Stiftung.

Laurent, N. 2000. Pikine Case Study. In: Materu, J. (et al.). *Decentralised cooperation and joint action: building partnerships between local government and civil society in Africa*. (ECDPM Policy Management Report, 10). Maastricht: ECDPM: 144-151.

Materu, J. (et al.) 2000. *Decentralised cooperation and joint action: building partnerships between local government and civil society in Africa*. (ECDPM Policy Management Report, 10). Maastricht: ECDPM.

Mbale Municipal Council 1999. Draft Economic Development Strategy and Delivery Plan 1999-2002. To alleviate poverty, create employment and increase incomes through the sustainable economic development of the Municipality. Mbale: Mbale Municipal Council.

Manor, J. 1995. Democratic decentralization in Africa and Asia. *IDS Bulletin*, 26(2): 81-88.

Manor, J. 1999. *The political economy of democratic decentralization*. Washington: World Bank.

Materu, J. (et al.) 2000. *Decentralised cooperation and joint action: building partnerships between local government and civil society in Africa*. (ECDPM Policy Management Report, 10). Maastricht: ECDPM.

Mehler, A. 2001. Dezentralisierung und Krisenprävention. In: Thomi, W.; Steinich, M. and W. Polte (eds.): *Dezentralisierung in Entwicklungsländern. Jüngere Ursachen, Ergebnisse und Perspektiven staatlicher Reformpolitik*. Baden-Baden: Nomos Verlagsgesellschaft: 287-299.

Memorandum of agreed conclusions of the seminar on decentralised cooperation. How to Strengthen the Partnership between the European Commission and Local Government Actors in the ACP and in Europe? Seminar organised by the European Commission, Eurovillage, Brussels, Belgium, 13-14 December 1999.

Moore, M. and J. Putzel. 1999. *Thinking strategically about politics and poverty*. (IDS Working Paper, 101). Brighton : IDS. <http://server.ntd.co.uk/ids/bookshop/details.asp?id=509>

Nielsen, Henrik A. 1999. *Sector Programme Support in Decentralised Government Systems: a Contextual Donor Challenge*. (DANIDA Discussion Papers no. 2). Copenhagen : DANIDA.

Ofei-Aboagye, E. 2000. *Promoting the participation of women in local governance and development: the case of Ghana*. (ECDPM Discussion Paper, 18). Maastricht: ECDPM.

Olowu, D. 1988. *African Local Government as Instruments of Economic and Social Development*. The Hague : International Union of Local Authorities

Ott, D. 1997. *Decentralisation, Political Empowerment, and Democratisation in Africa: The Role of Foreign Aid*. Paper presented to the Annual Conference of the African Studies Association, San Francisco, California, November 1996 (revised version, 3/97). Washington, DC: Academy for Educational Development, Africa Bureau Information Center, Research & Reference Services Project.

Pitschas, R. 2001. Dezentralisierung und Good Governance – Zivilgesellschaftliche Entwicklung im Konflikt mit dem effizienten Staat, Dezentralisierung in Entwicklungsländern. In: Thomi, W., Steinich, M. and W. Polte (eds.): *Dezentralisierung in Entwicklungsländern. Jüngere Ursachen, Ergebnisse und Perspektiven staatlicher Reformpolitik*. Baden-Baden: Nomos Verlagsgesellschaft: 125-149.

Polte, W., Steinich, M. and W. Thomi 2001. Dezentralisierung: Wirkungen, Gestaltungsprinzipien und Handlungsfelder der Entwicklungszusammenarbeit. In: Thomi, W., Steinich, M. and W. Polte (eds.): *Dezentralisierung in Entwicklungsländern. Jüngere Ursachen, Ergebnisse und Perspektiven staatlicher Reformpolitik*. Baden-Baden: Nomos Verlagsgesellschaft: 311-334.

Programme de Développement Municipal, Club du Sahel, Délégation de la Commission européenne en Côte d'Ivoire 1998. *San Pedro: Dynamismes et synergies de l'économie locale. Etude de cas du programme "Relance des économies locales en Afrique de l'Ouest"*. Paris: Organisation de Coopération et de Développement Economique.

Rondinelli, D. A. and G. S. Cheema 1983: Implementing Decentralization Policies. An Introduction. In: Cheema, G. S. and Rondinelli, D. A. (eds.): *Decentralization and Development: Policy Implementation in Developing Countries*. Beverly Hills: 9-34

Sebahara, P. 2000. *Acteurs et enjeux de la décentralisation et du développement local: expériences d'une commune du Burkina Faso*. (Document de réflexion ECDPM, 21). Maastricht: ECDPM.

Seppälä, P. 2000. *Adapting aid management tools and systems: programme planning for decentralised service-provisioning*. Presentation to the expert seminar 'European support for democratic decentralisation and municipal development – a contribution to poverty reduction and local development', Maastricht, the Netherlands, June 14-15, 2000. Helsinki: Ministry for Foreign Affairs. <http://www.ecdpm.org/en/events/20002/seppala.htm>.

Siméon, N.K. 2000. *Suivi-évaluation des appuis à la décentralisation: une perspective africaine*. Intervention au séminaire 'L'appui des bailleurs de fonds européens à la décentralisation et au développement municipal: quelle contribution au développement local et à la réduction de pauvreté?' Maastricht, Pays-Bas, 14-15 juin 2000. <http://www.ecdpm.org/en/events/20002/ndri.htm>.

Simon, A. 2000. *Coopération décentralisée: comment institutionnaliser une nouvelle approche de lutte contre la pauvreté et de développement local dans les systèmes de gestion de la Commission européenne?* (Document de réflexion ECDPM, 17). Maastricht: ECDPM.

Simon, K. 2000. Local Governance nach dem Subsidiaritätsprinzip in Entwicklungsländern, In: Bodemer, K. (ed.): *Subsidiaritätsprinzip, Dezentralisierung und local government – Konzeptionelle Fragen und Fallbeispiele aus drei Kontinenten. Beiträge des Arbeitskreises "Entwicklung und Verwaltung"*. Hamburg: Institut für Iberoamerika-Kunde: 9-28.

SNV n.d.. *Playing a trump card. SNV and Local Governance in East and Southern Africa: a synopsis*. The Hague: SNV.

SNV Mali 2000. *Plan pluriannuel SNV Mali 2001-2003*. Bamako: SNV.

SNV [2000]. *Strategy Paper*. The Hague: Netherlands Development Organisation.

Steinich, M. 1997. Dezentralisierung und Entwicklung: Licht in die entwicklungspolitische Dunkelheit. *Nord-Süd aktuell*, 1 (1997): 69-80.

Steinich, M. 2000. *Monitoring and evaluating support to decentralisation: challenges and dilemmas*. (ECDPM Discussion Paper, 19). Maastricht: ECDPM.

Stetten, J. 1999. Fallbeispiel Südafrika. Kommunalpolitik und Dezentralisierung. In: *Dezentralisierung und kommunale Selbstverwaltung*. In: *Zur kommunalpolitischen Projektarbeit der Friedrich-Ebert-Stiftung in Afrika, Asien, Lateinamerika*, Friedrich-Ebert-Stiftung (ed.). Bonn : Friedrich-Ebert-Stiftung.

Thomi, W., Steinich, M. and W. Polte (eds.) 2001. *Dezentralisierung in Entwicklungsländern: Jüngere Ursachen, Ergebnisse und Perspektiven staatlicher Reformpolitik*. Baden-Baden: Nomos Verlagsgesellschaft.

Twerenbold-Wippermann, C. 2001. Dezentrale Infrastrukturfinanzierung als Förderinstrument einer regionalen Wirtschaftsentwicklung : Das Beispiel Mali. In : Thomi, W., Steinich, M. and W. Polte (eds.): *Dezentralisierung in Entwicklungsländern. Jüngere Ursachen, Ergebnisse und Perspektiven staatlicher Reformpolitik..* Baden-Baden: Nomos Verlagsgesellschaft : 259-275.

United Nations Development Programme and Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung 2000. *The UNDP role in decentralisation and local governance: a joint UNDP – Government of Germany evaluation*. New York, Bonn: United Nations Development Programme/Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung.

VNG 2000 : *Municipal Management Training Programme. Women in Local Government 2000. Participants Guide*. September 18-October 6, 2000. The Hague : VNG.

VNG International 2001. *Het perspectief van Deventer – de toekomst van gemeentelijke internationale samenwerking*. The Hague : VNG International.

Weidener, H. 2000. Querschnittsauswertung der Serienevaluierung “Dezentralisierung”. In: Bodemer, K. (ed.): *Subsidiaritätsprinzip, Dezentralisierung und local government – Konzeptionelle Fragen und Fallbeispiele aus drei Kontinenten. Beiträge des Arbeitskreises “Entwicklung und Verwaltung”*. Hamburg: Institut für Iberoamerika-Kunde: 54-67.

Wieland, M. 2001. Dezentralisierung und wirtschaftliche Entwicklung : Erfahrungen der Local Government Reform in Ghana. In: *Dezentralisierung in Entwicklungsländern. Jüngere Ursachen, Ergebnisse und Perspektiven staatlicher Reformpolitik*. Thomi, W., Steinich, M. and W. Polte (ed.). Baden-Baden : Nomos Verlagsgesellschaft: 227-258.

Yatta, F. 2000a. *ECOLOG: Un outil de relance des économies locales*. Présentation au séminaire ‘L’appui des bailleurs de fonds européens à la décentralisation démocratique et au développement municipal: Quelle contribution au développement local et à la réduction de pauvreté?’, PDM: Cotonou (mimeo).

Yatta, F. 2000b. *ECOLOG: Managing the economy locally in Western Africa*. Cotonou, Paris: Programme de Développement Municipal, Club du Sahel (mimeo).

Annexe: List of the Participants of the Seminar

François AMIOT	Agence Française de Développement
Jean BOSSUYT	European Centre for Development Policy Management
Philippe COQUART	Agence Française de Développement
Gwénaëlle CORRE	European Centre for Development Policy Management
Gilles DESESQUELLES	European Commission, Directorate-General for Development
Abdoul Aziz DIALLO	Association de l'appui au développement global, Mali
Rolf FOLKESSON	Swedish International Development Cooperation
Anno GALEMA	Policy Bureau, SNV, The Hague
Volker HAUCK	European Centre for Development Policy Management
Max HENNION	ACT Consultants, France
Charles C. KATIZA	African Union of Local Authorities, Zimbabwe
Amagoïn KEITA	SNV Mali/Ministry of Territorial Administration and Local Government
Mamadou KEITA	SNV Mali
Michèle LECLERC OLIVE	CNRS/GEMDEV, France
Terhi LEHTINEN	European Centre for Development Policy Management
Christiane LOQUAI	European Centre for Development Policy Management
Mamadou NDIAYE	ENDA GRAF, Senegal
Henrik A. NIELSEN	Danish International Development Assistance, Copenhagen
Esther OFEI-ABOAGYE	Institute of Local Government Studies, Ghana
S. Marcel OUATTARA	GTZ/Commission Nationale de la Décentralisation, Burkina Faso
Barbara PERQUIN	International Project Unit, VNG, The Hague
Louk de la RIVE BOX	European Centre for Development Policy Management
Alain ROCHEGUDE	GEMDEV, France
Peter SCHELLSCHMIDT	Friedrich-Ebert Foundation, Ghana
Paul-Henri SCHIPPER	Ministry of Foreign Affairs, France
Pamphile SEBAHARA	University of Louvain-la-Neuve, Belgium
Pekka SEPPALA	Finnish Department of International Development Cooperation
Evelyne SEWSGSUWAN	Ministry of Foreign Affairs, France
Mark SHELDRAKE	Sheldrake Associates, Ashwood, UK
N'dri Kouassi SIMEON	Belgian Development Cooperation, Côte d'Ivoire
Anne SIMON	Cabinet Gressard, France
Peter SLITS	Institute for Housing and Urban Development Studies, Rotterdam
Ignacio SOLETO	Directorate-General for Development Cooperation of the Community of Madrid
Marc SOMERS	Association for Technical Cooperation, Belgium
Francisco J. SOTA RAMOS	Directorate-General for Development Cooperation of the Community of Madrid
Mohamed SOUMARE	ECOPOP Environnement and Développement in Africa, Senegal
Markus STEINICH	German Technical Cooperation Agency, Eschborn
Richard THOMAS	Department for International Development, UK
François Paul YATTA	Municipal Development Programme for Western and Central Africa, Cotonou, Benin