

Sharing Power for Development

Experiences in Local Governance and Decentralisation

6 EXPERIENCE AND LEARNING IN INTERNATIONAL CO-OPERATION

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Sharing Power for Development

The aim of this publication is to document means by which Helvetas and its partners have contributed to decentralisation processes and local governance in five selected partner countries: the Philippines, Cameroon, Mali, Vietnam and Guatemala. Using the opportunities provided within a specific context, while at the same time taking into account its particular constraints, Helvetas sets different priorities. All approaches have in common the fostering of collaboration between the three society sectors, the state, civil society and the private sector, as well as the provision of support to decentralisation and local governance through concrete projects.

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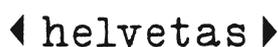
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Helvetas, Swiss Association for International Co-operation, works towards the elimination of the causes of marginalisation and promotes solidarity with the poor in the south and the east. Its mission is to actively contribute to the improvement of the living conditions of economically and socially disadvantaged people in Asia, Africa and Latin America. Currently, Helvetas runs programmes of co-operation in 22 countries. Helvetas was founded in 1955 as the first private Swiss development organisation. Through such publications, Helvetas contributes to the process of learning through sharing in international co-operation. For more details or comments, please contact:

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Executive summary

Means by which decentralisation and good local governance can be achieved in countries of Africa, Asia and Central America are the subject of this publication. It describes concrete experiences made by Helvetas and its partners with initiatives which are aimed at achieving greater decentralisation and more effective local governance. It goes on to describe how these experiences can be built upon to influence national policy and legislative reform for decentralisation and governance as well as their implementation.

Five case studies from different decentralisation and governance contexts, the Philippines, Cameroon, Mali, Vietnam and Guatemala, illustrate some of the key changes which are taking place as a result of Helvetas-supported project activities:

- Historical mistrust and ideological antagonism are overcome through partnerships: Helvetas Philippines has supported participatory local governance, i.e. the country-wide decentralisation programme through promoting effective collaboration between local government units and civil society organisations.
- Better/Good local governance through a market approach: in Cameroon, Helvetas has used a competitive approach to work with democratically elected municipal councils. They in turn have tendered social infrastructure projects, promoting a local market for private service providers.
- Gender inclusiveness and inter-communal development: women's participation in political processes has improved thanks to the focus on awareness-raising in Mali. Helvetas Mali has succeeded in supporting inter-communal networks for advocacy and for drafting legislative policy.
- Strengthened vertical and horizontal linkages improving decentralisation and governance: Helvetas Vietnam has supported local governments' responsiveness and citizen participation and public administrative and service reform.
- E-learning, networking and lobbying: in Guatemala a national information provider uses web-based information and education platforms for municipality capacity development.

The selection of appropriate entry points and agents of change are fundamental for initiating a successful process. A number of strategies influence positively the rooting of decentralisation processes and collaboration between multi-society actors, thereby enhancing local good governance in the areas of intervention. A number of challenges remain, but the documented lessons learned can (hopefully) provide substantive guidance to the range of partners on how these may be overcome, as well as to Helvetas, other NGOs, Donors and governments. It should however always be remembered that the framework conditions and process dynamics are country and sometimes region specific and must therefore be taken into account in designing interventions.

Glossary¹

Accountability

Accountability includes all mechanisms and measures within the public sector which bindingly define and control duties and responsibilities of the different government units and which hold them responsible for their actions. Reporting obligations towards control authorities and the public to ensure mutual control (“checks and balances”) are also important elements of accountability. Financial accountability involves efficient accounting and allocation of public finances and expenditures as well as an external finance control system. State internal control functions are executed by an independent judiciary and audit authority, the legislature, and, where these exist, by authorities such as an anti-corruption body, electoral and human rights commission, public complaints commission and ombudsmen, etc. Non-governmental control functions are conducted by civil society organisations and the media. The accountability of the state is generally higher in decentralised and democratic or participatory structures.

Agents of change/Drivers of change

According to DFID’s definition ‘drivers of change’ are understood to be ‘individual champions of reform or change’. These ‘agents’ interrelate with structural features such as state history, resources, economic and social structures, demographic change, regional influences and integration. The impact of agents on structural features and vice versa is regulated by institutions, including their formal and informal rules. This brochure mainly refers to ‘agents of change’ in the sense of individuals and organisations pursuing particular interests. These agents have the potential to bring about positive and/or negative change.

Capacity building and capacity development

In day-to-day use, capacity building primarily refers to external efforts, as part of the specific development agenda of an organisation, to build up particular capacities or fill capacity gaps. Capacity building tends to be relatively targeted and focused, whereas capacity development describes an organic process of growth and change that donors wish to promote. Human resources and institutional development (HRID) are central strategic components in a majority of projects addressing capacity development implemented by Helvetas. The focus of these HRID activities lies on strengthening the technical, methodological, social and economic competencies of local implementing agencies (governmental or non-governmental organisations). These interventions aim at enabling agencies to offer efficient and effective, tailor-made services that meet the specific needs of their target groups. Citizens are enabled to get access to and make use of the services.²

Civil society

As defined in Helvetas’ strategy for the working area “Civil Society and the State”, civil society refers to the space between the state and individual citizens where the latter can develop autonomous, organised and collective activities. Civil society comprises all formal and informal private (non-governmental and non-confessional) non-profit organisations which

are self initiated and regulated and have voluntary membership (interest groups, associations and service agencies with aims of public benefit, coalitions, unions, cooperatives, parties, etc.). A distinction can be made between:

a) Community Based Organisations (CBOs), which are membership organisations, from the grassroots level to apex entities, and which pursue the goal of improved living conditions for their own members (these are also known as “self-interest”, “self-help” or people’s organisations).

b) Associations, such as environmental and human rights groups (“civic/advocacy” associations or service-delivering organisations, very often development NGOs), pursue broader objectives for the “common good”. Some of these can take on an important role as intermediaries between membership organisations and donors and/or the government.

Decentralisation

The term decentralisation, as used in this document, is understood as a process of state reform. Decentralisation refers to the transfer of political and/or fiscal and/or administrative decision-making powers and responsibilities from central government to regional and/or local levels (for different forms of decentralisation see section 1.3).

Vertical and horizontal decentralisation: vertical decentralisation refers to the distribution of power among the various levels within sectors, departments and organisations (e.g. between provincial and district level governments). Horizontal decentralisation refers to the delegation of decision-making power within a single level of the government, department, sector or organisation (e.g. between municipalities) (FAO).

Fragile states

Following the terminology of DFID, countries where the government is not able or not willing to deliver core functions to the majority of its constituents are defined as fragile states. States can be classified as ‘fragile’ (when they are for instance weak, have conflict areas, are in post-conflict situations) and states that have strong capacity but are unresponsive to the needs of their citizens and the international community. Fragile states are not necessarily characterised by conflict. It should be noted that a state may have a ‘fragile’ formal state system and at the same time encompass strong informal systems of governance.

Governance

UNDP defines governance as the way in which political, economic and administrative authority is exercised in the management of a country’s affairs at all levels. Governance comprises the complex mechanisms, processes, relationships and institutions through which different actors – such as state officials, civil society representatives and the private sector (e.g. service providers) – articulate their interests, exercise their rights and obligations and mediate their differences. Governance can refer to the management and enforcement of both formal and informal rules, whereas informal governance is rather based on trust in persons (relation-

based) as opposed to rule-based formal governance (trust in rules) (UNDP, OECD).

Good Governance

The term 'good governance' refers to collaboration and division of roles between the state, civil society and the private sector, which are characterised by the principles of participation, transparency, accountability, rule of law, effectiveness and equity.

Local government

The term 'local government' as used in this publication refers to units at the provincial, district and municipal/commune level.

Multi-society sector approach

'Multi-society sector' is defined as an approach where the three societal sectors, the state, private sector and civil society, are participating in governance; the term 'multi-stakeholder' approach is also frequently used.

Non Governmental Organisation (NGO)

Following UNDP's definition, NGOs are non-profit and voluntary organisations that organise themselves independently with the goal of improving the conditions of society as a whole or to improve the conditions of specific society groups. NGOs may be local, national or international and are usually formally established in law.

Subsidiarity

Subsidiarity is the principle by which matters are handled by the smallest (or lowest) competent authority. In other words: the higher (e.g. central) authority should only perform those tasks which cannot be performed effectively and efficiently at lower (province, district and commune) levels. Within this process aiming at subsidiarity, competence, controlling and funding mechanisms need to evolve with time at all levels.

Abbreviations

AOP&B	Annual Operational Plan and Budget
BDP-PRA	Participatory Barangay Development Planning (PRA-method)
CBO	Community Based Organisation
CE	Civic Education
CS	Civil Society
CSP	Council Support Programme
DFID	Department for International Development UK
DNCT	Direction Nationale des Collectivités Territoriales
FFS	Farmer Field Schools
GRDD	Grassroots Democracy Decree
<h>	Helvetas, Swiss Association for International Co-operation
HRBA	Human Rights Based Approach
IPG	Institute for Politics and Governance
IRA	Internal Revenue Allotment
LED	Local Economic Development
LCTM	Learner Centred Teaching Methodologies
LGC	Local Government Code
LGU	Local Government Unit
MS	Monographic Studies
NGO	Non Governmental Organisation
PAAD	Programme d'Appui aux Acteurs de la Décentralisation
PCM	Project Cycle Management
PMC	Project Management Committee
PO	Peoples' Organisation
PSMB	Provincial Selection and Monitoring Board
PRA	Participatory Rural Appraisal
PROGRESS	Programme for Governance and Rural Empowerment Support Services
RMA	Rapid Market Appraisal
R&R	Roles and Responsibilities
SDC	Swiss Agency for Development and Co-operation
Sida	Swedish International Development Co-operation Agency
SP	Strategic Plans
ToT	Training of Trainers
USD	US-Dollars
UNDP	United Nations Development Programme
WMC	Water Management Committee

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Foreword

With the inclusion of the new working area “Civil Society and the State”³ into the Helvetas foreign strategy in 2003, governance and decentralisation have been upgraded from transversal themes to a full-fledged working area over the last decades.⁴ This brochure is a first attempt to document the endeavours in this working area. At head office, the person responsible for the working area “Civil Society and State” was supported by the temporary appointment of a new collaborator, Lilith Schärer. Since August 2006, one of her tasks has been to facilitate and develop the Helvetas Community of Practice on decentralisation and local governance which led to a collaborative learning and drawing together of experiences that are shared with the reader in this brochure.

The core editing team would like to thank those responsible for projects in Helvetas’ programme countries, the focal persons and the programme directors for their active participation in the Community of Practice. This process has shown the richness and variety of experiences dealing with the complex theme of decentralisation and local governance, never forgetting about Helvetas’ mission to help improve the lives of rural poor. We also would like to thank Patrick Robinson and Remo Gesù for their valuable editorial contribution.

This brochure is dedicated to Bakai Jolbunov, our Kyrgyz friend and collaborator who left us too early.

Box 1. A (human-) rights based approach to governance

Human rights constitute a strong pillar within the good governance concept; moreover, their protection is also a prerequisite for democracy. For Helvetas, the respect of human rights constitutes an important component of its engagement in the “Civil Society and State” working area, since it strongly complies with non-material aspects of the organisation’s development goal as defined in the foreign programme strategy. Helvetas’ aim of acknowledging human dignity, which is inherent to every individual person, and the principle of non-discrimination – guaranteeing equal rights to all, especially to disadvantaged groups and individuals (“political minorities”, e.g. ethnic groups, women, children etc.) – form strong parts of the human rights. In its work Helvetas generally postulates the indivisibility of all “three generations” of human rights: political and civil rights (including the right to life, the freedom of thought, conscience and religion, the rights of assembly and association, the rights to a fair trial, and the rights to political involvement), as well as economic, social and cultural rights (including the right to work, health, education, social security, and appropriate standards of living), and collective human and national rights (such as the rights to development, peace, sound environment and sovereignty). The emphasis on specific human rights in practical work will be determined by the particular given conditions.

Introduction

Decentralisation does not automatically lead to pro-poor development

1.1 Why decentralise? – Potentials and Limitations

Today, a broad consensus prevails in international development co-operation that decentralisation and good governance form an inherent part in achieving sustainable pro-poor development. The international trend towards decentralisation is closely linked to this thinking, and the strengthening of lower governmental tiers is expected to bring government closer to its constituents. With the decentralisation of policy decisions and anchoring of political life at local level, citizens can have more opportunities to participate in development and to directly demand accountability from (locally elected) bodies. Local decision processes and public participation are crucial for the responsiveness of local governments to local needs and demands. Decentralisation and local governance have the prospect of contributing to a more responsive public service delivery. In fostering collaboration between local government units⁶, civil society actors and the private sector, decentralised governance has the potential to be a driving force for development and local good governance (see figure 1).

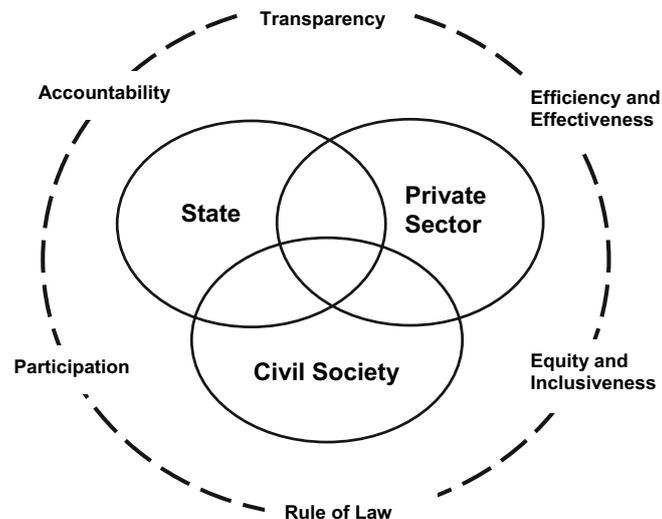


Figure 1: Collaboration between the three society sectors according to the principles of good governance

However, decentralisation also has limitations if state powers and responsibilities are de-concentrated or delegated to lower governmental tiers without adequate resources. Impact on local development is limited if political will to share power is inadequate and state control over citizens is perpetuated. If decentralisation is merely ordered by central government to comply with donors' will, it is unlikely to be a useful instrument to promote sustainable local development or democracy and governance at community level. In fragile states characterised by weak state institutions, decentralisation is a difficult undertaking due to either limited will or limited capacities at all governmental tiers.

Over the last two decades there have been intermittent endeavours by various governments in developing and transition countries towards decentralisation. Decentralisation of state competences and responsibilities is driven by various political or economic strategic rationales, and as a consequence occurs in various forms and at different levels. From an economic perspective, decentralisation is viewed by some governments to diminish the state's influence on the economy and to increase efficiency and effectiveness of public and private service provision (transition countries in Eastern Europe and Central Asia, e.g. Kyrgyzstan). Decentralisation can have the rationale of establishing democratic political structures, and /or of envisaging an integration of previously marginalized groups and geographic areas (e.g. Guatemala). Decentralisation can also have the rationale of perpetuating party control down to the lowest tiers (e.g. Vietnam, Mozambique).

1.2. When to engage in a process of decentralisation and local governance?

Helvetas is supporting public reforms in decentralisation and local governance in several countries. The engagement in these areas depends on the context which helps to define the entry points, the drivers of change and the resulting intervention levels. Nevertheless, even if approaches can vary, certain conditions are needed to ensure that project activities are relevant and effective. Some of these conditions are listed in Table 1.

Legal framework	<ul style="list-style-type: none"> Existing legislation and policy framework allows for all forms of decentralisation (administrative, political and fiscal) and local governance.
Government leadership and political will	<ul style="list-style-type: none"> Government leadership and commitment to decentralise power, responsibility and resources exist at national and local level at initial stages, but also throughout the decentralisation process. Civil society and the private sector support decentralisation efforts and are willing to participate in political decision-making.
Legally defined roles and responsibilities of the State; legally defined vertical linkages	<ul style="list-style-type: none"> Functions, roles and responsibilities of the State are defined within the legal framework. Vertical linkages between levels of government are defined within the legal framework.

Table 1: Framework conditions required to ensure relevance and effectiveness of project activities

1.3 How to engage in decentralisation and local governance?

The overall aim of the working area "Civil Society and the State" is to "contribute to establish a favourable environment allowing all society actors to commonly and complementarily contribute to sustainable development ...".⁷ The vision and contents of the working area stem from the understanding and definition of distinct roles to be fulfilled by the different society sectors, namely by civil society, the state and the private sector. The strategy places a special focus on these as they are the major actors in effective and efficient multi-dimensional development embracing social, economic, political and cultural aspects. Effective development strongly depends on how these stakeholders qualitatively fulfil their respective roles and functions and how they interrelate to each other. To achieve the vision of development as a multi-dimensional participatory process in which the three society sectors

participate, the strategy applies a number of working principles and mechanisms as shown in table 2.

Principles	Mechanisms
Citizen engagement and participation	<ul style="list-style-type: none"> • Mechanisms for effective mobilisation and participation such as civic education (information, awareness-raising) to encourage citizens' identification with state structures and to increase their understanding of human rights (political and civil rights; economic, social and cultural rights and the collective human and national rights). • Participatory mechanisms and structures.
Equity and inclusiveness	<ul style="list-style-type: none"> • Inclusion of marginalized groups (illiterates, women, ethnic minorities etc.) in processes of local governance through specific supportive measures. • Inclusion of traditional leaders in decision-making procedures where meaningful and according to the legal framework. • Reviewed and revised systems of representation: e.g. quotas for disadvantaged groups in decision-making bodies.
Time	<ul style="list-style-type: none"> • Long-term and strategic commitment is vital.
In-depth context-analysis incl. power relations	<ul style="list-style-type: none"> • Analysis of structural features such as state history, resources, economic and social structures, demographic change and regional influences, and adaptation of projects to specific contexts. • Analysis of power relations between different society actors to help define an appropriate approach. • Work through drivers of change. • Knowledge of power relations/creating win-win-situations.
Capacity building	<ul style="list-style-type: none"> • Build legal, administrative and political capacities of stakeholders (state, civil society, private sector) at all levels. • Organisational and institutional strengthening (mainly public sector and civil society organisations) .
Performance and government responsiveness (efficiency and effectiveness of public service delivery)	<ul style="list-style-type: none"> • Participatory and transparent planning processes and budget allocation (allow/promote social and political control and demand for responsive governments, as well as effective and efficient service provision). • Reliable and transparent reporting and monitoring systems (financial management, social audits). • Mechanisms to contain corruption, promotion of career development. • Tangible results and benefits creating citizen's willingness for engagement.
Accountability and Transparency	<ul style="list-style-type: none"> • Monitoring of and information on public service delivery. • Support for freedom of media. • Support for free and fair elections; formation of allegiances on the basis of performance rather than on the basis of ethnic and kin affiliations. • Hearing platforms and public debates to establish downward accountability. • Transparency and trust between citizens and government representatives (can lead to an increase of tax revenues).

Table 2: Principles and mechanisms included in Helvetas' strategy for decentralisation and local governance

1.4 The roles of civil society, private sector and the state in local governance

As outlined above, the vision underlying the working area strategy⁸ depends on the understanding and definition of the distinct roles to be fulfilled by the different society sectors, the state, civil society and the private sector. This chapter describes the roles and functions of these three sectors which ideally participate in a development process.

In participatory development to be carried by the people concerned, civil society – defined as all groupings of individuals that fall outside the state and for-profit sector – has several key functions which are summarized below.

- Pursuing and serving the interests of their constituents, civil society organisations (CSOs) constitute the intermediate sphere between the individual and the state, representing and giving voice to organised parts of the population from grassroots up to national level. As such, CSOs are also suitable vehicles for promoting participation of concerned people in political decision-making and development processes.
- Owning and maintaining a “relative autonomy vis-à-vis the state, the church, and the firm”⁹, civil society forms a countervailing force to the state and private sector, thus increasing their accountability.
- Since it comprises a range of different institutions and associations which learn to articulate their aspirations, design their projects, negotiate, and also render professional services, civil society can also be considered both as stimulator of political pluralism fostering democratisation and as promoter of social capacity.

Whereas the role of the profit-oriented private sector mainly consists in being the major actor for economic growth, the role of the state in the development process is more complex and covers several areas:

- In the perspective of social and political development, important key functions of state institutions include the responsibility for creating a stable and secure legal and political framework for a peaceful social existence, for promoting the personal and economic development of all individuals, and for ensuring minimum social equity and social standards for everyone.
- In relation to the market economy, the state is responsible for providing an enabling framework for economic activity and development which adhere to social and ecological standards. It should set the rules of the game for the private sector and guarantee their application to all players, assuring the necessary stability and security for economic activity. Where there are functioning markets, production should be left to the private sector (subsidiarity principle). However, it is the responsibility of the state to provide those goods and services which are not provided by private markets but constitute a need of marginalized groups or a prerequisite for their development (e.g. education, health, infrastructure for transport, energy, communication in marginalized regions).
- The state also has a critical role with respect to civil society. Generally and most importantly, it should provide a functioning and accessible legal system and ensure the existence of a legally protected “public sphere” where civil society can develop with no undue interference. Without a vigorous civil society, the state is narrowly based and susceptible to capture by political and economic interests.

1.5 Forms of decentralisation

Before supporting decentralisation efforts, there is a need to assess the form and degree of decentralisation in a specific country through a context analysis which assesses the framework conditions and power relations

of involved sectors. Context analysis will accordingly provide the basis for identifying entry points or interventions needed to work towards the goal of decentralised governance.

Decentralisation describes the transfer of authority, responsibility and resources for public functions from the central government to subordinate government units¹⁰. Based on governmental priorities, various forms and degrees of decentralisation can be distinguished. In describing the following forms of decentralisation, Helvetas adheres to the classification developed by UNDP and applied by SDC.

- **Political decentralisation:** aims at improving the active participation of the population in political decision-making processes. Hence, locally elected authorities are accountable to the electorate and represent their interests in political decision-making processes.
- **Administrative decentralisation:** responsibilities to fulfil public duties are distributed to lower governmental authorities. These include planning, operational management and in part also the financing of infrastructures and services. Three main forms of administrative decentralisation can be distinguished:
 - De-concentration refers to the redistribution of decision-making competence and responsibility to intermediate or local units of the central government. It represents the weakest form of decentralisation, as it only takes place within the state hierarchy.
 - Delegation is a stronger form of administrative decentralisation and refers to the redistribution of decision-making competence and operational responsibility to authorities which maintain a certain degree of independence from the central government and yet have to report to it.
 - Devolution is the strongest form of administrative decentralisation. It transfers powers for decision-making, finances and management from the central administration to independent local governments, usually referring to municipalities with locally elected bodies and clearly defined territorial responsibilities.
- **Fiscal decentralisation:** the responsibility and competence to acquire and use financial and other resources are distributed to lower government authorities.

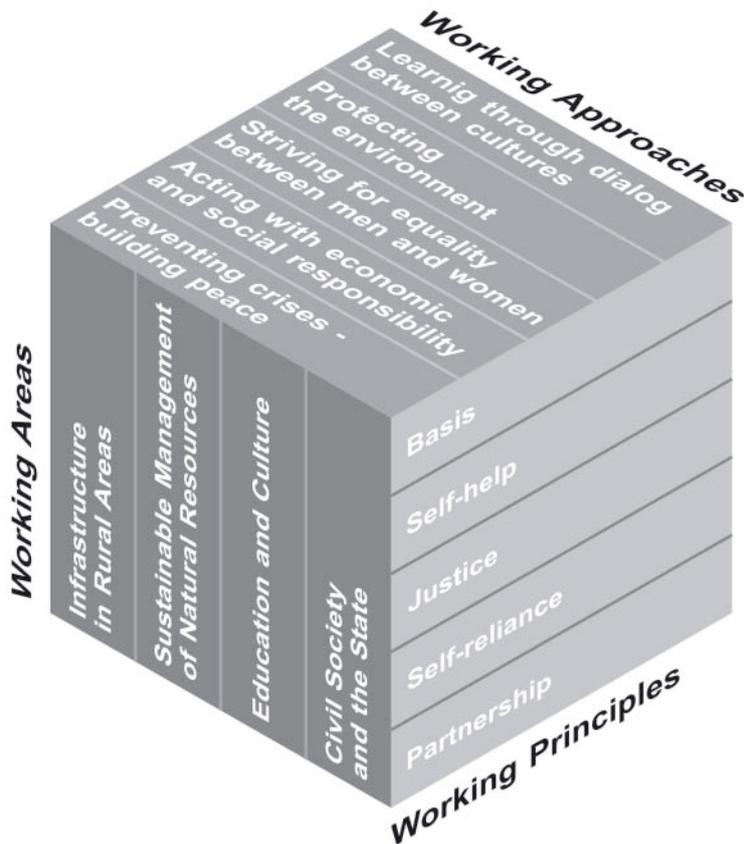
1.6 What is the approach of Helvetas? – Helvetas' positioning

Aligning itself with prevalent development policies and ongoing debate among donors, Helvetas supports decentralisation and democratisation efforts which are carried by political will within a given legal framework. In previous years, Helvetas has addressed decentralisation and democratisation as transversal themes in the three working areas of Infrastructure, Natural Resource Management, and Education and Culture.¹¹ In 2003, a new working

Decentralisation involves a wide range of different forms of processes.

area 'Civil Society and the State' was established within the framework of the Helvetas foreign strategy 2003-2007 (see figure 2) which strengthened the sector approach to decentralisation and governance.

The aim of the working area is to contribute to establish a favourable environment allowing all society sectors (the state, civil society and the private sector) of partner countries to contribute together and in a complementary



The "Helvetas Strategy Cube"

Figure 2: Helvetas Foreign Programme Strategy, 2003 – 2007

way to sustainable development in a transparent, accountable, participatory and peaceful manner according to their genuine roles in development. This 'multi-society sector' approach and the partnership between the stakeholders representing the society sectors are at the core of Helvetas' current decentralisation and governance programmes.¹²

Decentralisation exclusively through public reform does not automatically lead to local governance. In its work, Helvetas defines decentralisation as a process of state reform or as an instrument of government administration. The assumption underlying Helvetas work is that decentralisation is linked to local governance because devolving power requires responsive capacities willing and able to share power. In other words, citizens – as right holders – have a right and a responsibility to participation, whereas governments – as duty bearers – have an obligation to provide a basis for the fulfilment of civic (and more generally human) rights and to be responsive to citizens' concerns.¹³ In this brochure the two terms decentralisation and local governance therefore are considered as complementary and interdependent.

1.7 Case Studies from Asia, Africa and Central America – an overview

Drawing from project experience, the aim of this brochure is to document what and how Helvetas has contributed to decentralisation processes and local governance in five selected partner countries: the Philippines, Cameroon, Mali, Vietnam and Guatemala. The aim is to position Helvetas in the fields of decentralisation and local governance and document lessons learned for forthcoming project interventions. Each of the case studies highlights specific aspects:

- Overcoming historical mistrust and ideological antagonism through partnerships: Helvetas Philippines has supported participatory local governance through the promotion of effective collaboration between local government units and civil society organisations.
- A market approach to local governance: in Cameroon, Helvetas has used a competitive approach to work with democratically elected municipal councils. These have in turn tendered social infrastructure projects, which has promoted a local market for private service providers.
- A focus on gender inclusiveness and inter-communal advocacy work: women's participation in political processes has improved thanks to the focus on sensitisation and awareness-raising in Mali. Helvetas Mali has also succeeded in supporting inter-communal networks in advocacy work and for drafting supportive legislative and policy amendments.
- A programme approach to decentralisation and governance through the strengthening of vertical and horizontal linkages: Helvetas Vietnam has supported local governments' responsiveness and citizen participation as well as public administrative and service reform.
- E-learning, networking and lobbying: in Guatemala, a national information provider uses web-based information and education platforms for municipality capacity development.

The case studies illustrate how Helvetas in its sectoral approach to "Civil Society and the State" supports decentralisation and local governance in various contexts and legal frameworks, facilitating partnerships between the state, civil society and the private sector. Using the opportunities provided within a specific framework, while at the same time addressing particular constraints, Helvetas sets different priorities. All approaches have in common the multi-society-sector approach as well as a combination of support to decentralisation and local governance with tangible results at local level.

Case Study Philippines

2.1 Background

Form of decentralisation	Devolution of authority over resources to local government units (LGUs).
Legal framework for decentralisation	The Local Government Code (LGC) of 1991 legalises the concept of local autonomy as enshrined in the Constitution of 1987 and institutionalises decentralisation in the Philippines. The LGC stipulates the creation of structures for the direct participation of People's Organisations (POs), NGOs and private sector entities in local governance.
Tiers of government	The system distinguishes four local government units: provinces, municipalities, cities and communes (barangays). The country is divided into 81 provinces, 1'500 municipalities and 42'000 barangays. Barangays are the lowest governmental tiers.
Political, administrative and budget authority of local government	The LGC defines the local governments as politically autonomous democratic units. Local government representatives are directly elected at provincial, municipal and barangay level. Checks and balances are safeguarded by the division of executive, legislative and judicative power. A number of administrative functions are delegated from central to local government units, such as basic health care, social welfare, agricultural extension, environmental protection, education, public works and infrastructure. The LGC allows the local government units fiscal autonomy. Local government units have the right to levy taxes and revenues and to mobilise external funds. Under the Internal Revenue Allotment (IRA), local governments receive a 40 percent share from annual national revenues; of this percentage 20 percent goes to the barangays, 23 percent each for provinces and cities, and the remaining 34 percent goes to municipalities. The actual amount that each local government unit receives depends on population size and land area.

2.2 Challenges of decentralisation in the Philippines

To date, opportunities provided by the LGC have been insufficiently taken advantage of due to historical ideological antagonism between the state and civil society. In this context of mistrust, local special bodies and development councils foreseen by the LGC have not, or have insufficiently, become functional due to the difficulty of civil society organisations to get legal accreditation and to win representation in these bodies¹⁴.

Box 2.: Local special bodies and development councils

The LGC provides for the establishment of local special bodies and the local development council at the barangay, municipal and provincial levels. At least 20 percent of the local development council should be comprised of NGOs and representatives of people's organizations. The local development council manages 20 percent of development funds obtained from the Internal Revenue Allotment¹⁵, since it has the authority to approve development plans and budgets. At provincial level, the governor is the head of the local development council. He/she convenes meetings of the provincial level development council. The mayor has the same function at municipal level, and the barangay chief at barangay level.

2.3 Programme background and approach

Since 1981, Helvetas has, through provincial/national NGOs, supported community development programmes in the field of natural resource management (sustainable agriculture and coastal resource management, livelihoods/marketing, advocacy) and through the promotion of the rights and capacities of indigenous minorities. In 2002, Helvetas initiated a new programme for governance and rural empowerment support services (PROGRESS). The country's law on decentralisation lends support to Helvetas' policy to work on local governance. The policy was to support the enforcement of the LGC. The programme worked in two of the most impoverished provinces of the Philippines (out of a total of 79 provinces): Palawan with a population of approximately 800'000 people living on 14'900 km², and Northern Samar with a population of about 500'000 people living on 4'000 km². The approach was to build partnerships between local governments and civil society organisations with the aim of strengthening the decentralisation programme and thus providing effective public services to rural communities.

Approach

Unlike many other donors in the Philippines, Helvetas policy focuses on both elected local government units and local civil society organisations, to jointly plan and implement basic infrastructure development projects. The intervention strengthens input as well as output functions. On the one hand, Helvetas supports local government units to develop participatory strategic development plans at barangay level and to integrate them into municipal levels. On the other hand, Helvetas helps local development councils and local government units to plan, implement and monitor/control infrastructure projects in collaboration with civil society representatives.

The Institute of Politics and Governance (IPG)¹⁶ was mandated by Helvetas to develop the capacities of local government units and civil society organisations. The IPG has conducted:

- **training on decentralization and democratic participation**, focusing on the provisions of the LGC as well as the rights and duties of local governments and their constituents;
- **training on barangay development planning through participatory rural appraisal (BDP-PRA)**. Local government units conducted PRAs and formulated a strategy and five-year development and annual investment/operations plans which were presented to the barangay council for approval.

Barangay development plans are integrated into municipal development plans, thereby formalising bottom-up participatory planning. In both provinces, Helvetas facilitated pledging sessions at which the municipal strategic plans were presented to public, provincial and national representatives. Investors and donors were invited to pledge funds for the implementation of municipal plans.

Project selection and implementation

NGOs and local government units jointly proposed a project to a Project Selection and Management Board (PSMB) in order to qualify for PROGRESS support

(see figure 3). These provincial development councils, which were foreseen by the law but were in reality not functional and had to be (re)-activated, comprise in each province three government representatives from the provincial government, the league of mayors and barangay captains¹⁷, and two representatives from civil society (one NGO based in the province and the IPG). Hence, these PSMBs ensured a multi-society sector selection of projects.

The selection criteria – jointly developed by the PSMB members – bear witness to their willingness to collaborate in support of the applying communities/NGOs in the fields of livelihood promotion, delivery of basic services and natural resources management. Helvetas signed a tripartite agreement with the local government unit and the civil society organisation. At the start, Helvetas had clarified to all partners (local government units and civil society organisations) that large physical infrastructure projects were not eligible in PROGRESS. This for two reasons: a) to minimise exposure to corrupt practices since most of the physical infrastructure projects are the main sources of corruption in government, and b) in order to increase the number of benefiting barangays/municipalities within the restricted project budget frame.

Since 2002, planning and implementation of 80 social infrastructure projects have been finalised. Local government units and communities are committed to contribute at least 30 percent and Helvetas 70 percent of the total cost of each social infrastructure project, the duration of which is approximately one to two years; the costs of each project were not to exceed an amount of one million Pesos (around USD 20'000).

Helvetas understood itself as a supporting and facilitating agency that promotes and provides technical assistance and co-finances result-based projects for local communities.

Joint project planning and implementation help overcome mutual mistrust

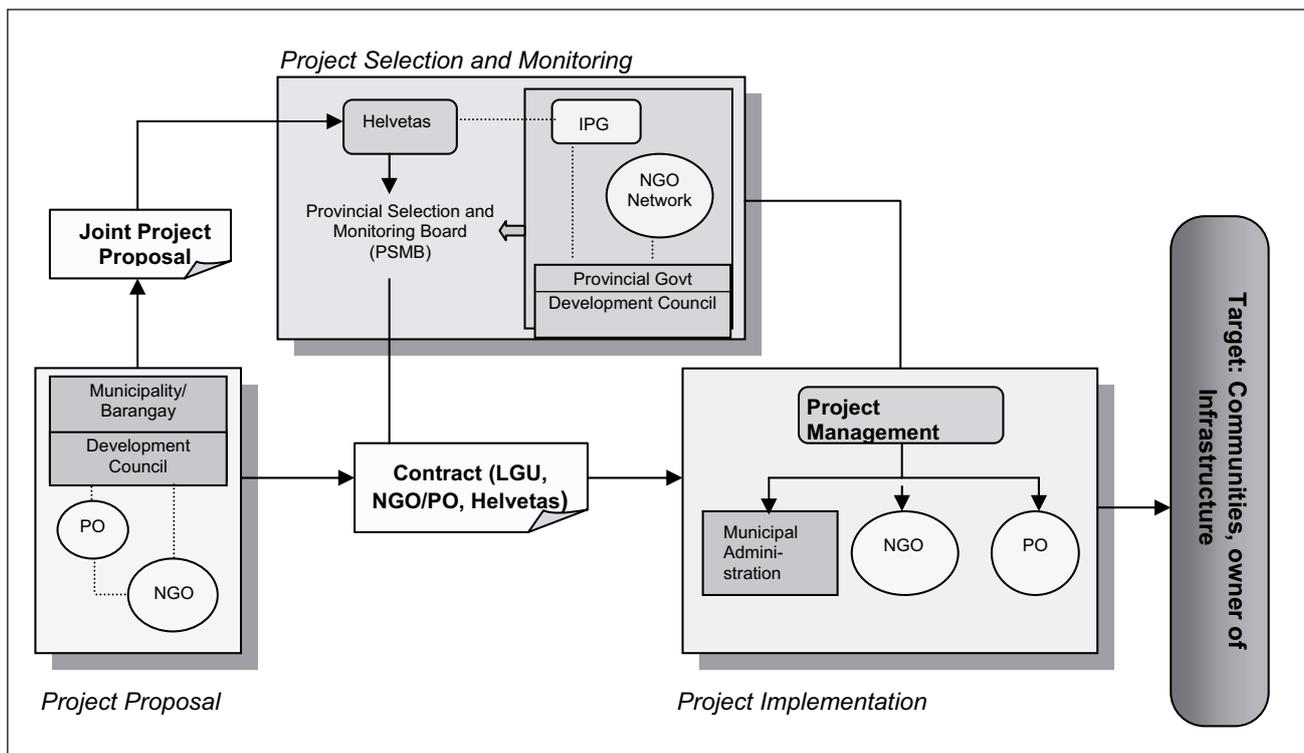


Figure 3: Programme structure Helvetas Philippines.



Participatory planning process

“NGOs and LGUs are no longer opponents, but partners” (Voice of a local government official)

“PROGRESS has helped the NGO to understand the language of the LGUs – and on the other hand, the LGUs see how NGOs work” (Voice of an NGO member)

“I have learned a lot; how to deal with government” (Voice of a female member of a local NGO)

The Project Management Committee was initially responsible for implementing the selected projects and was comprised of representatives from the barangay administration and civil society. With the finalisation of project implementation, the PMC responsibilities were then transferred to a local association (e.g. water association for a water project). Both the PSMB and the PMC had the function of providing local government units and civil society organisations with direct experience in collaboration and of helping to pave the way for an (re-) activation of local development councils.

2.4 Results

- **Multi-society sector partnerships established as a transversal theme in project cycle management** (from project identification to project selection and through to project implementation) have led to enhanced trust and a decrease in misconceptions and ideological antagonism.
- **Costs of basic infrastructure projects have been reduced significantly.** Social infrastructure projects implemented by the project management committee (PMC) were at least 30 to 40 percent less expensive than similar projects that had been implemented through local governments, thanks to co-financing and counter-parting mechanisms as well as a rigid mutual control over expenses by government and civil society entities. The co-financing and counter-parting approach fostered an environment where beneficiaries were willing to contribute in kind. The account was jointly managed by the LGU and Helvetas; however, Helvetas only paid its share after the LGU contribution had been deposited (half at the beginning, half at mid-term). Hence, there was an incentive to reduce costs because unused funds could be invested in project expansion and other development activities. The PMC contracted cost-effective private service providers.
- **Small-scale projects have contributed to the improvement of livelihoods and basic services in the project areas.** Since 2002, a total of 80 small-scale projects have been jointly planned and implemented by local government units and civil society organisations with co-financing by Helvetas. Projects comprise income-generating facilities (coastal resource management, irrigation schemes) and social infrastructure (solid waste management, drinking water and sanitation schemes).
- **The activation or re-activation of local development councils have contributed to local good governance within the legal framework.** In the project area, local development councils had not been functional before programme initiation. The programme contributed to the (re-) activation of a total of 117 barangay development councils and five municipal development councils in Palawan – respectively 156 barangay development councils and four municipal development councils in Northern Samar. The participation of civil society representatives in local development councils has increased from an initial situation (before PROGRESS) with usually only one civil society representative to 50 percent to 70 percent. The practical experience gained through joint project planning and implementation

has led to a clarification of roles and duties, and participatory development planning has enhanced transparency and responsiveness to local needs.

Box 3. Civil society representatives and local government officials on the effects of participatory planning:

- “Now LGUs do the planning in the communities, not on their desk.”
- “Now everybody knows what is going on, not just the barangay captains”
- “Before the budget came first, then the needs. Now the needs come first.”
- “Now I know the needs and priorities of the community and I can respond to them.”

■ **Vertical integration of participatory village development planning into municipal development plans has been institutionalised.**

Five-year barangay development plans have been integrated into municipal development plans. Through vertical integration, the municipal development plan is a means for institutionalising greater people’s participation in local governance, making development more responsive to citizens’ needs and priorities. The experiences in Samar province have led the Regional Office of the Department of Interior and Local Government (DILG) to order to all its officers in all provinces and municipalities in the region to employ the BDP-PRA methodology in the preparation of village plans and budgets and for the integration of these plans into municipal development plans.

■ **Phasing out strategy for further technical assistance and replication defined.**

With the phasing out of Helvetas in the Philippines, the support and technical assistance responsibility has been transferred to two provincial NGOs – composed of former Helvetas staff, local government and civil society personnel in 2006. A pool of provincial trainers consisting of the most eligible participants of previous trainings are ready to market local governance capacity building to local government units in the Philippines.

■ **Pledging sessions** at municipal level create a platform for the mobilisation of development funds. Pledging sessions led to investments in nine municipalities. In the municipality of Roxas, approx. 80 million Pesos (c. USD 1.6 million) could be generated through the pledging session in 2004. The experience of Roxas is quite unique in the sense that after the initial pledging session, several donors were offering long-term assistance to projects that were prioritised and included in the municipal development plan. Thus, Roxas is still receiving funding for projects two years after the initial pledging session was held (today totalling to approx. 500 million pesos, or c. USD 10 million). The pledging session for three other municipalities in Palawan was able to generate approx. 200 million pesos (c. USD 4 million) for municipal development plans thereby diversifying budgetary sources over and above those obtained in 2006 from the Internal Revenue Allotment and from local tax revenues of municipalities.

Tangible results contribute to success of governance projects.

2.5 Lessons Learned

- **Tangible results are vital for the success of governance projects.** Concrete projects from joint project planning and implementation a) create trust between the collaborating civil society organisations and local government units, and b) increase visibility for the “hard-to-convince”.
- **Win-win-situation in partnerships.** Jointly-set priorities, in which both civil society organisations (membership increase) and government officials (the potential of re-election, increased prestige) found their win, led to successful implementation.
- **Governance projects need long-term involvement with a clear strategy on how to phase out support.** In the Philippines case, two temporary (confidence-building) structures were established, the PSMB and the PMC, to initiate multi-stakeholder partnerships. The PSMB was intended to be transferred to the provincial development councils foreseen by the law but which were not yet functional. To know if these “kick-off” structures have contributed to institutionalising project activities would need follow-up. Appropriate strategies need to be reflected upon early before phasing out.
- In the context of phasing out a programme and/or as a donor like Helvetas withdraws, **pledging sessions are a means to diversify municipal funding.** Donor funds are only temporary schemes to stand in for insufficient internal revenue allotment or local revenue collection.
- **Prerequisites for replication or scaling up are needed which include** a) visibility of project results, b) a strategy to institutionalise from the beginning project structures and mechanisms into state structures, c) alliances with other donors and/or advocacy with/lobbying of provincial and national level government tiers to integrate project activities into larger decentralisation/governance programmes, and d) sufficient project volume from the start allowing leverage to vertically integrate local and municipal plans into decentralisation structures or mechanisms.
- **Community-based organisations need to be strengthened at barangay level so they can play their role as advocate of civil society interests.** In the Philippines, civil society is still fledging and will need further supportive measures and capacity building. NGOs working at national or provincial level in the Philippines are mostly donor-funded and can only to a limited extent advocate community interests at municipal and barangay level in the long term. Provincial/national NGOs can provide technical assistance to people’s organisations at barangay level.
- **Mutual control/transparent information reduce project costs.** The PSMB and PMC are set up as joint committees in which both governmental representatives and civil society entities participate. These joint committees allow for mutual control and especially rigid cost control mechanisms.
- **Clear definition and division of roles of society sectors strengthen trust and collaboration.** Clear agreements between partners contribute to a clarification of roles and responsibilities.

Pledging sessions are a means to diversify municipal funding.

Case Study Cameroon

3.1 Background

Form of decentralisation	A mixture between devolution and de-concentration: political decentralisation; very limited local fiscal autonomy at municipal level
Legal framework for decentralisation	The political scene in Cameroon is dominated by the 73 year-old President, Paul Biya who has been in power since 1982 and is expected to see out his current term ending in 2011, and his ruling party, the "Rassemblement Démocratique du Peuple Camerounais" (RDPC). Decentralisation is enshrined in the revised Cameroon constitution of 1996. While multiparty politics returned to Cameroon in 1990, its first multiparty legislative and presidential elections were held in 1992, and municipal elections followed in 1996. Although the state administration is run through a system where the central power takes all major decisions, a significant degree of de-concentration has been put in place to ease the central government administration.
Tiers of government	The Republic of Cameroon is divided administratively into ten provinces, 58 districts (divisions) and 268 municipalities (sous-divisions). These units are respectively administered by centrally appointed governors (gouverneurs), senior divisional officers who act as district heads (préfets) and divisional officers (sous-préfets).
Administrative and fiscal authority of local government	The municipal council is democratically elected by the people every five years; the mayor is elected by the municipal council. The villages have hereditary traditional chiefs. The government recognises the authority of traditional chiefs (fons) to govern at the village level and to resolve disputes, as long as such rulings do not conflict with national law. The municipal council is the decentralised local authority, whereas the main responsibilities of municipalities include the promotion of local development from planning to implementation (strategic and annual planning, budgeting). Councils have limited fiscal autonomy and are closely controlled by the Government (supervisory authority). Municipal budgets are limited and hardly cover administrative and running costs. The percentage of municipal expenses covered by municipal tax revenue is on average about 30 percent. Budget allocation from the central government to the municipalities is not more than FCFA 24 Billion (USD 48 million), i.e. about 1.2 percent of the national budget.

3.2 Assessment of the decentralisation process in Cameroon

The Anglophone region in West Cameroon has a longer experience with decentralisation than the Francophone region in East Cameroon. The French had governed with a centralised system. On the other hand, the British had run a decentralised system in which native authorities had a rather high level of autonomy (building and running schools, health units etc.). At independence, the culture of decentralisation continued in the Western region of the Federal Republic. In 1972, the Federation was abolished and Cameroon became a highly centralised state. It was not until 1996, with the introduction of the decentralisation process, that the election of municipal councils and devolution of responsibilities from central to local level were made a national policy. Given a time frame of roughly ten years, experience with the decentralisation process and local governance in Cameroon is relatively new. Municipal management and administration skills of elected officials need to be further strengthened to realise effective local governance.

Participation in elections has reduced drastically since the first municipal elections in 1996, due to voter apathy brought about by loss of faith in the

electoral system: half the electorate does not bother to register and the other half is increasingly disinterested. The population considers the political class irresponsible and the opposition is in the process of crumbling. The government continues to implement some reforms to enhance the efficiency and transparency of public financial management.

3.3 Approach and processes

Helvetas' co-operation in the North-West Province of Cameroon has developed from a very practical and basic support to village water supply schemes in 1964 to a municipalities' support programme. The objective is to support municipal councils in their co-operation with civil society and the private sector.

Helvetas Cameroon has elaborated, jointly with local service providers, a series of training and capacity building packages (see page 30). Councils interested in collaborating with Helvetas apply for technical and financial support. Out of a total of 32 councils in the North-West Province, 24 councils were supported by Helvetas Cameroon over the last years (for selection criteria see box 4).

Box 4. Helvetas' initial criteria to select municipal councils for collaboration:

- Commitment of the council to effective development and partnership with Helvetas, agreement on responsibilities and to implement all service packages
- Cost-sharing: the council and community contribute to the costs (min. 30%) of each project
- The council accepts responsibility for budget and financial management

The contracting authority and financial management are assumed by the council. The ownership of the projects remains with the communities which are represented by an elected management committee.

The 24 municipal councils in the North-West Province have simultaneously undertaken the four steps in the project cycle process (see figure 4). The municipal council is the contracting authority, while private service providers render services. Collaboration between Helvetas and the concerned partner council is formalised through a specific agreement for each project, which includes result-based payments for agreed outcomes.

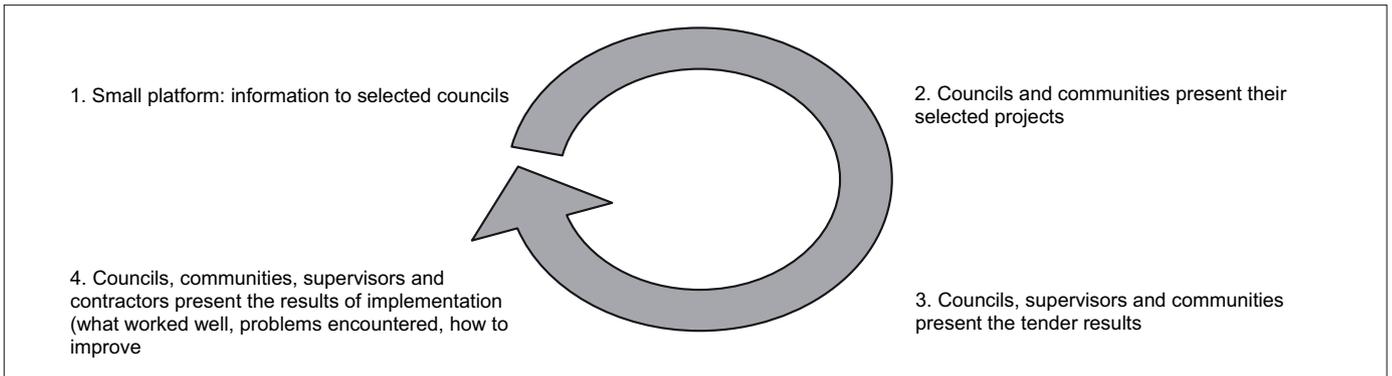


Figure 4: Knowledge sharing platforms during project cycle management

Helvetas Cameroon provides technical assistance and co-financing for local community development projects. Councils and communities are committed to contribute at least 30 percent and Helvetas a maximum of 70 percent of the costs of each project (average project cost USD 30'000). During the project cycle process, which lasts about one year, four knowledge and experience sharing platforms take place (see figure 4). Through the participation of all stakeholders (councils, traditional authorities, government services, management committees, service providers) in these platforms, space for exchange of information and sharing of experiences is provided, and principles of good governance such as transparency and accountability are enhanced.

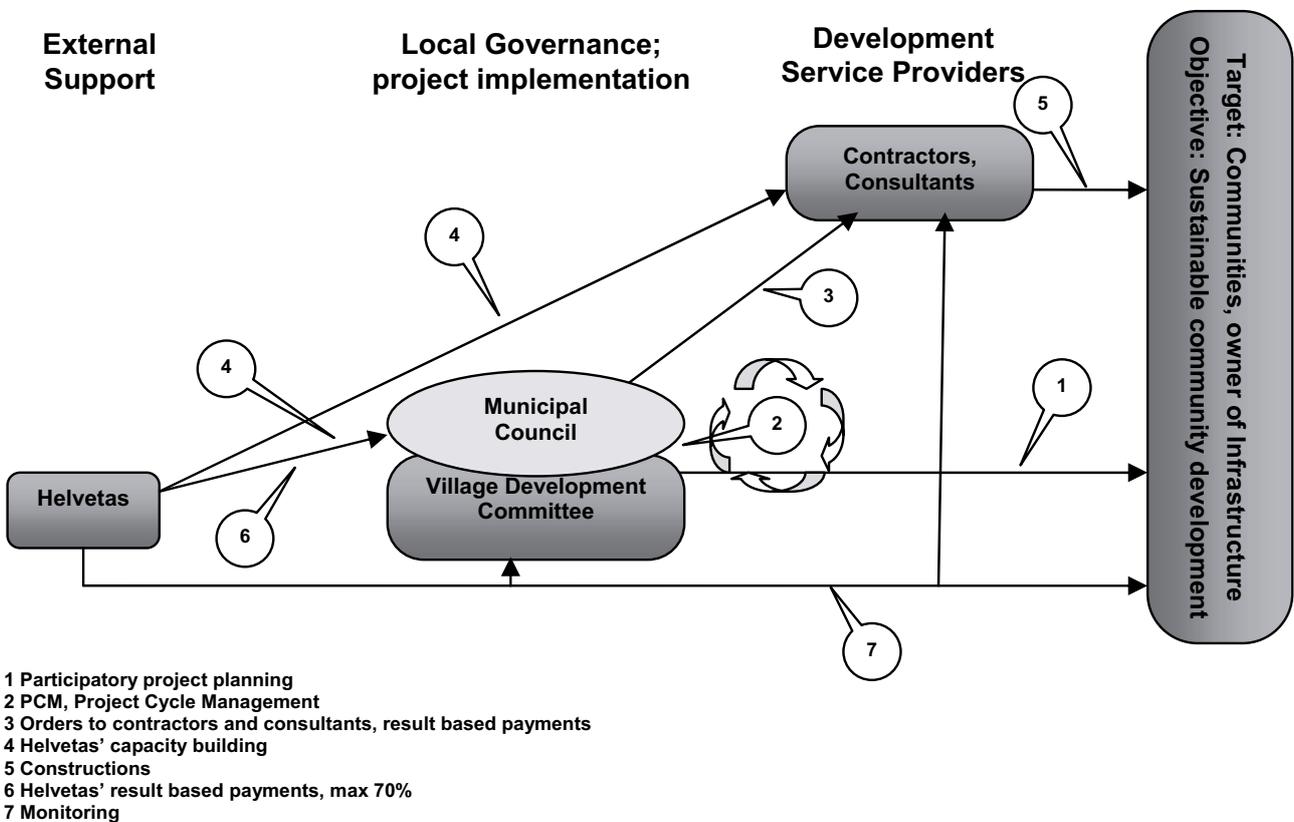
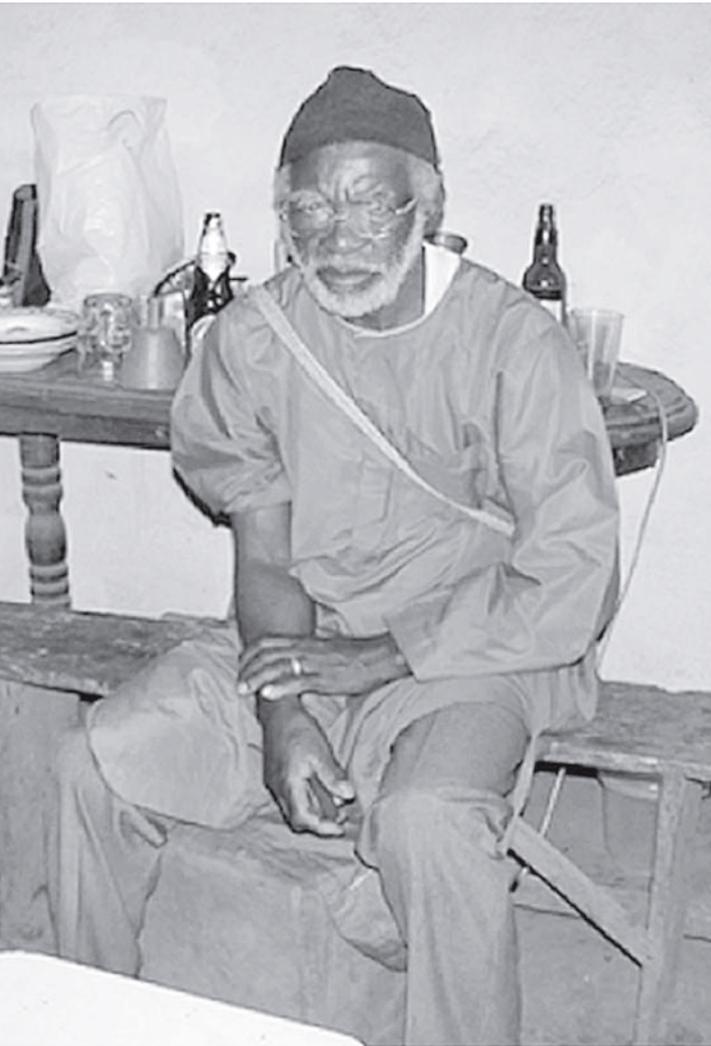


Figure 5: Organisation chart of Helvetas in Northwest Cameroon



“All the finances and contracts were arranged between the council and Helvetas; we had to bring in about a third of the total costs. We lobbied with the communities to raise this money and in the end we managed to get most of the cash needed through the Village Development Association from the richer villagers. The villagers themselves brought in labour. The biggest lesson for us was that a project this size could be done so fast and so cheap. We as the Water Management Committee have regular meetings with the council and WMCs of other villages to learn from each others experiences” (Voice of the chairman of a water management committee)

The training and capacity building packages

A strong emphasis is given to capacity development of councils. For the project cycle process, Helvetas has elaborated a modular series of training and capacity building packages which support the councils in identifying, planning and implementing projects using good governance principles. Councils are very much interested to carry out all the packages. The proposed modules comprise a sequence of five packages which are provided free of charge to councils.

1st package. Roles and Responsibilities of councils and partners (R&R)

Includes a clarification the legal responsibilities of councils and their development partners and good governance principles.

2nd package. Monographic Studies and Strategic Plans (MS&SP)

Includes guidance on how to conduct a participatory assessment of the population’s needs and priorities in the council area. As a result, disaggregated socio-economic data and development objectives are available to the councils and communities.

3rd package. Annual Operational Plans and Budgets (AOP&B)

Includes guidance on how to elaborate an AOP&B. As a result, councils are able to develop and utilise AOPs and to draft a municipality budget.

4th package. Local Economic Development (LED)

Includes modules on how to promote sustainable economic growth and mobilise necessary resources. As a result, a sustainable LED strategy is elaborated with a LED action plan.

5th package. Civic Education (CE)

Clarifies citizens’ rights and councils’ obligations in local development. Theatre animation: council civic education lead persons are trained to deliver CE messages and animate debates. The contents of the debates are monitored and evaluated and taken into consideration for further development planning activities.

3.4 Results and lessons learned

Enhanced local good governance through increased authority of municipal councils and exchange between multi-society sectors.

- The municipal councils have received increased authority as elected representatives thanks to their increased capacities in participatory planning and effective project implementation. There is still a risk of local elites misusing the information to pursue their own interests in order to secure their socio-political position or make an inequitable economic benefit.

- Governance principles, such as transparency and accountability, are endorsed. The periodic multi-society sector platforms during project cycle management are vital to ensure an exchange of information and knowledge, as well as an understanding of different multi-society sector actors' respective roles and responsibilities during the project cycle process.
- Sustainable structures are created by delegating the contracting authority to the council and establishing dynamic forms of collaboration between local society sector actors.
- Financial responsibility and management are assumed by councils. Project bank accounts are operational at council level.
- Financial flows now go directly to municipalities, including from sources other than Helvetas (donors, FEICOM bank for councils, etc.); the system is applied country-wide.

Tenders and result-based payments increase competition and therefore project efficiency and quality.

- Result-based payments¹⁸ motivate the councils and service providers as contracting parties to deliver quality services according to the agreements and within set deadlines. Contracts provide an important reference for control and monitoring. Helvetas has the possibility to request agreed results before transferring financial contributions.
- The efficiency and quality of service provision has increased. The infrastructure project costs have decreased by 50 per cent since 2003 because of clear project agreements, of competition between service providers and because of the added accountability of municipality councils.
- Creating a competitive project environment (selection of municipalities, public tenders) fosters commitment and ownership of stakeholders and service providers, thus contributing to project effectiveness.
- Contracts between the councils and Helvetas, as well as between the council, service providers and project management committees, are essential in formalising the form of collaboration. Well-defined agreements and their strict application are crucial to promote accountability, clear definition of roles and responsibilities and effective project implementation.

Both elected government officials and traditional authorities play an important role in processes of local governance.





“In the PCM we see projects implemented that really affect livelihoods of people. The projects are based on proper plans which make them suitable. The choice to focus on councils was very good as they work very closely with the population. The PCM platforms promote a positive competition between the participants; together they can see how problems can be solved. My main concern is that experience may get lost as mayors may not be re-elected, so I would like to see that training is extended to technical council staff” (Voice of a provincial delegate)

Box 5. Views of some mayors who already have a Monographic Study and Strategic Plan (see service packages above):

“A Strategic Plan shows the needs of a council area, helps to prioritise those needs and leads to planned development: a development not influenced by individual persons but by needs of the people” (Mayor of Batibo Council).

“I have a broad and multi-ethnic council area. Without a Monographic Study, I would never have an in-depth understanding of the diverse council area” (Mayor of Widikum Council).

“A Strategic Plan fosters the prioritisation of development work thereby discouraging haphazard projects” (Mayor of Santa Council).

Modular capacity-building measures are vital to build the governance skills and experience of municipal councils.

- Adaptation to legal changes is important. Training and capacity building packages, including tools and guidelines, need to be continuously adapted and updated, to take into account new legislation.
- Parallel capacity building measures for civil society and state stakeholders are necessary for local good governance, since they are dependent on each other for planning and implementing project activities. Failure by one stakeholder to fulfil obligations can delay the whole project progress. Civil society’s capacity to check on the performance of state stakeholders is improved.
- Institutionalised information transfer and downwards accountability are vital for the legitimisation of local councils. There is a perspective by local communities of governance being captured by local elites. This negative perception is rooted in inadequate information sharing and council members not being dedicated to the public.

Case Study Mali

4.1 Background

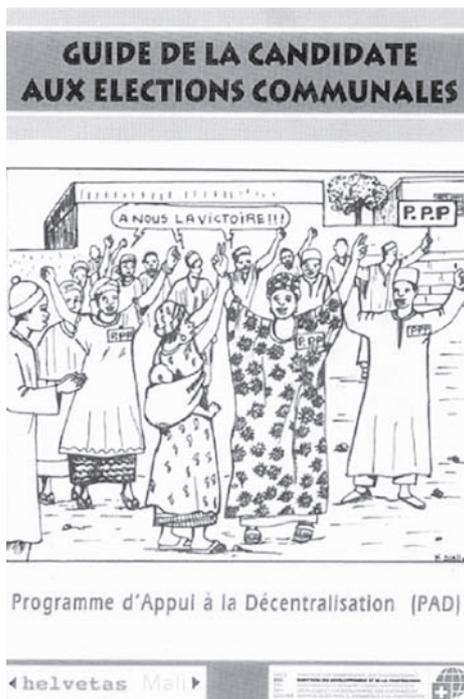
Forms of decentralisation	A mixture between decentralisation and de-concentration: political decentralisation; limited fiscal autonomy; administrative de-concentration.
Legal framework for decentralisation	Decentralisation is enshrined in the 1992 constitution. The main legal provisions were passed in 1993 (Law No. 93-008), 1995 (Law No. 95-034) and 1996 (Law No. 96-050). The first democratic elections at municipal, district (cercle) and regional levels took place in 1999. Mali's constitution provides for a multi-party democracy.
Tiers of government	Mali is administratively divided into eight regions and the capital district of Bamako. Each region consists of five to nine districts (cercles), which are in turn divided into municipalities, themselves composed of several villages or quarters. The municipality elects its council which in turn elects the mayor.
Administrative and fiscal authority of local government	Municipalities are managed by a democratically elected council, which is supervised by a prefect appointed by the central government. The prefect ensures that municipal proceedings follow government legislation and authorises the release of central government funds for municipal development plans. The financial authority ceded from the central government to the municipalities includes the authority over local tax collection. Of the national budget, 24 percent is earmarked for de-concentrated governmental services, but for the last three years, national budget allocations to communes have not been fully disbursed leading to budget constraints at commune level. Communes use their far-reaching fiscal autonomy to generate more than 85 percent of the commune budget from local tax revenues.

4.2 Assessment of the decentralisation process in Mali

Decentralisation had been enshrined in the constitution after Mali gained its independence in 1960. However, implementation of the decentralisation process did not get under way until 1999 due to the ruling elites' and the military regime's fear of losing power and control. Nowadays, decentralisation in Mali is viewed as an irreversible political reform process, which is considered by the people as a victory against the military regime. With this political and administrative reform process, the local administrative entities under the centralised system (285 arrondissements) were replaced by over 700 municipalities. The great hopes originally set on the decentralisation process have been dampened by irregular budget transfers to the municipalities, unclear definition and understanding of roles and responsibilities of elected councillors and supervisory authorities, limited civic education and insufficient inclusion of marginalised groups in political decision making processes. At municipality level, the decentralisation process and the first municipal council elections shifted power relations between traditional chieftains and the newly elected councils, inevitably leading to conflicts.

4.3 Approach and processes

Helvetas has been engaged in Mali since 1977, moving from technical projects in the water and sanitation sector to a governance sector programme (Programme d'appui aux acteurs de la décentralisation, PAAD). Since decentralisation started in 1999, Helvetas supports local stakeholders to realise the opportunities created by state reform. The programme covers 50 rural



Helvetas Mali has elaborated a guide directed towards women campaigning for elections.

municipalities in three districts (cercles) with a population of 650'000 (out of a total of 143 municipalities in the region). Helvetas supports local governments in their co-operation with civil society, facilitating spaces for dialogue, such as public audits and inter-communal conferences. The programme has focused on democratic participation with, since 2002, a special emphasis on the inclusion of women in local governance through sensitisation, information and supportive capacity building measures.

Gender capacity development concept

Gender, as a transversal topic, is considered at each stage of the project cycle. Fifteen percent of project resources are used for specific actions to create conditions for women to participate in the political and socio-economic public life of their municipalities. Steps in the project cycle include sensitisation via radio transmissions and theatre tours on the role and advantages of women's participation in public life, participation quotas on women in planning and implementation of projects, training and capacity development measures orientated towards women leaders and elected women politicians. Guides have been elaborated (see picture on left) and distributed to politicians, civil society organisations, donors and the respective ministries. A total of 460 women have been trained in leadership and on the laws and procedures of elections for the municipal and legislative elections of 2002 and 2004. Political male leaders were trained in gender and invited to facilitate the inclusion of women on their lists.

In 2007, 267 women are being trained and coached for the legislative elections in July 2007.

Advocacy support for legislation on collaboration between municipalities

In 2002, municipalities realised the need for inter-communal collaboration on regional initiatives like road construction, transhumance tracks, and water and forest management. No legal framework allowed a formalised collaboration between municipalities. Helvetas facilitated a series of conferences and encounters between Malian governmental tiers to draft legalisation on collaboration between municipalities that would allow communes to join forces beyond communal matters. In the course of drafting the policy, the "Direction nationale des collectivités territoriales" identified the legal shortcomings and took the lead in submitting a bill on collaboration between municipalities which was adopted by the Council of Ministers in August 2006. To date, 25 communes are collaborating on water and sanitation, and another collaboration has been set up on road construction. Similar pilot activities have been supported by donors in other regions in Mali.

4.4 Results and lessons learned

Gender-related results

- **Women's participation in political decision-making has increased due to sensitisation campaigns, leadership training and other supportive measures towards women.** Capacity building workshops directed towards women leaders improved their information level on candidacies and the electoral process, and encouraged their registration on voting lists. The number of women municipal councillors has increased from 17

out of 706 elected officials in 1999 to 55 in 2004 in the three programme districts. While in 1997 no woman presented herself as candidate for legislative elections in the three programme districts, seven women campaigned for legislative elections in 2002 and 724 women registered as candidates in the municipal elections in 2004. During the latter elections, while the national average for women's voting percentage was 43 per cent, it reached 49 percent in the programme area.

	Total seats	Total candidates	Women candidates in %	Elected women candidates	Elected women in % of total elected	Elected women as % of total women candidates
1999	706	1813	5,4%	17	2,4%	17%
2004	730	6380	11%	55	7,5%	7,6%

Table 3. Municipal elections results in three programme districts in 1999 and 2004

	Total seats	Total candidates	Women candidates in %	Elected women candidates	Elected women in % of total elected	Elected women as % of total women candidates
1997	8	22	0%	0	0%	0%
2002	8	50	7%	1	12,5%	14,3%
2007	8	96	14%	Nd*	Nd*	Nd*

Table 4. Legislative elections results in three programme districts in 1997, 2002 and 2007

* For the legislative elections, candidatures have been endorsed, results to be known in July 2007

The figures show that the number of women candidates in absolute and percent terms has increased generally in the programme districts. It can be said that training has been a means to encourage candidacy even if it is difficult to assess the immediate impact of training on candidates as there has been no individual follow-up of the trained women. It can however more definitely be stated that in 2002, all seven women candidates for the legislatures participated in the capacity building and experience exchange facilitated by Helvetas. And in 2004, 75 percent of the elected women candidates participated in Helvetas supported training. According to participants, information and knowledge about the political system, civic education and social networking contributed to their decision to participate in elections. It is also important to state that the fact that women accept to run for a political post is a socio-cultural progress in itself. During the 2004 municipal elections, the training allowed not only an increase in women candidates but also to improve their positioning on the electoral lists, which led to higher success rates due to the proportional representation system.

"PAAD is the craftsman of the women leaders. Thanks to PAAD, we, the women leaders, are not afraid any more to present ourselves in public or to aim for elections"
(Voice of a woman leader)



- Women in municipal councils have led to prioritisation of gender-sensitive development planning:** The higher representation of women in municipal councils has led to increased attention to women's social and economic needs, (e.g. prioritisation the construction of huts for child deliveries in Bolo Fouta municipality in Yanfolila district), an increased number of women in community water and sanitation management posts and a better representation of women in the

management of local markets in which women traders have been allocated market spaces for female traders.

- **Guides directed towards women leaders have been distributed** and have allowed a replication or up-scaling of the concept by other development agencies, e.g. the Ministère de la Promotion de la Femme, de l'Enfant et de la Famille and other national NGOs. NGOs and partners have used the guide in their electoral support process in other regions.

Gender-related lessons learned

- **Addressing women's capacity building and supporting women's participation in political decision-making processes needs sensitisation of both women and men.** Women leaders need coaching and follow up training. To guarantee an effective participation of women, it is important to look beyond quotas. Inclusiveness principles necessitate a change in awareness and a reflection on rights and obligations, and thus long-term commitment.
- **Addressing gender issues requires project resources and specific supportive actions** at each step of the project cycle to create conditions for women to participate in the political and socio-economic public life of their municipalities.

Results on collaboration between municipalities

- **Inter-communalities have been engaged in advocacy work.** The legal shortcomings concerning collaboration between municipalities have been assessed and remedied by the drafting of a new policy and bill which were adopted by the Council of Ministers in August 2006. As a result, this has led to an increased collaboration between municipalities, e.g. in the water and sanitation, the infrastructure or Natural Resources Management sectors.

Lessons learned on collaboration between municipalities

- **Local governments can co-operate and form alliances to articulate their common interests at community or municipal levels.** A vertical linkage to/networking with central government authorities is necessary to support advocacy and lobbying activities of Malian partners. These inter-municipal collaborations can play a key role in advocating local or regional autonomy. Helvetas' representation in a donor coordination group with the Government of Mali on decentralisation and governance has facilitated a regular information and experience exchange. It has also facilitated policy dialogue with relevant partners at national level and successfully resulted in the adoption by the Government of Mali of a new policy and legislation on inter-municipal collaboration.
- **Successful replication and scaling up.** A regular and coherent capitalisation of approaches, tools and experiences is essential with regard to dissemination and replication or scaling up of 'good practices'. Although the programme covers a limited geographical area, tools and didactic support are being replicated in almost all communities in Mali either because the government of Mali has taken them up as best practices, or because they are being replicated by like-minded donors.

Legislation on collaboration between municipalities allows communes to join forces beyond communal matters.

Case study Vietnam

5.1 Background

Forms of decentralisation	Administrative de-concentration within the framework of a highly centralised system dominated by the Communist Party of Vietnam.
Legal framework for decentralisation	The legal basis is the constitution of 1992. Since 1995, Vietnam has undergone extensive governance reforms that promote decentralisation for economic growth and better public services. The Public Administration Reform Master Plan emphasises administrative de-concentration and partial fiscal and political decentralisation. The Grassroots Democracy Decree (GRDD) of 1998 and subsequent legislation, as well as the decentralisation Decree of 2004 and subsequent legislation provide the legal basis for limited citizen participation at commune level.
Tiers of government	Vietnam is administratively subdivided into 64 provinces, 643 districts, and 10'602 communes. Each level of state administration at the province, district and commune level has its own local government consisting of a representative body elected every five years by the local people (People's Council) and the executive agency (People's Committee), whose members are themselves elected by the People's Council. The People's Committees at district and commune level are under the supervision of the People's Committee at the higher level and are treated as local representatives of central government. There are no legal opposition parties, and local governments, civil society and people mass organisations are controlled by the Communist party.
Administrative and fiscal authority of local government	In Vietnam, 40 percent ¹⁹ of the national budget is allocated to provincial level. The percentage retained by each province depends on the type of tax. According to the 2002 State budget law, the People's Council at provincial level decides on budget allocation to district and commune level, and on revenue collection and expenditures. District and commune level governments have some fiscal autonomy: 20% of their total revenues are generated locally. Communes prepare communal development plans, which are prioritised into district development plans and matched at province level with the socio-economic development plan decreed by the central government.

5.2 Challenges of the decentralisation process in Vietnam

With the end of the Vietnam War in 1975, the newly governing Communist regime was confronted with the challenges of reconstruction and huge humanitarian and socio-economic crises. At the end of the 1980s, a series of economic reforms were instigated and known under the name "doi moi" (renovation). These were accompanied by a decentralisation process aiming at increasing the efficiency and effectiveness of the public service and national economy, causing changes in the administration and legal system.

Core features of the Public Administration Reform Master Programme 2006 – 2010 comprise: organisational reform and decentralisation, improving public service delivery and building up the contingent of cadres and civil servants at all levels. Related to these reforms is the general move of the government towards result-based management in the public sector. The Government of Vietnam has a clear agenda for the Socio-economic Development Plan (SEDP) 2006 – 2010. Provincial SEDPs provide guidance on socio-economic targets up to 2010.

Following the enactment of the Law on State Budget (2002), provinces now have the remit to regulate further steps in financial decentralisation down to

sub-provincial levels. Strengthening the district and communal fiscal systems has therefore been identified as a requirement. The combination of participatory planning with communal financial management constitutes a significant potential for boosting the effectiveness of state management at commune level.

Nevertheless, the degree of decentralisation varies considerably across regions, depending on capacity, economic investment opportunities and commitment of local governments for enforcement. Insufficient capacities or lack of will of local administrations to enforce decentralisation legislation and public service reform are prevalent. In rural areas, citizens often feel reluctant, and lack confidence and information, to take up new opportunities provided by the GRDD. It is especially the marginalized groups such as the illiterate, ethnic minorities and women who are excluded from participation – women make up less than 20 percent of the Party Committee and less than 10 percent of the People's Committee at local levels.

5.3 Approach and processes

Helvetas Vietnam has supported the decentralisation process through a variety of successive and complementary initiatives in Cao Bang province (North Vietnam) since 1995. Helvetas Vietnam works directly with the intermediate and local administrations supporting them to implement the public administrative reform decreed by the Government, i.e. to assume the new responsibilities of responsiveness and promote citizen participation as decreed by the GRDD.

Helvetas Vietnam cooperation moved from three projects to a programme approach in 2006, integrating a bottom-up governance approach with a top-down public administration reform support approach.²⁰ The programme vertically integrates village – commune – district and provincial levels. The Cao Bang provincial authorities directly implement the public administration reform support project with technical assistance from Helvetas. In the coming years (2008 – 2010), the Programme will concentrate its interventions on capacity development with two foci on organisational strengthening and human resources management.

Areas	Focus	Types of activities
Organisational strengthening	<ul style="list-style-type: none"> Management systems to improve work processes and performance. Systems to ensure quality and availability of information, transparency and accountability. 	<ul style="list-style-type: none"> Improvement of organisational and managerial structures Leadership and managerial training Action learning in combination with change management and project management More effective utilisation of human resources Strengthening organisational development Financial management, budgeting, partner-based monitoring and evaluation
Human resource management	<ul style="list-style-type: none"> Increased professional, technical and administrative personnel. Interaction between civil society, politicians and personnel. 	<ul style="list-style-type: none"> Tailor-made training of staff, leaders and politicians Systems of incentives and rewards (= > performance-based payment systems) Systems and procedures for effective human resource management

Table 5: Capacity development areas, foci and activities.

Additionally, Helvetas – on behalf the Ministry of Agriculture and Rural Development (MAR) and SDC – has a facilitating role and provides demand-based technical assistance to state administrations to improve the human resource capacities and the design, planning, implementation and monitoring of infrastructure projects.

Support to the decentralisation process

Within the public administration and service reform, the provincial and district administrations have conducted a functional and organisational analysis. The decree has introduced new public management tools. These allow local administrations restricted room for manoeuvre on personnel policy. Another area covered by public service delivery reforms is the one-stop-shops established to provide more effective government services to citizens.

The province of Cao Bang has formulated an agricultural extension policy which provides decentralised and client-based agricultural extension services down to village level. Thanks to technical assistance to extension services at all levels, new concepts include Farmers Field Schools (FFS), the Training of Trainers (ToT) approach, Learner Centred Teaching/Training Methodologies (LCTMs) and rapid market appraisals (RMAs). Helvetas also supports the provincial Department of Agriculture and Rural Development (DARD) to develop a market information system and support to specific value chains.

Horizontal linkages between planning at district and provincial levels

District level 'working groups' facilitate linkages between the various governmental administrations. They are composed of government agencies as well as representatives from mass organisations and prioritise development plans at district level. The district plans will in future be matched at provincial level by a Project Management Board.

Capacity development focuses on organisational strengthening and human resource management.

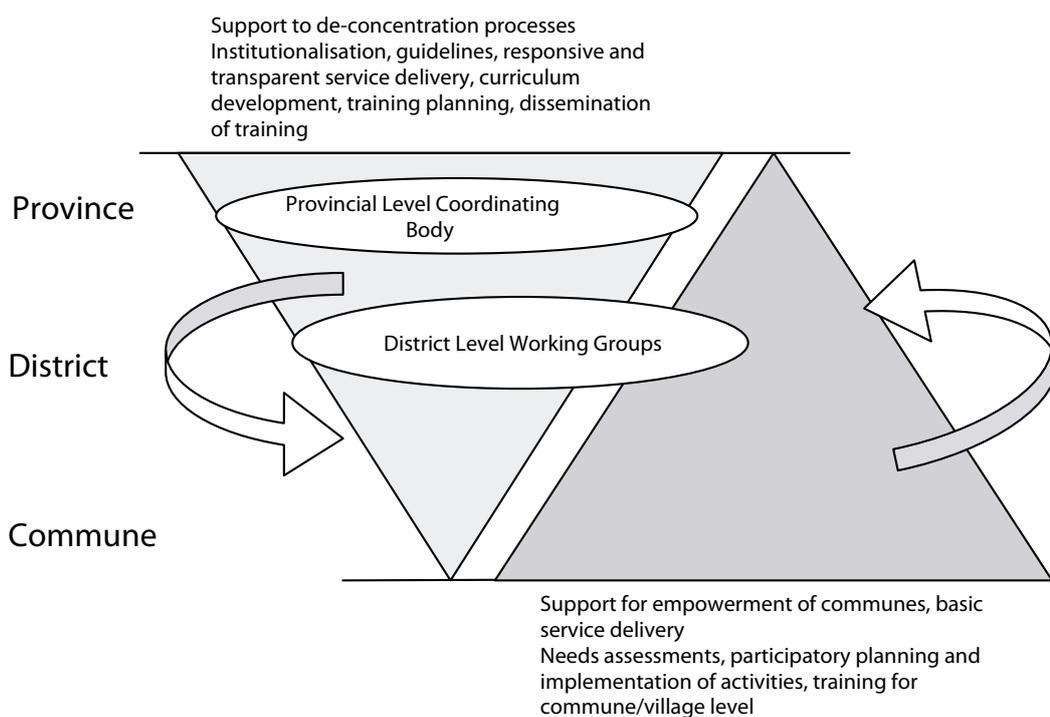


Figure 6: Vertical and horizontal linkages.

Support for village and communal participatory planning

Village development plans are integrated into commune and district development plans and matched with the centrally decreed socio-economic development plans at provincial level. Helvetas supports local partners at provincial, district and commune levels in strengthening capacities of civil servants, in developing a participatory planning tool for local planning and in testing the implementation of Commune Development Funds. Village and intermediate administrations can apply to Helvetas for the co-funding of projects that are part of development plans which have been approved by the PMB at provincial level. Helvetas will apply result-based funding. Co-funding mechanisms foresee local contributions in kind.

5.4 Results and lessons learned

The experiences of the integrated approach are in general very satisfactory and are as follows:

Participatory village development process



A) Support for empowerment of communes and participatory planning

The documentation and visualisation of good practice are necessary for scaling up the programmatic approach to decentralisation and local governance within the national framework of public administration reform.

The pilot activities in Cao Bang province can be considered as a demonstration programme with extensive possibilities for piloting and learning lessons for future programmes. Further, dialogue with donors involved in the decentralisation process and the government at national level is essential for providing broad understanding and support for this programmatic approach.

B) Support to decentralisation process and service delivery reform

Working with party structures as drivers of change from the start has enabled an institutional anchoring of project activities and rapid scaling up along the public service provision chain from the province to village level. In particular, it is the smooth collaboration and coordination between the provincial party political school for cadres and the Department of Home Affairs, as competent government agencies aligned to the government system, as well as the capacity development of

provincial, district and grassroots level administrations which have led to a process of province-wide scaling up.

Organisational analysis and development contribute to enhanced performance of pilot public administrations at provincial, district and commune level. On the basis of organisational analysis, staff competence and performance are regularly assessed allowing for tailor-made human resource development. State budgetary block-grants in pilot departments at the provincial level and offices at districts level allow for the application of performance-based salaries and career planning.



Discussions on governance principles need a sensitive exposure of stakeholders to international experience in public administrative reform in order to create a momentum and commitment for change. The exposure of key stakeholders to international experience in democratic systems and public administration reform is seen as a positive aspect of the support by an external neutral and independent agency – to widen the experience previously restricted to the controlled political debate within the Party in the context of Vietnam.

“We learn a lot from project activities. Besides capacity building through practice, during the process of (project) implementation, the commune cadres come more often to help grassroots people and therefore, create trust among grassroots people with local governments” (Voice of a chairman of the People’s Committee)

The bottlenecks in harmonised donor support to the decentralisation process are at the intermediate level; these can be overcome by promoting collaboration between local governments and civil society organisations. As signatory parties to the Paris Declaration, larger donor agencies are obliged to work with and through governmental structures. So far, large donors (UNDP, DANIDA, Sida) have supported public administration reform at central and provincial levels while largely neglecting the intermediate and grassroots governmental tiers. The delegation of administrative tasks to local government units entails power and capacity transfers to intermediate and local levels. It is of immediate importance to fill the implementation vacuum between civil society organisations’ support at local level and national government policy support at central level. This vacuum can successfully be filled by building up partnerships between intermediate and local government tiers and civil society organisations.

5.5 Looking beyond the current programme

At the time of this brochure’s publication, the conceptual and operational framework for a programme to improve public service provision in agriculture and rural development in Cao Bang and Hoa Binh provinces has been drafted by a joint planning mission. The forthcoming tentative programme

District level working groups facilitate linkages between the various governmental administrations.

is a collaborative endeavour between the Ministry of Agriculture and Rural Development and SDC. Under the leadership of their Provincial People's Committees, the two provinces of Cao Bang and Hoa Binh directly steer and implement the main programme components. In Cao Bang, the forthcoming programme builds on current activities in the support to public administration reform and community based governance. The main principle is to be in full alignment with relevant central and provincial governmental strategies in agriculture and rural development, i.e. public administration reform, public service delivery and the shift from de-concentration to decentralisation²¹.

Case study Guatemala

6.1 Background

Forms of decentralisation	Mixture between devolution and de-concentration. Political and administrative decentralisation, yet limited fiscal decentralisation.
Legal framework for decentralisation	The decentralisation process in post-war Guatemala emerged from the peace accords in 1996. With the passage of new laws (on decentralisation, the Municipal Code and Development Councils) in 2002, local development councils at municipal level (COMUDE ²²) and lower community level (COCODE ²³) have been created, providing an institutional framework for direct civil participation in local governance. The COCODE is composed of locally elected community representatives, who initiate, coordinate and implement community development plans. The COMUDE comprises representatives of public organisations and invited civil organisations (including representatives of indigenous communities and women's organisations), as well as members of the municipal elected councils and two representatives of each COCODE. The COMUDE is headed by the local mayor.
Tiers of government	Guatemala has 22 administrative subdivisions (departments), which are administered by governors appointed by the President. Popularly elected mayors or councils govern the 332 municipalities: The COMUDE is the lowest governmental level.
Administrative and budget authority of local government	Only 10% of the national budget is allocated to the municipalities. The municipal governments decide on municipal rates for different services and assess land and construction value for taxation purposes. The municipal government is responsible for collecting – and in most cases allocating – local taxes and service fees. However, power remains limited because municipalities lack financial resources. The percentage of taxes collected locally remains very small. These are mostly municipal service charges and in some cases local land taxes. These taxes are generally used in the municipality, although a small percentage of the land tax is transferred to the central government. The COMUDE is responsible for municipal development planning and budgeting. Financial resources are allocated by the municipal council based on yearly plans. The COMUDE has the autonomy to acquire external funds and is in charge of monitoring the implementation of municipal development plans. The COCODE facilitates the participation of the communities to develop community development plans which are presented to the COMUDE level for funds allocation.

6.2 Assessment of the decentralisation process in Guatemala

After 36 years of one of the cruellest civil wars with atrocious human rights abuses, Guatemala is currently experiencing a phase of reconciliation and democratic change initiated with the Peace Agreements in December 1996. The modernisation and decentralisation of the State has been accompanied by the demilitarisation of the government, the implementation of the peace agreement, including a provision that recognises historical claims of local communities over land and natural resources, and an endeavour to integrate the indigenous population. The framework for administrative decentralisation in Guatemala was strongly motivated by donors' conditionality to fund the legislative reform process. Dealing with the past and bridging conflict lines is a difficult challenge, and decentralisation and democratisation take time, and particularly when trying to assure an effective integration of the indigenous population of Guatemala.

6.3 Approach and processes

The peace agreements and the decentralisation process made support to municipalities possible in 2001. From 2001 – 2005, Helvetas has supported Inforpress, a regional NGO, to establish the Servicio de Información Municipal (SIM), an information service for municipalities in Guatemala.²⁴ Among the newly elected municipalities, there was a general problem of lack of information and capacity on how to go about improving governance and the provision of quality services. For decades, municipal governments had been undermined by funding shortages, militarization and violence. The project used a direct approach to governance and the intervention strategy was the development of municipalities' decision taking capacities.

SIM is an interactive information service for local governments. Helvetas has subsidized the subscription fees for municipal governments for a first four-year period.

■ **Interactive e-Bulletins.** Twice a month, Inforpress provides local governments an information newsletter (www.inforpressca.com/sim) with information on law reforms, civic rights and duties, indigenous rights, economic analyses, public administration, participatory planning and monitoring. A large "questions-and-answers" section invites subscribers to post their questions on governance issues.

■ **Capacity building and training workshops.** Inforpress organises workshops for government officials on topics such as political analysis, risk analysis, strategic planning, socio-economic analysis, finance and administration, local economic development, election procedures and good governance principles.

■ **Technological tools and transparent governance.** Inforpress installs electronic infrastructure and supports municipalities to establish web sites, in order to enhance transparency and accountability towards their citizens and investors.

Today, 175 municipalities (53 percent of the total coverage) and 150 organisations are regular SIM subscribers. Inforpress has been financially supported by Helvetas with USD 25'000 annually and has been provided institutional support. The financial support comprised approximately 40 percent of Inforpress' overall annual budget. The overall subscription package to municipalities costs USD 1'670 of which the municipality pays one third and Helvetas subsidises two thirds. In its start-up phase in 2001, Helvetas covered around 91 percent of the total subscription fees; this had decreased to 20 percent at phasing out in 2005. The subscription package of USD 1'670 comprises one computer, two capacity building events per year, 100 e-bulletins over a period of four years and the costs for design and maintenance of a webpage over a period of two years.

Quality monitoring of the e-bulletin is done by governance experts, and annual evaluations by a sample of subscribers has provided qualitative feedback on the content of the e-bulletin.



Inforpress provides local governments with an information newsletter and invites subscribers to post their questions on governance issues in a "questions-and-answers" section

Since 2005, Inforpress is financially viable thanks to income from subscriptions, consultancies and donations from various donors like the Swiss Embassy, Soros Foundation, Diakonia, Netherlands Embassy and IBIS.

6.4 Results

- **Information reduces isolation and promotes transparency.** SIM provides a platform for municipalities to share and learn from common experiences. On numerous occasions SIM has detected attempts to cheat local governments through fraudulent financial offers in which the perpetrators travel from one town to another offering bogus services and projects. Mayors have also shared information regarding the benefit of inter-communal collaboration, forming regional clusters (mancomunidades) to address issues that extend beyond their municipal borders, such as ecological problems, natural resources management and infrastructure.
- **Advocacy/lobbying.** Regional associations of mayors have furthermore been able to increase their leverage in challenging central government policies; the mayors of one province have insisted on coordinating the use and distribution of central government funds, instead of competing with each other for resources controlled by corrupt congressional deputies.
- **SIM web sites have become key references for Guatemalan emigrants** attempting to reach relatives in their communities. On several occasions, the web sites have also served to channel remittances from emigrant communities to their villages and home towns thanks to the information on community development plans and community funding requests posted on the web sites.
- **After five years, SIM has become a viable service.** Inforpress has reached its break-even point in 2005. The number of subscriptions from municipalities has increased from 25 in 2001 to 175 in 2005 (approx. 53 percent of the total 332 municipalities in Guatemala). More than 75 percent of the subscribers have renewed their subscriptions in 2006.

Corruption is made public and is an issue of accountability between the state and civil society.

6.5 Lessons learned and challenges

- **Inter-municipal information and knowledge exchange and common problem identification and resolution strategies** are important means by which municipalities can increase their awareness and capacities but can also enter into advocacy work towards their central governments.
- **A demand-based approach requires constant sensitivity and specific adaptation.** In its attempt to serve a broad range of municipal officials and authorities, Inforpress has tried to develop an agenda that impacts municipal decision-makers on a variety of issues. Some mayors are consistent followers of the existing political culture. For them, Inforpress must explain how changes in their surroundings can threaten their habitual behaviour, such as the government's use of anti corruption campaigns to attack political opponents. Other mayors share a reformist agenda, and



Training of local government officials.

"The municipal information service has been a helpful institution which has provided us with clear and on-time information related to decentralisation, citizen participation, and municipal service delivery. A factor that helped me to win the elections again was the advice SIM provided me with during a workshop on how to obtain a re-election" (Voice of a mayor)

Inforpress provides them with information on tools to improve administration, technology to provide services more rapidly, and resources to professionalize their staff. A third type of mayor, who seeks to transform undesirable social and economic conditions in their municipalities, receives information and analyses that expand their field of vision, including on issues such as economic promotion, community participation, the role of local referenda and polls to ascertain community sentiment regarding issues such as mining and hydroelectric projects.

- **Reaching out for the "difficult-to-reach" – addressing indigenous peoples and entering into a dialogue between state administrations and civil society, between municipalities and communities.** So far, Inforpress has addressed municipalities and no specific actions have been taken to address indigenous peoples' concerns. SIM is nevertheless distributed to 50 percent of all municipalities in Guatemala of which 75 percent are indigenous. However, the bulletin is only distributed in Spanish. With the support of Helvetas, Inforpress has started since 2007 to enlarge its services to community councils increasing and diversifying its range of subscribers. It will be a challenge – firstly, to re-define an information and capacity building strategy oriented not only towards municipalities but towards community councils which are represented by civil society representatives - and secondly, to define such a strategy in an inclusive and conflict-sensitive way.
- **Making corruption public and an issue of accountability between the governmental administration and civil society.** In the past five years, Inforpress has addressed corruption in over 60 trainings with municipality representatives (executive and administrative staff). The bulletin regularly takes up the issue of corruption and its impact on governance as well as concrete juridical actions which were taken against corrupt mayors. Nevertheless, so far civil society members have not participated in these workshops and have not yet been able to demand for accountable governments. From 2007 onwards, such workshops will include civil society representatives from the community councils who will be able to address governments' accountability and assume their institutional role of right-holder.
- **The viability of Inforpress depends on subscribers who recognise its value and are willing to pay for its services.** In Guatemala, the massive level of international aid causes market distortions due to heavily subsidised foreign investments which threaten and directly compete with local but paying information services.

Five case studies in overview

	Mali	Cameroon	Vietnam	Philippines	Guatemala
Conditions					
Legal framework/forms of decentralisation	Political decentralisation; limited fiscal autonomy; administrative deconcentration; civil society involvement in major public projects	Political decentralisation; very restricted fiscal autonomy at municipal level; No civil society participation in major public projects	Administrative deconcentration; partial fiscal and political decentralisation	Local Government Code allows devolution of political / administrative / fiscal power to local government units; civil society participation in major public projects	Political decentralisation; limited fiscal decentralisation; civil society involvement in major public projects
Government leadership and political will	✓	✓	Economic rationale to decentralisation	✓	GoG commitment strongly motivated by donors' conditionality
Legally defined roles and responsibilities and vertical/horizontal inter-linkages	Constitution Law No.93-008 (1993) Law No. 95-034 (1995) Law No. 96-050 (1996)	Constitution Decree on FEICOM	1992 Constitution; Law on organisation of People's Councils and People's Committees (1994)	Philippine Local Government Code (1991)	
Principles and mechanisms of Helvetas' strategy					
Citizen engagement and local participation	Civil society participatory support	Civil society participatory support	Community participatory support	Civil society participatory support	none
Equity and inclusiveness	Measures of positive discrimination towards women (e.g. quotas); inclusion of traditional leaders	Inclusion of traditional leaders in decisionmaking procedures		Gender: Measures of positive discrimination (e.g.quotas for women in PMC)	none
Capacity building	Building capacity of women leaders, municipal councils	Building capacity of municipal councils	Building capacity of public administration and service delivery from provincial down to commune level	Building capacity of local government units and civil society organisations to promote collaborative socio-economic development	Capacity building of municipal councils
Performance and government responsiveness (efficiency and effectiveness of public services delivery)	Collaboration with public sector programmes of water & sanitation; in 2006: decentralisation becomes transversal theme	Strategic development planning and implementation of social infrastructure projects; social audits	Strategic development planning; public administration reform and implementation of social projects in infrastructure	Participatory development planning and implementation of basic social projects in NRM, infrastructure	Information and didactic workshop on corruption held
Local government fiscal autonomy	Local market valorisation	Focus on local socio-economic development and management, trust funds to local government units	Financial management training	Focus on local socio-economic development and management, trust funds to local government units	none

	Mali	Cameroon	Vietnam	Philippines	Guatemala
Methods and procedures					
Approach taken	Support to civil society and governmental units	Support to governmental units and civil society	Support to governmental units	Contribution to development of working relations between CS and state	Direct approach to governance at municipal level
Procedural arrangements	Linking local level to national level	Relations with municipal governments, linking to private sector and civil society	Linking inter-policy relations and vertical linkages between province and communities	Relations with local government units, linking to regional government level	Since 2007 linking municipal level to community level
Co-operation with other donors working in development co-operation	Participation in national donor co-ordination group on decentralisation		Alignment at national level with other donors	minimal	
Co-operation with government institutional sustainability	Agreements with regional and local governments and civil societ	Agreements with municipal governments	Agreements with state administrations from province to communal level	Agreements with regional and local governments	none
Implementation Procedure	Direct implementation, national NGO as service provider	Direct implementation, national NGO as service provider	Direct implementation	Implementation through national NGOs	Implementation through national NGO
Financial and contractual "owner" of service provision	None	Municipality	Local government level	Joint civil society and municipal project board	none

Main issues and conclusions

This chapter presents the main issues and lessons learnt from the five case studies, as well as from the Helvetas Community of Practice discussion on experiences in decentralisation and local governance. It tries to draw conclusions for discussion and future development work.

7.1 Main issues and conclusions

All countries covered by this study are undergoing decentralisation processes at different stages and depths and with different rationales. The processes are supported by policy reform and enforcement of new laws which have only been introduced relatively recently (Mali, Cameroon, Philippines, Vietnam, Guatemala).

A. Conditions for decentralisation and local governance

On fiscal decentralisation and tax revenue generation

1. Local and intermediate government levels need “a strong degree of financial autonomy” to achieve effective decision-making and policy implementation. Decentralised units need to have the capacity to generate sufficient financial resources. Therefore decentralisation policies need to foster fiscal decentralisation and encourage capacity-building of local tiers (municipalities/communes) in financial management.²⁵ Similarly, foreign agencies should include fiscal decentralisation more strongly into their public reform agenda.

On local revenue generation

2. Natural resources management can stimulate economic development by broadening the income tax basis and tax-revenue generation. Especially in poor regions with little economic resources, natural resources management should be used as a means for decentralised governance and community revenue generation.²⁶

On political decentralisation

3. Democratically elected local governments and intermediate level governments often have little decision-making autonomy and generally require central government approval for their proposals (Mali, Cameroon and Vietnam). There is a need for institutional mechanisms to enable lower levels to influence central level government.

B. Working principles and mechanisms

On citizen participation and engagement

4. **Decentralised governance allows for citizen participation at all stages of project cycle management.** However, this involvement will not take place unless local community representatives feel that the project is in their interest. In order to enhance ownership, there is a need for transparent information and informed choices which must be followed by inclusive

participatory planning, implementation monitoring and evaluation of projects. (e.g. Philippines, Cameroon).

5. Trust building is vital, agreements important. Clear agreements between partners create commitment and contribute to a clarification of roles and responsibilities. Once a partnership is binding, equitably defined rights and obligations can be claimed by different stakeholders based on mutual control which can eventually lead to sanctions.

On equity and inclusiveness

6. Representation versus effective participation of marginalised groups. It is important to look beyond “quotas” and focus on the quality of participatory mechanisms to promote/encourage inclusive participative decision-making processes. However, the achievement of inclusiveness takes time, since the realisation of effective participation invariably entails the development of awareness and the re-definition of rights and obligations on both the government’s and citizens’ side.

7. The integration of women, the illiterate, indigenous peoples and ethnic minorities in political decision-making processes remains a challenge which has to be tackled more strategically in future project interventions. At project level and also from the side of the partner country, there is a need for specific and complementary encouragement measures in support of marginalised groups, necessitating adequate resource allocation. (Mali, Guatemala, Vietnam)

8. Gender sensitivity. Gender is specifically addressed as a core issue in decentralisation and local governance in the Mali project, while it is a transversal theme in the other projects. In assessing women’s empowerment and participation in governance, the constraints in the physical environment, as much as in the social and political environment, should be taken into account with specific supportive measures during the project cycle.

9. Inclusion of traditional structures. The decentralisation of political authority may take place according to contemporary models, but must also incorporate local traditional patterns of decision-making and authority. The experiences from Mali and Cameroon show that traditional authorities can be important stakeholders at local level. As mediators and opinion leaders, traditional authorities are crucial to win people’s opinion, mobilise communities and manage local conflicts. Helvetas considers that, while legal frameworks have to be respected, it is also important to integrate informal structures and rules into project work.

On capacity building

10. Tailor-made capacity development of both civil society entities and state institutions concerning good governance principles, human rights and institutional development. Increasing the existing capacity and creating new knowledge, skills and attitudes can be realised effectively through participatory, tailor-made capacity development based on the roles and functions that civil society organisations and state institutions have to assume in democratic decentralised governance. Capacity development will focus on fundamental

Competitive and accountable tendering contribute to partners’ commitment and enhanced cost-effectiveness of projects.

principles of good governance, civic education and human rights, as well as on the institutional development of state institutions and CSOs. (Philippines, Cameroon, Mali)

11. **Long-term commitment.** Long-term engagement and experience are important to develop and sustain trust. Decentralisation and local governance processes need time, perseverance and ultimately necessitate a change in attitudes and behaviour, as well as long-term funding reliability.

On performance and government responsiveness

12. **Linking concepts of decentralised good governance with popular participation and public service delivery.** “Learning by doing” in multi-stakeholder or multi-society sector planning and the implementation and monitoring of tangible collaborative projects (concerning for instance livelihoods, basic and social infrastructure, local market management)²⁸ are necessary to institutionalise good governance practices. In project interventions, input functions (e.g. popular participation) should be incorporated into the institutional development of both civil society and the state administration. It is through their collaboration or interaction that efficient and effective public service delivery (output functions) can develop. In the long-term, timely and visible results (i.e. efficient and effective public service delivery) contribute importantly to sustain public confidence in local authorities and the commitment of citizens to decentralised governance. (Cameroon, Philippines)



Discussion of community leaders on roles and responsibilities of traditional leaders and administrative authorities.

Methodology and procedures

13. **Support to multi-society sector partnerships.** In each context, the three society sectors (the state, civil society and private sector) show different levels of development, competence and interaction with each other. Achieving good governance requires collaboration between all three which is respectful of the principle of subsidiarity and the specific roles of the sector entities. Hence, rather than focusing on actors of one sector, the facilitation of power allocation and appropriation is more likely to lead to sustainable development (Philippines, Cameroon). Identifying interfaces for collaboration, facilitating spaces for interactions (knowledge sharing platforms), the promotion of democratic checks and balances (public audits), and co-financing by the key stakeholders (small-scale projects) lead gradually to inclusive governance and effective service provision (Cameroon, Philippines).

14. **Creating a win-win-situation among stakeholders.** Decentralisation implies a reallocation of power and resources which is likely to create new “losers” and “winners”. Operating in such a context requires a conflict-sensitive project approach and win-win-solutions for the involved stakeholders.

Adequate resources and complementary positive discrimination are needed to achieve effective participation of marginalised groups.

15. **A competitive approach can encourage partners.** Supporting the private sector, introducing tender agreements/procedures and applying new public management tools within the government sector provide opportunities to create a competitive environment. Tenders also contribute to an enhanced commitment by partners and to the cost-effectiveness of projects (Vietnam, Cameroon, Philippines).

16. **Creating parallel structures and undermining existing power relations threaten the institutional sustainability of project activities.** The scaling up and institutionalisation of programme activities should be considered from the start of a phase or project. Appropriate strategies should be designed from the outset of a programme or project. Planning requires existing policies, procedures and institutions to be considered in order to avoid the creation of parallel structures. (Philippines, Cameroon).

17. **Good governance principles must be an integral part of every decentralisation and local governance project cycle management.** Project planning should include impact hypotheses on decentralisation and/or governance, and monitoring and evaluation systems should assess progress towards good governance and/or decentralisation as well as the impact of the project on decentralisation and good governance endeavours in a specific project location.

Co-operation and alignment with other donors

18. **“Islands” of good practice versus scaling up and dissemination.** The creation of opportunities to integrate decentralised good governance need a strong political will and a favourable environment for positive “islands of good practice” at project level to be incorporated at institutional and policy level. Linking local governance with intermediate and national levels is crucial. The alignment of project activities and their support modalities with those of other donors and of government policy and aimed at a holistic governance approach remains a challenging task. Helvetas’ participation in donor coordination at national level has resulted in scaling up project activities in Mali. In Vietnam, Helvetas’ (supported) pilot project/programme in Cao Bang has contributed to changes in the practices of donors working in decentralisation; this has led to a programmatic approach in the forthcoming phase.

Participants at a forum for women.



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7.2 Outlook

...Where are we heading now?

By building on acquired experiences and embracing the challenges of the multi-dimensional character of poverty and development, we believe that the working area “Civil Society and the State” has its legitimate place within the Helvetas foreign strategy. As the case studies have highlighted, the existing

experiences and knowledge in partner countries concerning decentralisation and local governance are rich and substantial. Some of the experiences may also apply in other contexts. However, lessons learned depend very much on the form and extent of decentralisation already in place, on specific local conditions and historical contexts, all of which need to be taken into account when designing project activities. With regards to future challenges, we would like to refer to the following three main issues.

Linkages between poverty alleviation and local governance/decentralisation

As discussed in the introduction, decentralisation and local governance do not automatically lead to pro-poor development. Therefore, we need to understand interventions in the field of local governance and decentralisation as important contributions to the overall fight against poverty. That include not only socio-economic factors but also political decision-making and self-determination. The case studies have indicated that strengthening partnerships between local governments, civil society organisations and the private sector is a means for promoting political participation; it thus enhances needs-based public service provision and is the basis for solid collaboration between the state and its citizens. However, if participation is not effective or living conditions are not improved, citizens will lose faith in the emerging democratic system. Understanding citizen participation as the realisation of a fundamental right, more focus needs to be placed on the challenge of integrating particularly marginalised groups in local political decision and development processes. This needs to be done by making best use of the existing and potential opportunities in a specific context.

The need for an inclusive view of development: strengthening both political and economic development

Limited financial resources at local level pose a key challenge to the realisation of effective and responsive local governance. Financial resources comprise budget/resource transfers from central government as well as local revenue generation. However, even if the authority for tax collection is delegated to local governments, due to prevailing poverty this usually does not generate sufficient resources, especially in rural areas. A stronger focus on the issue of fiscal decentralisation is regarded to be fundamental, since the functioning of local tax collection combined with democratic local elections, are a precondition for the establishment of a relationship between citizens and local governments which is characterised by accountability and mutual execution of rights and duties. We would like to stress the need for a holistic view of development which links political and economic aspects. The basis for a functioning system of local taxes can only evolve if it is accompanied by local economic development. This inter-dependency between political and economic development needs to be strengthened in programme strategy and design.

Contextual adaptation of Helvetas' roles in support of decentralisation and local governance

As the case studies show, Helvetas is engaged in various contexts with different approaches to co-operation on decentralisation and local governance. Experiences demonstrate that the combination of capacity building measures

Good governance practices are institutionalised through "learning by doing"

with tangible results can lead to the mobilisation of different stakeholders in society to collaborate in order to undertake joint development activities. This allows actors to directly experience that capacity-building efforts can actually lead to desirable outcomes. This brings about concurrently the emergence of functional local governance structures. However, as we have pointed out several times, there is a need to link grassroots local governance to top-down decentralisation reform in order to assure that local governance can be integrated at provincial and national level. Scaling up and replicating project activities need a strong focus on networking with other donors and government entities at different levels and incorporating governmental structures and policies into project planning from the outset. Helvetas understands its role as a facilitator between different society sectors, with the aim of contributing to the establishment of a basis for sustainable development through multi-society sector collaboration. Its role as a facilitator of national or international advocacy networks for civil society organisations working in the South, as well as of advocacy work at provincial and national government levels, may increase in relevance especially in the context of the Paris Declaration on Aid Effectiveness.

Footnotes

¹According to definitions by: DFID, FAO, OECD, SDC, UNDP, the World Bank and the Helvetas Strategy “Civil Society and the State”.

²See Helvetas 2000, technical proposal, consulting services for insitutional development initiative.

³The term “working area” refers to one of the four working areas in the Helvetas foreign strategy and corresponds to a thematic area.

⁴Strategy 2003 – 2007 for the Helvetas Working area Civil Society and the State (CS&S).

⁵See Strategy 2003-2007 for the Helvetas Working area Civil Society and the State (CS&S), page 7.

⁶The term “local government” refers to units at the provincial, district and municipal/commune level.

⁷See Strategy 2003 – 2007 for the Helvetas Working area “Civil society and the State” page 5

⁸See Strategy 2003-2007 for the Helvetas Working area «Civil Society and the State» page 5 and 6.

⁹See McNicoll 1995.

¹⁰The transfer of government functions to the private sector refers to economic decentralisation or ‘market decentralisation’. Privatisation and deregulation as the two main forms of economic decentralisation are understood as an extended definition of decentralisation and are therefore not discussed further in this document (see also SDC 2001, Guide to Decentralisation).

¹¹See publication No. 5 “Trail Bridge Building in the Himalayas. Enhanced Access, Improved Livelihoods” and publication No. 7 on “Natural Resource Management and Governance” (working titles, to be published in autumn 2007).

¹²See the appendix for a selected list of Helvetas’ engagement in the working area “Civil Society and State”.

¹³Helvetas has human rights inscribed as a basic value in its strategy 2005 – 2010. Although a human-rights-based approach is not applied as an overall concept but is rather context-based, Helvetas draws from the HRBA in development to systematize project interventions and to bring power relations in governance into focus.

¹⁴Local health boards, local peace and order councils, local school boards, local pre-qualification bids and awards committees.

¹⁵The Internal Revenue Allotment (IRA) is the 40 percent contribution from the annual national revenues; of this percentage, 20 percent is allocated to barangays, 23 percent each for provinces and cities and 34 percent to municipalities.

¹⁶IPG is a national NGO specialised in the promotion of local autonomy and governance in the Philippines.

¹⁷This is the organisation of the municipal and barangay heads within a province.

¹⁸See brochure No. 4, "You pay for what you get", From Budget Financing to Result Based Payments, Helvetas 2005.

¹⁹According to an expert from the Central Institute for Economic Management, Vietnam.

²⁰The Support to Public Administration Reform (SPAR-CB II), financed by SDC 2007 – 2010 and the Cao Bang Community Based Governance, Extension and Markets project (CB-GEM) (2006 – 2010).

²¹Ministry of Agriculture and Rural Development, Swiss Agency for Development and Co-operation, Provincial People's Committee Hoa Binh, Provincial People's Committee Cao Bang. Report of the Planning Mission and Draft Programme Document for Public Service Provision Improvement Programme in Agriculture and Rural Development, 2008 – 2010.

²²Consejos Municipales de Desarrollo.

²³Consejos Comunitarios de Desarrollo

²⁴Inforpress Centroamericana is a small organisation which provides weekly news analysis to decision-makers in the Central American Region since 1972.

²⁵See Institute of Federalism, 2003, page 13.

²⁶See publication No. 7 NRM and local governance, Helvetas 2007.

²⁷See also Institute of Federalism, 2003, page 47.

²⁸See publication No. 7 NRM and local governance, Helvetas 2007

Earlier publications:

Publication No. 1

"25 Steps to safe water and sanitation", May 2000.

This publication describes the successful "community-oriented stepwise approach", developed by Helvetas in Nepal in an integrated project which includes the construction of drinking water and sanitation facilities as well as the introduction of better hygienic practices.

Publication No. 2

"10 key stages towards effective participatory curriculum development", December 2001.

This publication describes a methodology to improve the quality of education and training through participatory approach. The information builds on the experiences of Helvetas in the Social Forestry Support Programme in Vietnam and other Helvetas-supported projects in Sri Lanka, Nepal, Bhutan, Lesotho and Kyrgyzstan.

Publication No. 3

"Clients First! A Rapid Market Appraisal Tool Kit", June 2004.

Clients First! provides the theoretical background and experiences from various Rapid Market Appraisal (RMA) events. RMA is a participatory approach to explore demand and market opportunities. The publication describes the method using practical examples of agricultural products and sums up the RMA lessons learnt in the two Helvetas partner countries Kyrgyzstan and Vietnam.

Publication No. 4

"You pay for what you get. From budget financing to result based payments", August 2005.

Four case studies, from ex-Soviet Union, Asia and Africa, show how development projects can be financed through payments for the results instead of through funding inputs. The publication describes practical examples, analyses successes, and points out critical issues and suggests preconditions for the transfer of lessons learnt to other contexts. The nature of services, their quantity, quality and price are at the centre of the interest rather than micromanagement issues.

Publication No. 5

"Trail bridge building in the Himalayas. Enhanced access, improved livelihoods", May 2007.

This publication describes experiences of Helvetas' involvement in trail bridge building in Nepal and Bhutan. Experiences and learnings gained after four decades of Helvetas' involvement and financial contribution of the Swiss Agency for Development and Cooperation (SDC) are being successfully replicated in west Asia and Africa.



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