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**Experiences in
Local Governance**
Learning from Swiss projects
in four continents

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Foreword

Good governance has over the last years become one of the dominating concepts in development cooperation, and rightly so. Local governance brings good governance down from the conceptual and sometimes almost virtual level to the concrete application. “Local” means close to the citizen and of human size. “Local” therefore also means changeable and within the reach of development efforts.

Through years of work with local governance-related projects in developing and transition countries, Intercooperation has gathered considerable experience and knowledge which it is worthwhile summarizing and sharing.

What strikes me most, as a seasoned politician and practitioner of local governance in Switzerland, are the similarities, but also certain differences, between the situation in our country and the situation in transition and development countries. The continuous efforts of local governments to find recognition and sufficient funds for their manifold tasks seem to be a universal phenomenon as are the struggle for influence between the administration and elected bodies. What is different in Switzerland and what is at the core of its great success as a local governance model, even within Europe, is the positive role of political parties. Political parties in Switzerland have always been means of representation of the citizenry and civil society. Through these parties all walks of society have had a say in decision-

making. There was no need of additional instruments like platforms or forums. But in Switzerland as elsewhere in Europe, democratic representation is no longer what it used to be. With voter turnouts in elections of forty percent and less, many segments of society are no longer represented in politics. Who has the right to speak for the young, the socially excluded, the immigrants, the old?

The time has come where it is not only developing and transition countries who learn from our experience but when we, supposed to be “developed”, have to unlearn and benefit from what is practiced elsewhere. This small booklet is a useful instrument for this mutual exchange.

Elmar Ledergerber
Mayor of Zurich
President Foundation Council
Intercooperation

1 Introduction

During recent years, IC has put a special focus on the topic of local governance. Varied experience has been gained in a number of projects in the South and East since 2002. “Local governance and civil society” has been defined as one of the three working domains of Intercooperation in “IC’s Policy and Principles”. At the head office, a “Municipal and Local Development” team has been created in order to further strengthen IC’s focus and competences in this field.

In 2004, IC conducted an internal knowledge-management exercise on local governance, bringing together experiences from various projects financed by the Swiss Agency for Development and Cooperation (SDC) and executed by IC.

2 Main objectives

The knowledge-management exercise aiming at collecting experiences, lessons learnt and good practices in the fields of local governance and decentralisation had the following objectives:

- to clarify basic terms, concepts and definitions related to local governance in IC projects and programs;
- to assess and make available information on the main developments and discussions on the international “local governance debate”;
- to disseminate the experiences inside IC, to foster exchange and interaction towards a local governance network;
- to analyse and capitalize shared experiences in order to draw common lessons learnt and to initiate common learning processes.

Twelve projects worldwide have been selected and have filled in detailed questionnaires on local governance and decentralisation. The list of these projects can be found in the annex.

The analysis covers projects in the following countries:

Bosnia and Herzegovina, Serbia and Montenegro

India, Nepal, Pakistan

Madagascar, Mali, Tanzania

Bolivia, Ecuador, El Salvador, Honduras, Nicaragua, Peru

This IC series publication synthesizes and analyses the collected information and makes it available to a wider circle of people, be it development practitioners interested in a more comprehensive vision on local governance, be it governance experts keen to know more about practical project experiences.

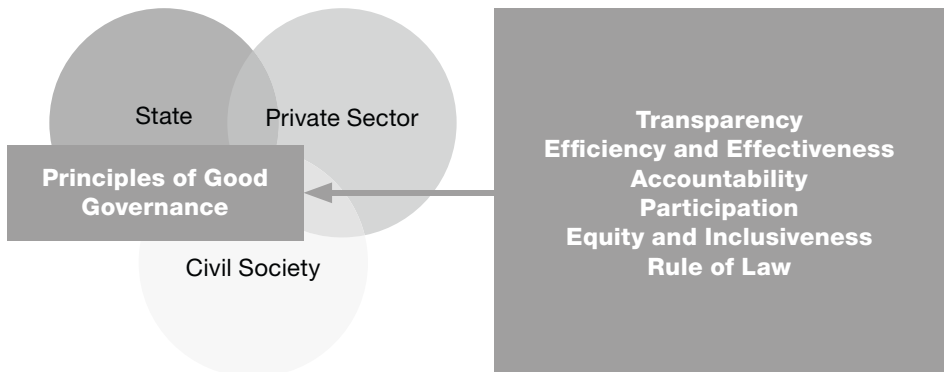
3 Definitions and Approaches

Governance

“Governance is the exercise of political, economic and administrative authority in the management of a country’s affairs at all levels. Governance comprises the complex mechanisms, processes, and institutions through which citizens and groups articulate their interests, mediate their differences, and exercise their legal rights and obligations”.¹

Governance includes the state, but transcends it by taking in the private sector and civil society, with the following main roles:

- The state creates a conducive political and legal environment;
- The private sector generates jobs and income (private enterprises; business associations; informal sector in the marketplace);
- The civil society facilitates political and social interaction – mobilizing groups to participate in economic, social and political activities (e.g. trade unions; NGOs; gender, language, cultural and religious groups; charities; social and sport clubs; cooperatives and community development organisations; environmental groups; professional associations; academic and policy institutions; media outlets).



Governance is about trust creation, co-operation and changing of attitudes of all those involved. The public sector should orient its work towards citizens' concerns in a transparent and accountable way. Civil society and the private sector are expected to develop awareness and responsibility for public affairs. This can only be achieved in a long term learning process. Because of the weaknesses and strengths of each participant, a major objective of supporting governance processes is to promote constructive interaction among all three main participants towards a partnership, based on the principles of good governance.

Local Governance

Local Governance links the two processes of democratisation and decentralisation at the local level. Local Governance concerns the processes through which local stakeholders interact in determining the local development agenda and in managing resources to implement the development priorities.²

Local Governance refers to the way in which the society organizes itself (politically) at local/municipal level in order to undertake a range of public functions. Democratic local governance implies a partnership between the principal societal players in the making and implementation of public policy, the resolving of public problems, and the allocation and management of public resources.³

Good Governance

Narrow good governance definitions centre on improving the administrative and managerial role of the government and the administration focusing on efficiency and effectiveness. Broader definitions encompass the political role of the government including the building of political accountability and the participation of all relevant stakeholders in the decision-making process. As there is no standard model and definition, Intercooperation is following the broad UNDP definition of good governance. This approach is also coherent with SDC's own approach to good governance and relevant for the implementation of SDC's projects in this domain.

“Good governance is the exercise of economic, political and administrative authority to manage a country's affairs at all levels in a manner that is participatory, transparent and accountable. It is also effective and equitable and promotes the rule of law.”⁴

Good governance ensures that political, social and economic priorities are based on broad consensus in society and the voices of the poorest and the most vulnerable are heard in decision making over the allocation of development resources. It includes essential elements such as political accountability, reliable and equitable legal frameworks, bureaucratic transparency, effective and efficient pub-

Different Forms of Decentralisation⁵

Political Decentralisation: aims at improving the active participation interest of the population in the political decision-making process. Local authorities must bear more responsibility towards those who elected them and they must better represent local interests in the political decision-making process.

Administrative Decentralisation: Distribution of responsibilities to fulfil public duties among governmental authorities on various state levels. Responsibility for regional and local-level planning, operational management and in part financing of infrastructures and services is shifted from central administration to lower level authorities. One can distinguish three forms of administrative decentralisation:

- **Deconcentration:** Transfer of competencies and responsibilities from central agencies operating from the capital cities to the field offices of these agencies; weakest form of decentralisation, takes place within the state hierarchy.
- **Delegation:** Transfer of decision competencies and operational responsibility from central government to regional authorities, which have some degree of operating autonomy, but are accountable to the central authorities.
- **Devolution:** Transfer of powers for decision-making, finances and management from the central administration to independent local governments, usually referring to municipalities with locally elected organs and clearly defined territorial responsibilities or power

Fiscal Decentralisation: Transfer of fiscal and financial competencies: regional and local authorities have access to required resources and the power to make financial decisions.

Economic Decentralisation: Transfer of functions from the public to the private sector (privatization or deregulation)

lic sector management, participatory development and the promotion and protection of human rights.”⁶

This definition of good governance sets the main principles. These have to be specified in cooperation with the main local stakeholders and partners and taking into account the specific political, historical, cultural and social context.

Rights-based-approach

In its support to local governance processes, IC is following a rights-based approach, where interventions and support are based on the principle that people are primarily considered as citizens with fundamental, non-negotiable rights they can claim. The principles of accountability, transparency, equality, non-discrimination and citizens’ participation are part of these rights. Participation in development is hence a matter of rights rather than benefits and the citizens are treated as subjects of development. Good governance is therefore also closely related and linked with protection of minorities, gender-balanced development and support to poor and marginalized groups. It implies that laws and regulations are elaborated and implemented in a non-discriminatory manner with an efficient, impartial, and quick judicial system and that human rights are ensured and protected by the relevant authorities. The same principles are equally key elements of SDC’s understanding of this approach and shape SDC’s policy in this domain.⁷

Decentralisation

“Decentralisation describes the transfer of competencies and responsibilities for performing public service obligations from the central government to regional or local authorities or to the private sector. At the end of this process, all state levels are functioning in a decentralised way”.⁸

Local governance, decentralisation, development and poverty alleviation

During the last years, the role and the functioning of the different state levels and their relationship with the citizens and the private sector have become important issues in development policy and strategies. Many sector poverty alleviation programs and/or structural adjustment programs did not have the desired impact, as they were addressing exclusively civil society members, or because the state structures were lacking transparency, efficiency, participation mechanisms and a clear attribution of tasks and responsibilities. Especially in transition countries, role and functioning of the state structures were challenged through new democratic powers and a new understanding of the key tasks of the state evolving towards a modern, liberal understanding of the state.

There is an international consensus that Good Governance is a key element and prerequisite for peaceful, democratic and sustainable social and economic development.

Parallel to this, a process of decentralisation is ongoing in over eighty developing and transition countries. New local governments and decentralized state institutions are challenged by the civil society and local initiatives to become more participatory, accountable and effective.

In the different efforts to support governance and decentralisation processes, many experiences have shown that it is crucial to put a focus on local level (Local Governance) in order to be close to the people and address their felt needs.

Coherent decentralisation and good governance at all levels (including local governance) are both important instruments and prerequisites to alleviate poverty and inequity, as they may contribute to:

- A stronger involvement and participation of the civil society in public affairs and the creation of new and innovative cooperation mechanisms (democracy and empowerment of the people);
- Providing people with the possibility to address their real needs and priorities and to find solutions appropriate to their situation on the basis of self-responsibility;
- Strengthening local initiatives for further economic and social development;
- More efficient, effective, transparent and accountable functioning of local authorities and public services;
- Effective use of public resources and sustainable resource management;

- Giving minorities and marginalized groups – men and women – the opportunity to bring their needs and problems on the agenda;
- Better management of local diversities taking into account the existing historical, social and economic context.

Main approaches and working principles of Intercooperation⁹

Even if participative mechanisms and multi-stakeholder approaches, including the local authorities, have been applied in almost all projects implemented by IC since the beginning of its work, the specific governance approach is of another quality, as the projects directly address and strengthen local authorities in their tasks, and/or address and support civil society and the private sector as citizens with rights and duties, which goes further than merely including them in a dialogue.

In part of the programs, IC is directly supporting local governance and decentralisation processes, being the main program objective (e.g. municipal development projects in South Eastern Europe; decentralisation support programs in India). In other programs, local governance and decentralisation are rather “transversal topics”, where the program provides indirect support to local governance processes (e.g. management of common property resources such as forest, water, land; public-private partnerships in specific sectors; environmental services;

local economic development) having as overall objective to improve the livelihood of the poor and vulnerable population through a rise of their income and/or a sustainable management of natural resources in a democratic, participative and non-discriminatory way.

The following working principles are applied in IC projects related to local governance:

- Focus on the local level, demand driven and bottom-up approach, often working in a rural environment;
- Multi-partnership-approach including the different participants and state levels;
- Support the participation of poor, women and marginalized groups;
- Facilitate, coordinate and work with local organisations and expertise;
- Networking and exchange of experiences, knowledge sharing and dissemination of good practices.

4

Good local Governance: status in selected countries

Good governance is at the top of the agenda of many international organisations and development organisations. Many countries have issued governance policies and strategies with specific action plans (often as part of their Poverty Reduction Strategies) and in many cases, the status of good governance is a condition for international funding (principle of conditionality). Monitoring of governance processes is often difficult, as it includes different stakeholders at different levels in a very complex cooperation system. The World Bank tried to “measure the quality of governance” per country according to different elements of good governance (voice & accountability, control of corruption, political stability, government effectiveness, Rule of Law, regulatory quality).¹⁰

In the twelve selected projects of this paper, many similarities with regard to trends, problems and challenges have been identified.

Perception of good governance criteria

Transparency, responsiveness of the Government

Most governments of the countries considered in this paper are perceived as not transparent. Even if efforts are made in public and open tendering, in discussion forums and in publishing of budgets, citizens think that corruption and clientelism are still widespread. Anti-corruption

bodies are not out of suspicion (Tanzania) and it is commonly believed that the corruption level is higher at national level than at local level (Nepal, Peru). The fact that local governments are elected in a democratic way doesn't mean that the management of public affairs is transparent (Madagascar). Governments usually communicate through written documents, while the country inhabitants are more used to an oral way of expression, and this means that the information won't reach the majority of the citizens (Mali).

Recently adopted multiparty systems have often led to a lot of small or badly organized political parties. Opposition movements are at an early stage in many developing countries.

The lack of transparency creates general mistrust towards political parties and authorities.

Efficiency & effectiveness of public services

In most cases, public services are described as not efficient (very expensive and inefficient in Bosnia and Herzegovina) and the elected members of governments are neither well prepared nor trained (lack of professionalism, weak capacities, old fashioned bureaucracy, poor management, weak monitoring system). This situation is particularly encountered in local authorities, which have recently been appointed in many countries. The poor quality of the services can be explained by the

fact that civil servants are often chosen based on political affiliation rather than on merit (Pakistan).

Accountability towards civil society

A public sector working in an accountable way should demonstrate that it works according to rule and should be ready to accept criticism and interrogations from the citizens. In reality, some elected representatives feel more accountable to their political party than to the body they represent (Bosnia and Herzegovina). In many cases, citizens are expressing their claims through sanctions at the time of elections and there is no clear claim mechanism system in place (Mali).

Social control (community-based vigilance committees, participative budgeting and consultation round tables) is more widespread in South America than in other developing countries considered in this study. In Bolivia, the vigilance committees oversee municipal financial management and can request the Congress to “freeze” a municipal account if there are suspicions of fraud or severe mismanagement.¹¹ Nevertheless, in practice these committees are not always functioning and their composition is often biased (only urban residents, influenced by political parties).

Citizen voices and participation

In general and in most regions, the participation of civil society is improving and consultation mechanisms are put in place

at different levels (for instance village planning forums in Sikkim). The participation in elections and voting is in general increasing, except for South-Eastern Europe where the turnout has recently come down (bad image of politicians and election fatigue).

There are various cases where civil society is not motivated in participating in public affairs, mainly due to the mistrust felt towards the politicians and the resistance of government members to share power (civil society being perceived as a threat into their authority). Civic education should reach all categories of society and help to change mentality and lead people to behave as responsible citizens.

The media (especially the radio able to reach remote areas) can play an important role in keeping civil society aware of government’s policies or orientations. Furthermore, citizens have to learn how to participate in public affairs, since it is a new opportunity for some of them (used to “Providence States”). The open forums and exchange platforms bringing together civil society and government officials are a first important step in the trust building/restoring process (Pakistan). NGOs have also an important role to play in motivating the civil society to participate in public life. Nevertheless, only a few NGOs are tackling this issue in rural areas (Madagascar) and in this case the impact is very limited.

Equity and inclusion of minorities and marginalized groups

In politics, little emphasis is put on the inclusion of marginalized groups and sometimes it is a marketing argument in political campaigns more than a real concern for the authorities (Madagascar). Gender issues are often tackled through quota of women representatives in the assembly and executive bodies. Nevertheless, the women elected in many cases lack the necessary skills and power to really fulfil their functions, or they act as stooges for men pulling the threads in the background (e.g. “woman sarpanch” in India).

Rule of Law

In many countries, independence of the judicial power is doubtful and it is commonly agreed that the judiciary is influenced by political and economic forces. At local level, the traditional judicial systems are still in place (Madagascar). Rules and regulations are often not applied in practice and rights can't be claimed before courts. The Rule of Law has improved in South-Eastern Europe due to pressure from the international community.

Decentralisation processes: main relevant issues

All countries covered by this study undergo decentralisation processes, at different stages and depth and with a variety of experience. The processes are usually supported by reforms in legislation and new laws.

Legal framework and its implementation

In most countries laws concerning decentralisation or participation exist only since a short period (Peru, Bolivia, Mali, Pakistan, Central America). Changes in the legal framework have been encouraged and supported by the international community but practical implementation is often not taking place as expected (persistent gap between the law and reality).

Financial decentralisation

Local governments have normally little financial means and depend highly on central government transfers and on subsidies. The transfers from central treasury to local governments vary from one context to the other: from 20% in Bolivia to 4% in Central America (average 10%). In some cases, the attribution of funds to the regions is not standard but influenced by politics (Pakistan). Furthermore, there is little opportunity to raise taxes at the local level, due to the lack of resources of the rural populations. Nevertheless, new policies of decentralization encourage municipalities to generate incomes locally and contribute to regional economic development (Peru).

Political decentralisation

Local governments even though elected democratically cannot make laws and have little autonomy in decision-making (apart from municipal ordinances that can be issued at local level but always need the approval from central govern-

ment). Additionally, the local government members usually lack capacities in the strategic elaboration of municipal plans, which are an instrument of limited practical value.

The intermediary level (region, district, canton, etc.) is not always well established and has little political autonomy (Madagascar, Central America). Many projects, therefore, do not address the meso level and local approaches are directly put against national issues. When the regional political structure does not exist, regional geographic approaches (such as inter-municipal associations, associations of mayors or watershed entities) are a possibility to disseminate good practices and experiences and to reach the policy dialogue on a higher level. This trend is found in South America (regional associations of municipalities) and in Madagascar (inter-municipal groups), as well as in South-Eastern Europe (Standing Conference of Towns and Municipalities, Serbia).

Administrative decentralisation

Some tasks like health, education and infrastructure are delegated to local governments. Others, considered more strategic, such as security, defence, or foreign affairs, remain with the central government. Usually important decisions regarding natural resources (concessions, prospecting permit) stay with the central government, which impedes resources allocation to local communities.

Two parallel and sometimes opposite systems cohabite in many contexts: a top-down process of administrative deconcentration, with the delocalization of civil servants to regions and sub-regions and the political decentralization, which is closer to a bottom-up and democratic process. Coordination problems between both systems and attribution of roles are usually the main problems encountered (Madagascar).

Decentralisation and Natural Resources Management

The sustainable management of natural resources is the focus of many IC projects. Over the years, the technical approach has shifted to an integrated software approach (capacity-building, negotiations skills, institutional development, etc.) including various participants such as local governments and the civil society in the form of rural associations or user groups (community-based forestry or community-based resources management). This new approach has a strong governance element because it includes the political dimension as well as the power of decision-making and access to financial resources. Furthermore, some broader issues are particularly observed, such as participation, human rights, gender, inclusion of marginalized groups, equitable access to natural resources, etc. Under this approach new opportunities of discussion (open forums) emerge, whereby different players come together to discuss and find solutions on NRM issues.

NRM and governance are inter-related especially in situations where the management of NR is decentralised to local structures. In some cases, the local community is considered the best means to manage the natural resources they are benefiting from (geographic proximity, local knowledge). Opponents of decentralization argue that local management can lead to misuse and abuse by local elites and cause environmental damages. Usually the management is decentralized but not the economic advantages coming from the concessions.¹² In the case of Nicaragua,¹³ the law grants municipal governments in theory the right to express their opinion prior to decision from central government in giving extraction permits or concessions. Local governments also are entitled to get 25% of the income generated by this kind of contract. In reality, the opinion of the municipalities is often not requested or heard and the funds not transferred.

It is widely acknowledged that central government should have an overview on the NRM policies and set up the legal framework, without interfering too much in the daily management of the resources. In practice, central governments are reluctant to share power on NRM and prefer retaining control on natural resources that generate income (more than other public sectors such as Health or Education).

Land tenure or property and user rights are never mentioned explicitly by the

projects under consideration. Equity issues and access to land are however of major concern from a good governance perspective.

5

IC's experiences and lessons learnt on local governance

The following chapter presents the main lessons learnt from the twelve selected projects included in the survey.¹⁴

Partners and target groups

The target groups of the project are almost always the government (central, regional or local) and the civil society (NGOs, rural associations, CBOs, forest users groups or non organized citizens). It is important to support at least two players who work with and promote multi-stakeholder partnerships. Some projects have switched from a “one-sided approach” (only government or only civil society) to a “two-sided view” (SAHA in Madagascar has only recently started to include the authorities as target group).

The private sector is in a few cases considered a specific target group (milk processing business in Tanzania), in general it is considered as being part of the civil society (farmer's associations). This lack of differentiation is a deficiency which contributes to the choice of wrong project approaches. The private sector is often involved in projects as service provider or as consultant. The perception of who belongs to the civil society differs from one context to the other.

The choice of the partners is essential. It is crucial to support motivated and interested groups/municipalities/stakeholders described as “champions”, “driving forces” or “change agents” to ensure the

success of the project. A competitive approach can be a good solution to motivate the partners.

The regional level has to be included and taken into consideration as key partner in order to achieve a wider dissemination and integration of results (see the Regional Consultation Forum in Pakistan).

Intervention strategies

Empowerment of partners

The main intervention strategy is the capacity development of partners being local government members (or newly elected politicians) or civil society groups (associations, users groups). The project must have a capacity development concept including institutional development, training of trainers, coaching, follow-up of trained partners and monitoring in the field. It should provide tool-kits for target groups, allowing empowerment of local participants and validation of local knowledge. It is crucial to support existing capacity development structures and to coordinate with other projects and donors instead of creating parallel training programmes.

Formal cooperation with local/municipal ‘change teams’, is essential to ensure ownership in local governance and to make change effective and sustainable.

Another key element always present and necessary is the participative approach at

all stages of project management: grass roots planning, institutionalisation of bottom-up planning and participatory management of the project itself (within the project team). For instance, the participatory planning at village level is an opportunity for farmers to practice their legal right in decision taking and to involve the poorer sections of communities.

The support of multi-stakeholder platforms is a central intervention linking participants (farmers associations with local government or different service providers), allowing discussion, negotiation, decision-making, conflict resolution and organization of public debate on rules and policies. Due to the strong influence of the context (politics) in governance projects, it is important to have diversified partner networks and good context monitoring to react to changes.

It is important to invest in trust creation or trust restoration, change of attitude and to give more and more responsibilities to those involved, including civil society. The way to good governance often starts at individual level (ethic, behavior).

Knowledge, information, communication and advocacy are important to remind civil society and governments of their rights and duties. The role of the media (especially radio) is to inform the citizens about the government's position and to give a voice to civil society in public affairs. It is important to train the partners of

the project and how to deal with the media and use the media for advocacy.

If the project provides financial support (trust funds) it is important to foresee co-financing or cost sharing mechanisms to increase and improve the ownership of the partners.

To have a real partnership between government and civil society, it is important to provide specific support to civil society groups as they often lack the necessary information, knowledge and organizational structures.

A good way to raise the interest of civil society would be to tackle issues of public interest such as rural security, infrastructure and land rights or to identify driving forces that would generate a spin-off effect. Civil society needs to be sensitised towards a change of attitude of the citizenship in order to assume their duties and claim their rights.

Local or indigenous knowledge has to be made the most of and considered in every intervention so that the real situation is taken into account.

The demand-oriented approach recognizes people's rights and duties and allows the transforming of needs and aspirations of the people into small project profiles.

Dissemination/policy dialogue

Many projects have pilot phases, which help to build up experience. Time and resources have to be invested in the capitalization of lessons learnt and dissemination of good practices.

The different levels of intervention have to be linked through horizontal and vertical dissemination and integration with the objective of influencing regional and national policies and avoiding the isolation of the local level from other decision-making instances.

To initiate a policy dialogue at higher level, it is essential to have enough validated experiences, which is not the case at the beginning of a programme.

Position of project/program

The role of the project is usually the one of facilitator in bringing partners or stakeholders together in a forum of discussion and decision-making. The project does not implement actions: its main inputs are support to the partners, capacity building, training, OD/ID, coaching, financial means (co-financing), etc.

Clear terms of partnership have to be defined and agreed upon at the very beginning of the project to avoid misunderstanding of the roles of each partner including the role of the project. Chances for making progress in the domain of good governance need a long term perspective and a strong political will as well

as a favourable environment in order to carry on positive results of a project at institutional and political level.

Tools applied

Many of the tools applied during the distinct phases of the project cycle management are also used in other programs without governance aspects. IC intends to further assess, develop and mainstream specific governance-related tools. Some of the tools used are mentioned in the following box:

Planning

- Tools of participative planning
- Institution mapping
- Baseline survey of municipal performance

Implementation

- Negotiation forums
- Participative implementation
- Participative budgeting
- Municipal/regional development plans
- Management handbook: Mayor's guide

Monitoring/Evaluation

- Self-evaluation
- Participative monitoring and evaluation
- Context monitoring of decentralization processes
- Citizens' survey on the quality of services
- Public auditing
- Citizens' feedback mechanisms

Gender & marginalized groups

The gender question is specifically addressed in many projects. In some cases (Tanzania, Mali), gender is one of the main themes, in other cases when gender is a transversal theme, recent evaluations have recommended that this issue be strengthened in the following phases (Central America, Peru, Nepal).

The main lesson learnt is that a gender focus in a project has an impact at household and group level (policies, status of women).

In Mali the project has moderated a thematic group on gender issues.

The term “marginalized group” is understood differently according to the context. If we understand marginalized groups as the poor or the poorest, then most projects have a pro-poor philosophy and aim at involving them. If we understand marginalized as ethnical minority, indigenous people or discriminated castes, this issue is rarely mentioned as such in the selected projects.

It is important to have specific interventions and action towards marginalized groups and design a monitoring system. For instance, special attention has to be given to landless people in a NRM project or a specific support can be provided to a minority group through incentive funds. Furthermore, it is important to include mi-

nority local communities in pilot actions. In the Nepali community forestry project, the social cohesion is improved by an approach allowing the inclusion of powerless, poor people, 'dalits' and women.

It is essential to work at a low level of the decentralization hierarchy to ensure the involvement of the marginalized groups. It appears that in Nepal, a door-to-door approach is the only way to integrate the poor, since in many cases the poor cannot afford participation because they can't abandon their home to go to meetings.

It has to be noted that inclusiveness is not a matter of quota but a change in mentality that needs to be considered at a deeper level (household level, traditional structure).

Main problems/pitfalls

Main problems encountered are:

Political level

- Elected members of government don't want to share power with civil society;
- Lack of transparency of community leaders;
- Risk isolating municipalities from other levels of decision;
- Inequity of society reflected in user groups (elites dominating and poor not represented);
- Public policies do not always correspond to local realities and dynamics;
- Civil society inputs not taken into consideration in local development plans;
- Political will hampered by lethargic bureaucracy

Project level

- Creating parallel structures and undermining existing local information channels and decision levels;
- Structures depend too much on the project: lack of sustainability;
- Confusion of roles: temptation to replace participants instead of strengthening their capacities and initiatives;
- Old ways to tackle new issues, e.g. by working only with bureaucracy or the central government;
- Too much dependency on small group of consultants

Good practices and knowledge products

Some good practices taken from the projects are listed below:

- Newsletter on local governance for dissemination into rural areas (Sikkim, India);
- Support driving forces (Bosnia and Herzegovina);
- Animation of a gender group (Mali);
- Study of municipal fiscal policy (Madagascar) which is usually one of the key problems in the whole decentralisation process;
- Action research: piloting governance activities with the tool "Governance Coaching"; self-reflection exercise for forest user groups (Nepal);
- Support to local development plans (Peru, Bosnia and Herzegovina, Madagascar);
- Development of information system (Bosnia and Herzegovina); give an impulse to the circulation of information (Bolivia);
- Competition for best practices in local governance between municipalities (Bosnia and Herzegovina);
- Participative planning, implementation and monitoring; participative and cost sharing approaches (co-financing ensuring ownership of partners – self-management of financing); transparent system of planning (Nepal);
- Negotiation forums with participation of various social categories (Madagascar);

- Implementation of community-based projects which put responsibilities on the actors through inversion of the flow of funds following a demand-driven approach (Central America, Madagascar; Bolivia);
- Strengthening structures that are already in place (Tanzania);
- Bringing together government members, bureaucrats and civil society helps imparting transparency in government work (Sikkim, India);
- Local economic development as an integrated approach to local governance issues (Central America);
- Integration from local to national level by using the meso level (regional forums) (Pakistan, Central America);
- Promotion of mutual learning to strengthen the capacities of local authorities and representatives of institutions (Peru);
- Institutionalise the exchange between participants: farmers associations, municipalities, development entities (Peru);
- Community forestry addresses poverty issues through inclusion and participation of poor people (Nepal);
- Participatory elaboration of municipal budgets (MASAL).

Useful products of local good governance practices:

- 1 Code of good local governance (Bosnia and Herzegovina)
- 2 Governance coaching tool (Nepal)

6 Conclusions

IC has developed similar approaches on local governance issues in different continents including developing and transition countries:

- The demand driven approach – present in most projects – and a clear focus in Madagascar, Bolivia (demandas campesinas) and Central America (Invertir la Mirada) is probably the best way to give the poor a voice, to ensure the right objective and the sustainability of a project.
- Discussion and exchange platforms or forums, allowing the participation of different players (governmental and non-governmental), for taking decisions on their own development are a very useful tool. They can at the same time promote the dissemination of successful local experiences at a broader regional or national level.
- Participative approaches at all stages of the project cycle management and implemented with different technical tools are in local governance projects even more important than in technical projects.
- Problems are similar everywhere: lack of political will, difficulty to motivate civil society, few changes on the ground despite a good legal framework. When local governance and management of public services remains in the hands of local elites the access to those services and decisions by marginalized groups risks to remain low.
- The role of the project is always to facilitate exchanges, bring those involved together and support processes. For this reason, projects require competences and skills for advising, coaching, moderation and conflict management.
- Working on governance questions in sometimes sensitive political environments with multi-partnerships requires an excellent understanding of the context and a very intense monitoring of changes. It is more risky to work with elected members of government than with administrations, because political changes directly affect the project. Where minimum requirements in the institutional and political framework are not fulfilled and a too strong imbalance between devolution of power and existing capacities at local level is observed support to decentralisation and good governance can imply too high risks.
- Good local governance is linked to the promotion of local (economic) development. The potential for such a development does not exist everywhere to the same extent nor can the local government and the civil society everywhere take advantage of such a development in the same way – but greater local development would strengthen the local (financial) resources and lessen the dependence from transfers from the central level and from grants of the international development cooperation.

7 Annex

List of selected IC-projects with a focus on Local Governance

(all projects are financed by the Swiss Government)

Name of the project	Approach
Jékasy (Programme d'appui aux organisations paysannes pour la valorisation des ressources naturelles)	NRM & local governance: support of farmers associations in their negotiations with local authorities
SAHA , Madagascar	Rural development program: support of civil society; local governance as a new domain of the second phase
SHDDP (Southern Highlands Dairy Development Project), Tanzania	Support to farmer organizations; governance issues introduced in the last phase of the project (termination end of 2003)
ISPS (Indo-Swiss Project Sikkim), India	Switch from technical support to human and institutional development: strengthening self-governance and civil society; support of decentralization process
NSCFP (Nepal Swiss Community Forestry Project), Nepal	Community forestry (decentralized management of forest): support to Forest Users Groups
CBRM (Community Based Sustainable Resource Management Program), Pakistan	Focus on human & institutional development in NRM sector through implementation of regional forums
PASOLAC (Programa para la Agricultura Sostenible en Laderas), Central America	Promotion of sustainable agriculture through a network of institutions; new focus on local economic development
ATICA (Agua-Tierra-Campesina), Bolivia	Promotion of sustainable NRM, working with municipal authorities and farmers communities
MASAL (Manejo Sostenible de Agua y Suelo en Laderas), Peru	Promotion of multi-stakeholders platforms (municipalities, farmers associations, etc.); support of rural municipalities
Camaren (Capacitación para el Manejo de Recursos Naturales Renovables), Ecuador	Consortium (public & private entities) aiming at NRM promotion; implementation of water forums
MDP (Municipal Development Project), Bosnia and Herzegovina	Support of municipalities (services, development plans), strengthening civil society participation
MSP (Municipal Support Program), Serbia	Promotion of municipal management (organisational development, human resources, improve public services)

Notes

- 1 see: <http://magnet.undp.org/policy/default.htm>
- 2 see: SNV website www.snvworld.org
- 3 Adapted from ADF USA www.adfusa.org
- 4 see: <http://magnet.undp.org/policy/default.htm>
- 5 See also: Guide to Decentralization, SDC 2001
- 6 see: <http://magnet.undp.org/policy/default.htm>
- 7 see: SDC, Gouvernance Division, Integrating Human Rights and Poverty Reduction, Working Paper: Towards a human rights based approach for SDC, 2004
- 8 See also: Guide to Decentralization, SDC 2001
- 9 See also the IC Topic Paper «Municipal Development and Decentralization»
- 10 See <http://info.worldbank.org/governance/kkz2004/>
- 11 See P. Pacheco, What lies behind Decentralisation? Forest, Powers and Actors in Lowland Bolivia
- 12 Jesse C. Ribot, La Décentralisation Démocratique des Ressources Naturelles
- 13 Anne M. Larson, Formal decentralisation and the imperative of decentralisation from below: A case study of NRM in Nicaragua
- 14 see annex

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