

Decentralisation and Local Government

Topic Guide

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Introduction

Types of decentralisation

Decentralisation is a broad term, which can be used to refer to different forms of government. Essentially, decentralisation is about the transfer of power from central government to lower levels of government. This can include responsibility for planning and management of government functions including raising and allocating resources.

There are three main types of decentralisation:

1) Administrative decentralisation refers to the transferring of authority, resources and responsibilities from central government to field offices and agencies. These lower levels of government remain wholly accountable to the delegating body, although there may be some scope for local citizen participation.

Deconcentration is the main form of administrative decentralisation and refers to the transfer of power to central government officials who are dispersed and relocated across the country, for example Provincial Governors or District Officers, and local offices of central ministries. Hierarchical accountability is maintained between the local units and the central government. It is often seen as the first step for countries wanting to pursue decentralisation.

Delegation is another form of administrative decentralisation which refers to the transfer of authority and responsibility from central government to specialised agencies at the local level, such as a hospital board or local project implementation unit. These units are mainly still accountable to the delegating central ministry.

2) Political decentralisation is the transfer of power to lower levels of government which are elected by local citizens (in various ways) and which have some degree of local autonomy. Such local governments are therefore downwardly accountable to citizens rather than to central government. It is sometimes referred to as democratic decentralisation. Political decentralisation requires a constitutional, legal and regulatory framework to ensure accountability and transparency.

Devolution is the main form of political decentralisation and refers to the transfer of substantial responsibility, decision-making, resource and revenue generation to a local government that has a significant degree of local autonomy. These devolved units are normally independent legal entities and fully elected. It is generally seen as the most comprehensive form of decentralisation.

3) Fiscal decentralisation is not really a separate form of decentralisation – instead it is more accurately described as the financing mechanisms that underpin all forms of decentralisation. It refers to the transfer of funds, and sometimes revenue-raising powers, from central government to lower levels of government. Resource allocations are often negotiated between the central and local units based on various factors, for example interregional equity, availability of resources and local financial management capacity. Adequate financial resources are necessary for local government to fulfil its responsibilities, and so effective fiscal decentralisation is vital for the success of any form of decentralisation.

In any country there are likely to be both deconcentrated and devolved systems operating in parallel. For example, centrally appointed district officers and elected local governments may both work in the same locality. There may also be agencies with delegated powers, such as local

offices of national social action programmes. These parallel structures can and often do lead to conflicts and uncertain lines of accountability. The situation becomes even more complex in countries that have multiple tiers of sub-national government.

Donor evaluations

The following donor multi-country evaluations provide an overview of decentralisation reforms globally and offer some broad lessons learned.

- European Commission. (2012). *Thematic global evaluation of European Commission Support to Decentralisation Processes*. Final Report. Brussels: EuropeAid. http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2012/1300_vol1_en.pdf
- World Bank. (2008). *Decentralization in Client Countries: An Evaluation of World Bank Support, 1990-2007*. Washington, D.C: World Bank. <http://hdl.handle.net/10986/6543>
- Aasen, B. (2008). *Lessons learned from Norway's support for decentralisation and local government reform in developing countries*. Oslo: Norwegian Agency for Development Cooperation (Norad). <http://www.norad.no/en/tools-and-publications/publications/publication?key=119211>

Other resources

- UNDP. (2009). Local Governance and Decentralisation. Chapter 10 in *Democratic Governance Reader – A Reference for UNDP Practitioners*. Oslo: United Nations Development Programme. http://www.undp.org/content/dam/aplaws/publication/en/publications/democratic-governance/oslo-governance-center/democratic-governance-reader/DG_reader-2009.pdf
- CLGF. (2013). *Commonwealth Local Government Handbook 2013/14*. Commonwealth Local Government Forum (CLGF). <https://books.thecommonwealth.org/commonwealth-local-government-handbook-201314-paperback>
- USAID. (2009). *Democratic Decentralization Programming Handbook*. USAID. http://capacity4dev.ec.europa.eu/system/files/file/19/07/2011_-_0957/8-usaid_decentralisation_programming_handbook.pdf
- McLoughlin, C. (2008). *Reviews of Decentralisation and/or Subnational Government Support Programmes*. GSDRC Helpdesk Research Report. Birmingham, UK: GSDRC, University of Birmingham. <http://www.gsdr.org/docs/open/HD561.pdf>

Please see chapter 9 on 'Relevant organisations and resources' for further suggestions.

1 The Changing Role of the State

The role of the state has changed significantly during the twentieth century. In the West, the demands for social and economic reconstruction after the Second World War led to the emergence of welfare states that assumed responsibility for protecting the relatively poor, equalising opportunities to health and education services, creating state-owned enterprises and managing macro-economic cycles. For the developing countries that became independent in the 1950s and 1960s, this was the model of the state they aimed to follow. During the 1970s there was growing concern over the capabilities of the state and public administrations in developing countries to undertake these responsibilities. The rise of neo-liberal thinking and the development of New Public Management approaches in countries like the UK and New Zealand in the 1980s and 1990s led to an emphasis on the role of the market and a bias against public provision and state expansion.

Another major change has been caused by globalisation, leading to increased inter-dependence of states and changes to the concept of state sovereignty. The global rise of democratisation and a growing emphasis on citizens as the source of legitimate state authority has given impetus to the decentralisation trend and recognition of the importance of government at the local level.

Faguet, J. P. (2014). Decentralization and governance. *World Development*, 53, 2-13.

This paper examines how decentralisation affects governance, in particular how it might increase political competition, improve public accountability, reduce political instability, and impose incentive-compatible limits on government power. The paper argues that such improvements in governance through decentralisation can help spur the broad historical transitions that define development.

<http://dx.doi.org/10.1016/j.worlddev.2013.01.002>

Shah, A. & Shah, S. (2006). The New Vision of Local Governance and the Evolving Roles of Local Governments. In Shah, A. (eds). *Local Governance in Developing Countries*. Washington, D.C.: World Bank.

This chapter looks at the evolution of local governance and outlines analytical approaches to understanding local governance, and comparing and contrasting institutional arrangements. It outlines a model of local governance for evaluating and reforming local governance in both industrial and developing countries. It presents models and institutions of local governance as practiced in different parts of the world during past centuries and provides a comparative overview of these.

<http://siteresources.worldbank.org/INTWBIGOVANTCOR/Resources/NewVisionofLocalGovernance.pdf>

Public Sector Reform

Starting from the middle of the last century, public sector reforms mostly focused on creating professional public sector institutions. In the 1970s, efforts at decentralisation began, and in the 1980s, public administration reforms focused on 'downsizing' the public sector, primarily through job reduction, retrenchment and other attempts to control salary costs. From the 1990s onwards there has been an emphasis on 'New Public Management' reforms, first instigated in high-income countries and later transplanted to many developing countries. These encompass a broader set of reforms aimed at 'building up' the civil service, including performance assessment, benchmarking, regulation, monitoring and sound financial management. In the 1990s integrity and anti-corruption reforms also began, along with 'bottom-up' reforms to make government more responsive to citizens.

Rao, S. (2013). Reform objectives and approaches. Section 2.3 in *Civil service reform: Topic guide*. Birmingham, UK: GSDRC, University of Birmingham.

The focus of civil service reform has changed over time, and opinions differ about the goals and objectives of civil service reform. This section outlines six major problems faced by the civil service, and six major approaches to reform. These challenges and types of reform can overlap and are not mutually exclusive. There is no single globally-recognised conceptual framework for civil service reform, so reforms often lack a robust and explicit theory of change. Each of the six approaches to reform described here is based on an implicit theory of change, and can help clarify underlying assumptions.

<http://www.gsdr.org/go/topic-guides/civil-service-reform>

Bunse, S. & Fritz, V. (2012). *Making public sector reforms work: political and economic contexts, incentives, and strategies*. Policy Research Working Paper WPS6174. Washington, DC: World Bank.

For public sector reform what country contexts are more/less propitious for public sector reforms and what reforms are likely to succeed where? This paper draws on the existing literature to identify key propositions about factors that can trigger or facilitate public sector reforms, and those that tend to work against (successful) reforms. The paper also investigates the experience of World Bank public sector operations over the decade 2000-2010. It finds that governments in many developing countries face incentives to initiate public sector reforms, but that at the implementation stage, political costs frequently outweigh potential gains; and hence reforms are abandoned or left to wither. Real breakthroughs have been achieved in countries experiencing major structural shifts and those having political leadership committed to higher-level goals.

<http://documents.worldbank.org/curated/en/2012/08/16620350/making-public-sector-reforms-work-political-economic-contexts-incentives-strategies>

Citizenship and state legitimacy

One striking feature of the modern state is the concept that citizens are the primary source of legitimate state authority. This understanding has led to an increase in measures to promote participation, accountability to citizens and democratic institutions, particularly at the local level.

Development Research Centre on Citizenship, Participation and Accountability. (2011). *Blurring the Boundaries: Citizen Action Across States and Societies*. Development Research Centre on Citizenship, Participation and Accountability, Institute of Development Studies, Brighton

This report synthesises the findings of ten years of research from the Development Resource Centre on Citizenship, Participation and Accountability. Findings suggest that governments often become more capable, accountable and responsive when state-led reform to strengthen institutions of accountability and social mobilisation occur simultaneously. Further, change happens not just through strategies that work on both sides of the governance supply and demand equation, but also through strategies that work across them: it is important to link champions of change from both state and society.

<http://r4d.dfid.gov.uk/PDF/Outputs/CentreOnCitizenship/cdrc.2011-blurring.pdf>

Michels, A. (2011). Innovations in democratic governance: how does citizen participation contribute to a better democracy? *International Review of Administrative Sciences*, 77(2), 275-293.

This study examines citizen participation in various high-income countries. It shows that citizen involvement produces a number of benefits, which vary according to the type of democratic innovation. However, since these positive effects are perceptible only to those taking part, and the number of participants is often small, the benefits to individual democratic citizenship are far more conclusive than the benefits to democracy as a whole.

<http://ras.sagepub.com/content/77/2/275.abstract>

External actors

Over the last 50 years, the role of the state in developing countries has been shaped by multilateral and bilateral external actors providing advice and resources. Donor support for good governance and 'state-building' interventions continue to shape the development of the state in developing countries. The resources below highlight the impact of external forces on the state and the need for donors to recognise their political role and ensure the appropriateness of their interactions.

Carothers, T., & de Gramont, D. (2011). *Aiding governance in developing countries: progress amid uncertainties*. Carnegie Papers. Carnegie Endowment for International Peace.

Governance support has become a major area of aid to developing countries, but improving governance has proved challenging in practice. This paper presents insights into previous efforts and how to improve future donor support to governance. It notes that governance deficiencies are often primarily political and cannot be resolved through technical assistance alone. Fostering citizen demand for better governance is as important as top-down efforts aimed at improving the 'supply' of governance. Governance aid may be more effective at local than national level. Locally determined 'best fit' practices may be more productive than 'best practice'. Informal institutions are a central part of governance, and governance concerns should be integrated into the full range of assistance programming. The paper suggests that donor countries should address international drivers of poor governance and notes that aiding governance effectively may require development agencies to rethink their own internal governance.

http://carnegieendowment.org/files/aiding_governance.pdf

Rosser, A., Wilson, I. & Sulistiyanto, P. (2011). *Leaders, Elites and Coalitions: The Politics of Free Public Services in Decentralised Indonesia*. Research Paper 16. Birmingham, UK: Development Leadership Program.

What explains the differences in quality and kind of public services in districts which are otherwise very similar? In the context of Indonesian decentralisation, this paper finds that the nature of district heads' strategies for advancing their political careers was critical. Some district heads sought to develop a popular base among the poor and pursued strategies of 'political entrepreneurship', becoming dependent on their electoral support to remain in power. These district governments have been more likely to promote free public services than those where political leaders have focused on consolidating patronage networks. These strategies in turn appear related to the political effects of the personal networks, alliances, informal coalitions and constituencies of local leaders. The authors conclude that donors and other development actors should find ways of enhancing the scope for 'political entrepreneurship' at the local level.

<http://publications.dlprog.org/The%20Politics%20of%20Free%20Public%20Services%20in%20Decentralised%20Indonesia.pdf>

2 Designing and Strengthening Local Government

The details of decentralisation and local government differ in every country. Structure and organisation are affected by the historical, social and political context. In some countries there are a mixture of types of decentralisation and different institutional arrangements within a single country.

The resources below detail practical options for local government design as well as considerations for those wanting to strengthen local government through specific capacity-building work.

Designing local government structure

Major challenges in the design of decentralisation reforms are allocating responsibilities between levels of government, designating territorial jurisdictions, establishing electoral arrangements, designing internal management structures and creating appropriate accountability mechanisms. The generally accepted view is that a sector or function is a prime candidate for decentralisation if:

- local demands for a service differ across localities
- there are no substantial economies of scale associated with the service
- there is no substantial spillover of costs or benefits from the service
- the service is amenable to at least partial local financing through taxes or charges
- local governments have the capacity to deliver the service
- the service is not meant to provide substantial redistribution of income or wealth.

It is not possible to say that certain services should always, or should never, be decentralised. The literature suggests that context for reform is important (a one-size-fits-all approach is not appropriate) and that countries may need to take an incremental approach.

Ensuring good working relationships between central and local level government, and between tiers in a multi-tier system, is important for effective operations. Unfortunately, central/local relations are often characterised by mistrust. A common source of tension arises from the level of control exerted by central government and the accountability expected of local government. Designing accountability and coordination mechanisms to ensure balanced, harmonious central/local relations is therefore a difficult, but important, task.

UN-HABITAT. (2009). *International Guidelines on Decentralisation and Access to Basic Services for all*. United Nations Human Settlement Programme (UN-HABITAT).

These guidelines outline the main principles underlying the democratic, constitutional/legal and administrative aspects of local governance and decentralisation. They highlight that the application of these principles should depend on the specific conditions of state form and state traditions. The guidelines do not provide a uniform and rigid blueprint applicable to all countries. <http://unhabitat.org/publications/international-guidelines-on-decentralization-and-access-to-basic-services-for-all/>

Srivastave, V. & Larizza, M. (2011). *Decentralization in Postconflict Sierra Leone: The Genie Is Out of the Bottle*. Chapter 8 in Chuan-Pole, P. & Angwafo, M. (eds). *Yes Africa can: success stories from a dynamic continent*. Washington DC: World Bank.

This chapter reviews the history of decentralisation in Sierra Leone and discusses the incentives and motivations that may have influenced the government's decision to decentralise in 2004. It

highlights the key features of fiscal, administrative, and political decentralisation by comparing the legal (*de jure*) provisions of the Local Government Act with the actual (*de facto*) implementation experience during the period 2004 to 2010. It also summarises the major achievements of decentralisation, focusing on the impact on service delivery and local governance. The last section identifies potential threats and emerging evidence that suggests that the national government may be trying to regain control and manipulate local politics in a way that would be optimal for central government.

http://siteresources.worldbank.org/AFRICAEXT/Resources/258643-1271798012256/YAC_chpt_8.pdf

Kumar Panday, P. (2006). Central-local relations, inter-organisational coordination and policy implementation in urban Bangladesh. *Asia Pacific Journal of Public Administration*, 28(1), 41-58.

What happens to policy implementation when the process suffers from problems of coordination? This article focuses on how central-local relations in Bangladesh create inter-organisational coordination problems that affect the implementation of policies in urban governance. In the Rajshahi City Corporation (RCC), the central-local relationship is determined by the political identity of the mayor. Competing pressures and demands of local autonomy and central control are weighted in favour of centralisation at the expense of local autonomy and initiative.

<http://dx.doi.org/10.1080/23276665.2006.10779314>

Local level human resource management

Effective management of human resources at the local level is critical for effective local government performance. There must be clear arrangements with central government for line management responsibilities, control over recruitment, performance assessment and the power to dismiss employees. There are three principal models:

- Local governments recruit and manage all staff - this is common in wealthy countries but rare in developing countries.
- Central government appoints senior staff and local governments appoint junior staff. This may help to ensure that competent staff are appointed at the local level and prevent discrimination against non-locals, but it can undermine local accountability and create conflicts.
- Some form of Local Government Service Commission (LGSC) that oversees the appointment of local government staff (and perhaps transfers between local governments). The LGSC may be directly involved in the appointment, promotion and transfer of staff, or more indirectly involved via monitoring of human resource management practices of local governments.

Green, A. (2005). Managing Human Resources in a Decentralized Context. Chapter 7 in World Bank. *East Asia Decentralizes: Making Local Government Work*. Washington DC: World Bank.

What are the implications of decentralisation for human resource management? How have governments in East Asia addressed the issue of civil service management in relation to decentralisation? Using case studies, this chapter examines human resource management in decentralised contexts. It argues that human resource management should be seen as a central component in the design of decentralisation rather than a separate stand-alone process.

<http://siteresources.worldbank.org/INTEAPDECEN/Resources/Chapter-7.pdf>

Rao, S. (2010). *Local Government Capacity and Leadership in Fragile Areas*. GSDRC Helpdesk Research Report 714. Birmingham, UK: GSDRC, University of Birmingham.

This paper looks to identify literature that assesses local government capacity (either for service delivery or internal skills capacity), and leadership in fragile and conflict-affected environments. There are a range of tools and methods available to measure, assess and monitor local governance, based on assessment by citizens (single stakeholders), by local government institutions, or by multiple stakeholders. In terms of specifically assessing capacity there are tools which produce capacity assessments for the purposes of capacity development. There does not currently seem to be a readily available tool to assess leadership in a development context.

<http://www.gsdr.org/docs/open/HD714.pdf>

Building capacity

It is important that each level of government has sufficient capacity to carry out the responsibilities transferred via decentralisation reforms. Local governments are often criticised for having weak capacity, for example in the areas of public financial management or planning. Initiatives to assess and develop capacity are therefore important parts of decentralisation strategies.

UNCDF. (2007). *Delivering the Goods: Building Local Government Capacity to Achieve the Millennium Development Goals. A Practitioner's Guide from UNCDF Experience in Least Development Countries*. New York: United Nations Capital Development Fund.

How can local development programmes (LDPs) build the capacity of local governments and local organisations in order to improve their performance? This guide presents lessons and guidelines for local government capacity-building in development programmes. It addresses LDP strategy, financing strategy, local public investment expenditure management, and accountability, communications and information. This summary focuses on chapter five of the guide, 'Capacity Building'.

<http://unpan1.un.org/intradoc/groups/public/documents/un-dpadm/unpan044079.pdf>

UNDP. (2008). *Capacity Development. Practice Note*. New York: UNDP.

What are the core capacity issues in a development context? How can external partners support countries' efforts to build on these to achieve development goals? This Note addresses these issues, drawing on examples from a range of developing countries. It sets out key entry points for UNDP and other external actors to promote capacity development (CD) arguing that UNDP should focus primarily on supporting key cross-cutting capacities.

http://www.undp.org/content/dam/aplaws/publication/en/publications/capacity-development/capacity-development-practice-note/PN_Capacity_Development.pdf

Case studies

- CECI. (2012). Capacity Building: A Driving Force for Local Governance. The Experience of the Support to Local Governance in Rwanda Project Pagor Nyamagabe and Nyaruguru Districts. Centre for International Studies and Cooperation (CECI).
<http://www.ceci.ca/assets/Afrique/Grands-Lacs/PAGORRapportLocalGovernance-EN.pdf>
- Antwi, K. B., & Analoui, F. (2008). Challenges in building the capacity of human resource development in decentralized local governments: Evidence from Ghana. *Management Research News*, 31(7), 504-517.
<http://www.emeraldinsight.com/doi/full/10.1108/01409170810876071>
- Ocheni, S., Atakpa, M., & Nwankwo, B. C. (2012). Local Government and Appropriate Capacity Building for Accelerated and Sustainable Rural Development. *European Journal of Business and Social Sciences*, 1(3), 131-135.
<http://www.ejbss.com/Data/Sites/1/mydata/ejbss-12-1122-localgovtandappropriatecapacity.pdf>

Other resources

- Rao, S. (2013). *Civil service reform: Topic guide*. Birmingham, UK: GSDRC, University of Birmingham. <http://www.gsdrc.org/go/topic-guides/civil-service-reform>
- KIT. (2013). *Dossier: Capacity development for governance and decentralization*. Royal Tropical Institute (KIT)
<http://www.search4dev.nl/download/448378/488816.pdf>
- EuropeAid. (2007). *Supporting Decentralisation and Local Governance in Third Countries*. Tools and Methods series, Reference document 2, Brussels: European Commission.
<http://ecdpm.org/wp-content/uploads/2013/11/europeaid-supporting-dlgin-third-countries.pdf>
- Misuraca, G. C. (2007). *E-Governance in Africa: From Theory to Practice - A Handbook on ICTs for Local Governance*. New Jersey: Africa World Press & Ottawa: International Development Research Centre.
<http://web.idrc.ca/openbooks/369-0/>

3 Fiscal Decentralisation

In order for local governments to be able to achieve the potential of decentralisation in terms of poverty reduction, enhanced participation and improved local service delivery, they have to be adequately resourced. Fiscal decentralisation involves important decisions about the assignment of central and local responsibilities as well as how these expenditure responsibilities should be financed. It is not solely about the transference of financial resources from one layer of government to another, it is also about the extent to which local authorities are able to make decisions themselves over the management and use of devolved resources and local revenues, and about how they account for those resources.

Guidance on fiscal decentralisation

UNDP. (2005). *Fiscal Decentralisation and Poverty Reduction*. UNDP Primer. New York: UNDP.

How can fiscal decentralisation contribute towards reducing poverty and achieving the Millennium Development Goals (MDGs)? This primer outlines the main principles of fiscal decentralisation and examines the links between fiscal decentralisation and poverty reduction. It argues that a well-crafted set of intergovernmental fiscal relations are vital for ensuring that decentralisation can contribute to poverty reduction.

<http://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/fiscal-decentralization-and-poverty-reduction/>

Steffensen, J. (2010). *Fiscal decentralisation and sector-funding principals and practices*. Copenhagen: Danish International Development Agency (DANIDA).

This paper provides a general introduction to Fiscal Decentralisation (FD) and shares lessons learned from a number of developing countries. It explores the links between FD and sector funding, and discusses the use of various aid modalities for support to FD, based on experiences from countries in Africa, Asia and Latin America. The paper recommends that donors move away from a piecemeal approach in their support for FD reforms. It advocates comprehensive support to the entire FD strategy, and greater coherence and complementarity among different development partners.

http://capacity4dev.ec.europa.eu/system/files/file/26/07/2011_-_1336/2-danida_fiscal_decentralisation_and_sector_funding.pdf

Boschmann, N. (2009). *Fiscal Decentralization and Options for Donor Harmonisation*. Development Partners Working Group on Local Governance and Decentralization (DPWG-LGD).

This paper seeks to provide options for the simplification and optimisation of fiscal systems and the harmonisation of development partners' interventions. With regard to revenue generation at sub-national levels, its focus is on real property tax and market fees and taxes. The paper analyses selected examples of innovative modalities for performance-based grants, sub-national borrowing and public-private partnerships.

http://www.delog.org/cms/upload/pdf/Fiscal_Decentralisation.pdf

Devas, N., Alam, M., Delay, S. Koranteng, R.O. & Venkatachalam, P. (2008). *Financing Local Government*. Local Government Reform Series. London: Commonwealth Secretariat.

This book looks at different approaches used to ensure that fiscal decentralisation takes place alongside administrative decentralisation. It explores the range of revenue sources available, the design systems of intergovernmental transfers between central and local government, and the kinds of rules and procedures necessary to ensure that local governments use their financial resources appropriately.

<http://publications.thecommonwealth.org/financing-local-government-472-p.aspx>

Local revenue sources

Local governments often struggle to collect adequate levels of revenue from local taxation. Incomplete information on the tax base, poor compliance and weak enforcement mean that the level of local taxes collected is generally low. Local revenue administration in developing countries therefore needs support, including in the areas of information collection for assessment purposes, data inputting infrastructure and integrated financial management systems.

The most common forms of local taxation in developing countries are property tax and business or service taxes, which come in many different forms. Charges on services such as water provision, markets and waste management are also important sources of local revenue. Attention must also be paid to strengthening compliance via public information and public relations campaigns aimed at consensus building and creating incentives for paying taxes, not just punishments for non-compliance.

Fjeldstad, O-H., Chambas, G. & Brun, J. (2014). *Local government taxation in Sub-Saharan Africa: A review and an agenda for research*. CMI Working Paper WP 2014:2. Bergen: Chr. Michelsen Institute (CMI).

This literature review on local government revenue systems in Africa concludes that there is a need for consistent domestic tax legislation, a clear boundary between local and central taxation, and the principle of segmentation to be applied in local taxation as it has been at the national level. There is potential to increase local revenues from other types of taxes (e.g. consumption of utilities) and non-tax revenue sources (e.g. fees, levies) but tax legislation must be kept as simple as possible to prevent overburdening local governments. Sharing revenues between local and central government can ensure better service provision but this must not introduce uncertainties for local governments on the amounts they expect and/or on the timing of the transfers.

<http://www.cmi.no/publications/file/5098-local-government-taxation-in-sub-saharan-africa.pdf>

Fjeldstad, O-H. & Heggstad, K. (2013). *Local Government Revenue Mobilisation in Anglophone Africa*. ICTD Research in Brief. Issue 5. Brighton: International Centre for Tax and Development (ICTD).

This literature review examines opportunities and constraints facing local revenue mobilisation in Anglophone Africa. The paper finds that local government taxation not only brings in revenue, but can also play an important role in shaping state-society relations because it brings many people into direct contact with public authorities. The main sources of revenue for urban municipalities, other than central government transfers, are usually property taxes, business licenses, market fees and various user charges. For property tax, constraints include weak capacity to implement accurate valuation practices; poor collection; lack of clear ownership titles; and lack of political support for enforcement. Business licenses create high compliance costs due to complex procedures; may not reflect ability to pay; provide opportunities for rent seeking; and are often poorly administered. User fees may encourage efficient use of public sector resources but also suffer from defects including inequitable burdens on low income users, ineffective collection and billing arrangements, poor quality services and persistent resistance to payment.

http://ictd.ac/sites/default/files/ICTD_RiB_%235_3.1.pdf

Rao, S. (2014). *Supporting a culture of paying appropriate taxes & Local taxation*. Sections 3.2 and 3.4 in *Tax Reform Topic Guide*. Birmingham, UK: GSDRC, University of Birmingham.

Tax morale – the motivation of to pay tax, in addition to legal obligations – is significantly correlated with tax effort and tax compliance in both high-income and developing countries. Public perceptions of fairness in the tax system and the belief that tax revenue will be well spent are highlighted in many studies as being important to tax morale and compliance. Key measures

to improve compliance are outreach and education, improving payment and processing services, and credible deterrence and enforcement.

Local taxation involves local government collecting and spending locally revenue from taxes, fees and charges such as property taxes, business licenses, market fees and user charges. Suggested approaches to reform include: (1) simplifying systems and processes; (2) increasing transparency; (3) improving payment compliance; (4) improving provision of information on taxation and fees; and (5) adopting a more pragmatic approach to local taxation, such as through segmentation. It is important to consider the limited capacity of urban councils to undertake valuation and enforcement, and to ensure harmonisation between central and local government so as to avoid double taxation and inconsistent policies.

<http://gsdrc.org/go/topic-guides/tax-reform/approaches/-interventions-and-tools/supporting-a-culture-of-paying-appropriate-taxes>
<http://gsdrc.org/go/topic-guides/tax-reform/approaches/-interventions-and-tools/local-taxation>

Intergovernmental fiscal transfers

There is no simple, universal pattern for successful intergovernmental fiscal transfers (IFTs). Transfers are needed where it has been decided that a local government should be responsible for the provision of a service for which it does not have adequate fiscal capacity. 'Vertical fiscal imbalance' is the shortfall between the expenditure functions assigned to a local government and the revenue-raising authority given to them. This problem is amplified where there is a multi-tier structure of subnational government. 'Horizontal fiscal imbalance' arises from differences between the financial capacity of a local government and the demand for public services within its jurisdiction. For example, a subnational government in a poor area will be able to raise less revenue from taxes and user charges but will face a similar, or possibly greater, requirement for service provision than a richer municipality. These financial gaps are filled by IFTs. Transfers can be used as a method of 'equalising', or making up for the disparity between the revenue raising abilities of wealthier regions in comparison to poorer ones. A good transfer system must be designed so that it is transparent, not prone to political manipulation, easily understandable, equitable, predictable and timely in delivery of resources.

Many local governments in developing countries are highly dependent on IFTs – although statistics vary, many receive more than 80% of their finance in this way. Some researchers have criticised IFTs for undermining accountability relations between local government and their citizens and for causing service inefficiencies due to soft budget constraints. However, a lack of suitable local revenue sources, particularly in poorer and rural areas, means dependence on transfers is essential. The design and implementation of transfers so that they provide the right incentives to local governments is therefore critical. A number of countries have adopted semi-independent local government finance commissions to advise on the design of IFTs.

Alam, M. (eds) (2014). *Intergovernmental Fiscal Transfers in Developing Countries: Case Studies from the Commonwealth*. Commonwealth Secretariat Local Government Reform Series. London: Commonwealth Secretariat.

This book, based on a study of current approaches to intergovernmental transfers (IGTs) in developing countries in the Commonwealth, identifies strengths and weaknesses of different approaches and lessons learned. It includes detailed case studies of India and Kenya. In order to overcome horizontal and vertical fiscal imbalances, IGT design should consider both the fiscal need and fiscal capacity of the devolved administrations. The design of the IGTs should be simple, with clearly defined objectives. The structure of IGTs should be well co-ordinated across various channels, with adequate attention given to the type of transfers conducted and the efficiency-equity trade-off. Fund transfer should be transparent, with appropriate accountability and monitoring measures.

<http://dx.doi.org/10.14217/9781848599116-en>

Faust, J. & von Haldenwang, C. (2010). *Integrated Fiscal Decentralisation: Taking New Aid Modalities to the Local Level*. Briefing Paper 12/2010. Bonn: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).

How to combine the implementation of the new aid agenda with the challenges of advancing subsidiarity oriented decentralisation in many developing countries? This paper discusses opportunities for and challenges to integrated fiscal decentralisation from a domestic and a donor perspective, considering its potential in terms of alignment, coordination and the absorption of ODA funds. http://www.die-gdi.de/uploads/media/BP_12.2010.pdf

Boex, J., (2009) *Fiscal Decentralization and Intergovernmental Finance Reform as an International Development Strategy*. Washington, DC: Urban Institute.

Is fiscal decentralisation and intergovernmental finance reform still relevant in international development? This paper argues that fiscal decentralisation reform should not be dismissed, despite inconclusive evidence on its effectiveness in achieving development impacts. Rather, more research and better knowledge-sharing are needed. A review of current knowledge suggests that to be successful, fiscal decentralisation reform must simultaneously address: 1) public finance and intergovernmental fiscal relations; 2) governance mechanisms monitoring local financial administration; 3) sectoral reform; and 4) local government strengthening. Such reform also requires the alignment of (cross-departmental and multi-level) institutional incentives and broad buy-in from stakeholders. The fact that few fiscal decentralisation reforms have taken a systemic approach that considers political economy factors may partly explain their limited impact.

http://www.urban.org/UploadedPDF/411919_fiscal_decentralization.pdf

Boadway, R. & Shah, A. (eds) (2007). *Intergovernmental Fiscal Transfers: Principles and Practice*. Public Sector Governance and Accountability Series. Washington, DC: World Bank.

This book considers design issues and worldwide practices regarding intergovernmental fiscal transfers and their implications for efficiency and equity in public services provision as well as accountable governance. It provides practical guidance on designing output-based transfers that emphasise bottom-up, client-focused, and results-based government accountability and equalisation transfers to ensure regional fiscal equity, as well as the institutional arrangements for implementing such transfers.

<http://siteresources.worldbank.org/PSGLP/Resources/IntergovernmentalFiscalTransfers.pdf>

Sub-national borrowing

As decentralisation is advancing in many developing countries, the issue of local government borrowing is gaining importance. In a number of countries, sub-national governments have growing opportunities to borrow from financial institutions or international donors. However, this is constrained by the limited sources of local revenue available to local governments to facilitate loan repayment. Inadequate regulation and control of sub-national borrowing is also an issue of concern, and in some countries, most notably in Latin America, excessive borrowing by local government has been damaging to macroeconomic stability.

Plekhanov, A. & Singh, R. (2007). *How Should Subnational Government Borrowing Be Regulated? Some Cross-Country Empirical Evidence*. *IMF Staff Papers* 53(3). Washington, DC: International Monetary Fund.

How effective are borrowing constraints on fiscal balances? This paper analyses panel data in order to assess the most effective borrowing constraints for containing local fiscal deficits. It concludes that no single institutional arrangement is superior under all circumstances. Institutional characteristics, particularly the degree of vertical fiscal imbalance, the existence of any bailout precedent, and the quality of fiscal reporting will affect the suitability of certain arrangements.

<http://www.imf.org/External/Pubs/FT/staffp/2006/04/pdf/plekhano.pdf>

Case studies

- Fjeldstad, O.-H. (2014). *Fiscal decentralisation in developing countries: Lessons for Bangladesh*. CMI Brief 13 (2). Bergen: Chr. Michelsen Institute (CMI).
<http://www.cmi.no/publications/file/5125-fiscal-decentralisation-in-developing-countries.pdf>
- Janus, H (2014). *Real Innovation or Second-Best Solution? First experiences from results-based aid for fiscal decentralisation in Ghana and Tanzania*. Discussion Paper No. 3. Bonn: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).
http://www.die-gdi.de/uploads/media/DP_3.2014.pdf
- Martinez-Vazquez, J. & Liu, Y. (2011). *Philippines: Designing a Local Government Enhancement Fund*. Manila: Asian Development Bank (ADB).
<http://www.adb.org/publications/philippines-designing-local-government-enhancement-fund>

4 Participation and Accountability

One of the key arguments for decentralisation is that it can improve participation. Because local government is 'closer to the people', citizens are more likely, able and empowered to participate in political life, and government is held to better account. The resources below consider the impact of decentralisation on political participation and outline key mechanisms to improve participation and accountability at local level. Several resources focus on the participation of groups who are often excluded from local political processes, particularly women.

Improving participation

There are various methods of promoting the participation of excluded groups in local governance. They fall under two broad categories:

- 1) Promoting the representation of excluded groups in local government, including in leadership positions, via these formal mechanisms:
 - *Party list quota system*: political parties are bound to ensure that a percentage of their candidates are from minority or disadvantaged groups. This mechanism has rarely been used.
 - *Reserved seats for appointed representatives*: a quota for appointed members of minorities or socially disadvantaged groups. This mechanism is used in several countries (e.g. Nepal, Papua New Guinea and the Philippines). It has been criticised, however, for not increasing the influence of excluded groups. This is because those appointed often become a 'mouthpiece' for those who selected them.
 - *Reserved seats for elected representatives*: used as the basis for quotas in local government elections. This mechanism has also been adopted in several countries (e.g. India, Pakistan and Uganda).
- 2) Promoting the participation of excluded groups in local meetings to discuss planning, budgeting and development projects. This includes activities throughout the project cycle, from planning to implementation to monitoring e.g. participatory budgeting.

These resources explore the design and implementation of these two broad approaches to participation in a development context.

UNDP. (2011). *Designing Inclusive and Accountable Local Democratic Institutions: A Practitioner's Guide*. 2nd ed. Regional Initiative – Local Democracy in Asia. Thailand: UNDP.

How can fair representation be promoted in societies that are deeply divided along ethnic, religious, caste and class bases? This study looks at local democracy in Asia. It argues that evidence from the design of systems for representation and elections in divided societies suggests that an appropriately crafted framework can help nurture the accountability and commitment of political parties, while an inappropriate system can harm the process of democratisation. While focus is often on electoral systems, the choice between direct and indirect representation to higher tiers, the functioning of political parties and other elements usually have a stronger impact on the inclusiveness and accountability of the democratic institutions. http://www.afppd.org/files/3813/5788/8044/LDI_2011_book-_FINAL.pdf

Wong, S. & Guggenheim, S. (2006). *Community-driven Development: Decentralisation's Accountability Challenge*. Washington, DC: World Bank.

How have community-driven development (CDD) projects contributed to the effectiveness of decentralisation reforms? This paper surveys CDD programmes in Indonesia, Cambodia and the

Philippines to assess how far this approach improves accountability, service delivery and regulatory frameworks in local government. It argues that CDD presents great opportunities for enhancing civic participation, state responsiveness and cost-effective service provision, although, as a new development approach, it requires further evaluation.

<http://siteresources.worldbank.org/INTEAPDECEN/Resources/Chapter-12.pdf>

Women

Several studies note that local government is typically dominated by men, which is likely to lead to the marginalisation of women's concerns and priorities. While the mechanisms outlined above have increased the participation of excluded groups, much of the literature stresses that the participation of women and social disadvantaged groups is still weak. This is often because they lack information about meetings or development projects; lack understanding of planning and budgeting; and/or lack of confidence in speaking out. There is a need for capacity building and training workshops to allow excluded groups to properly participate in local governance meetings.

While efforts to increase the representation of women in office have proved beneficial in places, many obstacles remain that prevent them from either performing well in office, or from being recognised when they do perform well. Many of those elected enter office unprepared, without proper knowledge and skills. Often, women's subservient social position, lack of political experience and expertise and lack of public support undermines their ability to positively impact local government. Further, while representation of women has been effective in breaking taboos and increasing the acceptance of women in the public sphere, there are still persistent perceptions of women as weaker leaders, leading to disapproval regardless of outcomes.

Beall, J. (2005). *Decentralizing Government and Centralizing Gender in Southern Africa: Lessons from the South African Experience*. Occasional Paper 8. Geneva: United Nations Research Institute for Social Development (UNRISD).

Decentralisation is often thought of as an important way of increasing women's political participation. How well has this strategy worked in Southern Africa? This paper reviews the regional issues in Southern Africa through a study of five countries, especially focussing on South Africa. It argues that decentralisation holds real opportunities for women. However, the neo-liberal thrust of decentralisation policies and the tendency of local power holders to retain access to resources and decision-making has undermined women's advancement.

[http://www.unrisd.org/unrisd/website/document.nsf/\(httpPublications\)/344E133781A2FF4AC12570A70030A651?OpenDocument](http://www.unrisd.org/unrisd/website/document.nsf/(httpPublications)/344E133781A2FF4AC12570A70030A651?OpenDocument)

VENRO. (2010). *Local Power and Women's Rights – Gender Perspectives on Decentralisation Processes*. Bonn: Association of German Development NGOs (VENRO).

What opportunities does the transfer of decision-making powers to the local level provide regarding the political participation of women? How can the emergence of new inequalities be avoided if power is transferred to the local level? This report highlights the experiences of representatives of European and African civil society (mainly from Germany, Uganda and Cameroon) participating in a workshop organised by VENRO in November 2009, and presents the results of the discussion. It notes that at the local level, too, significant inequalities are apparent despite the decision-making structures in at least some regions appearing to be more accessible for women than at national level. The jointly formulated demands of African and European NGO representatives include implementation of gender equality as a key priority in the context of the Joint Africa-EU Strategy (JAES).

http://www.venro.de/fileadmin/redaktion_afrikas_perspektive/publikationen/Projekt-Publikationen/AP_Gender_Boschuere_Webversion.pdf

Accountability

Improving participation and voice in policy making is insufficient on its own. Effective accountability mechanisms are also required to ensure that the voices of those who are encouraged to participate are not ignored. There are various types of local level accountability mechanisms. Democratic elections are the most obvious form of ensuring accountability as local government officials have to be responsive to local pressures or risk not getting re-elected. Other accountability mechanisms vary and are context specific. They include, for example, participatory performance assessments, participatory budget expenditure tracking, report cards for service delivery and regular public meetings between representatives and their electorate. Some research has found that a free press can also help to hold decision-makers accountable.

Crawford, G. (2009). 'Making democracy a reality'? The politics of decentralisation and the limits to local democracy in Ghana. *Journal of Contemporary African Studies*, 27(1), 57-83.

Has decentralisation enhanced local democracy in Ghana? This article focuses on the relationship between decentralisation and local democracy through a case study of Ghana. Increased democracy through decentralisation has not occurred, and there are significant democratic deficits in decentralised government. These findings suggest that the key to enhanced local democracy is the strengthening of downward accountability mechanisms, although such reforms will not be easily achieved.

<http://www.informaworld.com/index/908541468.pdf>

Lessmann, C. & Markwardt, G. (2009). *One Size Fits All? Decentralisation, Corruption, and the Monitoring of Bureaucrats*. CESifo Working Paper No. 2662. Munich: CESifo.

Does decentralisation reduce corruption in all institutional contexts? This cross-country study finds that the impact of decentralisation on corruption varies with a country's level of press freedom – that is, according to the capacity to monitor public officials. Decentralisation seems to counteract corruption in countries with high degrees of press freedom, but to increase corruption in countries with little press freedom. A free press is therefore a necessary precondition for successful decentralisation programmes.

<http://www.ifo.de/portal/pls/portal/docs/1/1186352.PDF>

Yilmaz, S., Beris, Y., & Serrano-Berthet, R. (2010). Linking local government discretion and accountability in decentralisation. *Development Policy Review*, 28(3), 259-293.

Decentralisation offers significant opportunities to improve government accountability by exerting stronger pressures both from below (demand) and above (supply). The paper finds that the literature contains many examples, however, where the potential has not been realised, partly because decentralisation reforms have often been introduced without thinking through their accountability implications. Even when accountability is considered, efforts tend to emphasise either the supply or the demand side of the equation, not both.

<http://dx.doi.org/10.1111/j.1467-7679.2010.00484.x>

Case studies

Decentralisation reforms have not always bred empowered democratic local authorities. Discretion and accountability relationships depend on the political economy of each country, traditional cultural practices, and historical/colonial legacies.

- Venugopal, V., & Yilmaz, S. (2009). Decentralization in Kerala: Panchayat government discretion and accountability. *Public Administration and Development*, 29(4), 316-329. <http://dx.doi.org/10.1002/pad.541>

- Gutiérrez-Romero, R. (2010). *Decentralization, Accountability and the 2007 MPs Elections in Kenya*. CSAE WPS/2010-09. Oxford: Centre for the Study of African Economies. <http://www.csae.ox.ac.uk/workingpapers/pdfs/2010-09text.pdf>
- Schoburgh, E. & Ragoonath, B. (2013) Democratic Decentralisation in the Commonwealth Caribbean. Chapter 2 in Sansom, G., & McKinlay, P. (eds.) *New Century Local Government: Commonwealth Perspectives*. London: Commonwealth Secretariat. <http://dx.doi.org/10.14217/9781848591493-4-en>

Other resources

- Mcloughlin, C., & Combaz, E. (2014). *Voice, empowerment and accountability: Topic guide*. Birmingham, UK: GSDRC, University of Birmingham. <http://www.gsdrc.org/go/vea>
- Haider, H. (2008). *Participation of Excluded Groups in Local Governance*. GSDRC Helpdesk Research Report. Birmingham: GSDRC. <http://www.gsdrc.org/go/display&type=Helpdesk&id=468>
- The International Budget Partnership
This website contains material on budgeting and accountability and sub-national levels and on participatory budgeting. <http://www.internationalbudget.org/>

5 Monitoring and Evaluation

Building strong monitoring and evaluation (M&E) mechanisms within the context of decentralisation and local government is critical for ensuring accountability, efficiency and effectiveness. Donors, researchers and development practitioners are increasingly focusing on the development of tools that can be used at a local level to strengthen M&E capacity. The creation of participatory M&E tools is key to engaging local citizens in M&E and improving local accountability processes. The resources below include tools, operational guidance and case studies.

M&E at the local level

There are several challenges for successful M&E processes within local government. Firstly, M&E systems need to be developed that actually promote change and learning at the level of operation, rather than just being exercises for the benefit of higher levels of government or for the sponsoring institution. This requires systems for feeding back M&E findings to local level officials and ensuring that suggested changes are subsequently made. Secondly, M&E capacity at a local level needs to be strategically built. That includes measures to stimulate interest in M&E, improvement of statistical literacy across staff and the development of procedures for information collection and dissemination.

Loquai, C. & Le Bay, S. (2007). *Building Capacities for Monitoring and Evaluating Decentralisation and Local Governance: Experiences, Challenges, Perspectives*. Brief no. 19. Maastricht: European Centre for Development Policy Management (ECDPM).

How can donors and developing countries track the progress of decentralisation while making development more participatory and relevant to local populations? This brief suggests that greater efforts must be made to build local capacities for monitoring and evaluating of decentralisation and local governance. It argues that involving local actors in monitoring and evaluation will both facilitate the decentralisation process and improve the performance and legitimacy of local governments.

<http://ecdpm.org/wp-content/uploads/2013/10/InBrief-19-Capacities-for-Monitoring-Decentralisation-Local-Governance.pdf>

Maina, B. (2005). *Monitoring and Evaluation of Support to Decentralisation and Local Governance: Kenya Case Study*. Management Discussion Paper No. 61. Maastricht: European Centre for Development Policy (ECDPM).

Support to democratic decentralisation and local governance has become an important area for European development co-operation. Why is assessing the impact of support to decentralisation still a considerable operational challenge for aid managers and their partners? This paper explores the ways to improve monitoring and evaluation in relation to decentralisation in Kenya. It concludes there is a need for an unambiguous policy framework and for learning by doing.

<http://ecdpm.org/wp-content/uploads/2013/10/DP-61-Monitoring-Evaluation-Decentralisation-Local-Governance-Kenya.pdf>

M&E tools and operational guidance

The resources below identify participatory tools and approaches for M&E.

UNDP. (2009). *User's Guide to Measuring Local Governance*. Oslo: UNDP Oslo Governance Centre.

This Guide is intended to respond to an increasing demand for guidance on the multiplicity of tools and methods that are being used to measure, assess and monitor governance at the local

level. It contains an extensive source guide with more than 20 ready-made tools for assessing local governance. http://www.undp.org/content/undp/en/home/librarypage/democratic-governance/local_governance/a-users-guide-to-measuring-local-governance/

Boex, J. & Yilmaz, S. (2010). An Analytical Framework for Assessing Decentralised Local Governance and the Local Public Sector. IDG Working Paper No. 2010-06. Washington, DC: Center on International Development and Governance, Urban Institute.

What information is needed to assess the effectiveness of decentralised government in developing and transitional countries? This paper proposes a framework for comparative assessment of a country's local public sector based on an empowerment approach. The assessment framework covers the political, administrative and financial structures that support the local government system. Rather than just looking at the functioning of the local government level itself, however, the diagnostic considers the role of the central level, the local level, as well as civil society in assessing these three dimensions of decentralisation. The same three-by-three dimensions can be used to assess donor support to decentralisation. When complete, the analysis provides a comprehensive picture of decentralisation activities and resources, aid alignment, and effectiveness.

<http://www.urban.org/UploadedPDF/412279-an-analytical-framework.pdf>

Case studies

- Mcloughlin, C. (2008). *Reviews of Decentralisation and/or Subnational Government Support Programmes*. GSDRC Helpdesk Research Report. Birmingham: GSDRC, University of Birmingham. <http://www.gsdr.org/go/display&type=Helpdesk&id=472>
- Dery, B. & Dorway, A. (2007). *Ghana: District-based Poverty Profiling, Mapping and Pro-Poor Planning as a Monitoring and Evaluation Tool*. Bamako: MATCL, REDL, SNV, & ECDPM. <http://ecdpm.org/wp-content/uploads/2013/11/2007-Ghana-local-gov-performance-experience-evaluation-tool.pdf>

Other resources

- Blöchliger, H. (2013). Measuring decentralisation: The OECD fiscal decentralisation database. In Kim, J., Lorgen, J. & Blöchliger, H. (eds.). *Measuring Fiscal Decentralisation: Concepts and Policies*. Paris: OECD Publishing. <http://dx.doi.org/10.1787/9789264174849-en>
- The European Centre for Development Policy Management ran a research project on 'Assessing decentralisation and local governance in West Africa: Taking Stock of Strengthening the Monitoring and Evaluation Capacity of Local Actors'. Publications at: <http://ecdpm.org/publications/assessing-decentralisation-local-governance-west-africa/>
- Mcloughlin, C. & Walton, O. (2012). *Topic Guide: Measuring Results*. Birmingham: GSDRC, University of Birmingham. <http://www.gsdr.org/go/topic-guides/measuring-results>

6 Decentralisation and Development

Decentralisation is generally pursued because proponents argue that it can have positive impacts on local and national development, including poverty reduction and the achievement of the MDGs. The benefits claimed include:

- Improved allocative efficiency because local government is thought to be more sensitive to local priorities than a geographically distant central government
- Greater responsiveness to citizens
- Increased revenue collection via local taxes and charges
- Stronger accountability

Recent research has questioned these assumptions, using empirical research to show that there is often a vast gap between the expected and the realised benefits of decentralisation. A review of the literature in this area shows that decentralisation has had a mixed effect on development. The potential benefits listed above are often not realised because of the following risks to decentralisation:

- Elite capture
- Loss of revenue through non-compliance and insufficient transfers from central government
- Corruption
- Weak administrative and management systems
- Low level of citizen participation
- Inadequately trained staff creating low capacity

The resources below explore how the context and design of decentralisation can mitigate against these risks and maximise the potential benefits of decentralisation.

Smoke, P., Loffler, G. & Bosi, G. (2013). The Role of Decentralisation/ Devolution in Improving Development Outcomes at the Local Level: Review of the Literature and Selected Cases. New York: Local Development International LLC.

This review finds that there is evidence to support both positive and negative decentralisation outcomes, and that results ultimately depend on context. In Ethiopia, devolution was found to have contributed to improvements in basic services, particularly education. In Indonesia there have been advances in service delivery with decentralisation. Though there is consensus that decentralisation has been a positive development for the Philippines, the empirical evidence on decentralisation remains limited and the results are mixed. In Uganda there was considerable growth in local expenditures and development projects with devolution, but service delivery coverage and quality are mixed. Ugandan service delivery performance seems inconsistent with resources expended and expectations, and great disparities persist.

<http://r4d.dfid.gov.uk/Output/194806/>

Decentralisation and poverty reduction

With the vast majority of developing countries engaged in some form of decentralisation, it is important to ascertain the impact of reforms on poverty alleviation. Whilst decentralisation does not directly impact poverty, it can have indirect impacts via service delivery, citizen participation and economic development. However, the following resources show that decentralisation has not yet had a clear positive impact on poverty reduction in many countries. To reduce poverty, decentralisation must be carried out in an environment characterised by the following:

- Strong political commitment by elites and central government to poverty alleviation
- Adequate resourcing of local government, both with human and financial resources
- Strong administrative and managerial systems and capacity

Earle, L. & Scott, Z. (2010). *The Impact of Decentralisation on Development Outcomes and Poverty Reduction*. Chapter 4 in *Assessing the Evidence of the Impact of Governance on Development Outcomes and Poverty Reduction*. Issues Paper. Birmingham: GSDRC, University of Birmingham.

There is a wealth of material that argues that decentralisation can have a very positive effect on development by improving state efficiency, responsiveness, accountability and citizen voice. However, there is a lack of robust empirical research to support these claims and many academic studies are negative about the overall developmental impact of decentralisation. Throughout the literature there is a strong emphasis on the importance of the political context in determining success.

<http://www.gsdr.org/docs/open/EIRS9.pdf>

Jutting, J., Corsi, E. & Stockmayer, A. (2005). *Decentralisation and Poverty Reduction*. Policy Insights 5. Paris: OECD Development Centre.

What are the key determinants of pro-poor decentralisation? This briefing note discusses theoretical and actual links between decentralisation and poverty and highlights lessons for donors. The implementation of a coherent decentralisation strategy, along with indicators to monitor progress, is a promising tool to improve capacities and institutional quality at the local level. However, the link between decentralisation and poverty reduction is not straightforward and outcomes are significantly influenced by country specificities and process design. Donors should improve policy coherence and coordination and be more aware of the political economy of decentralisation as a change process.

<http://www.oecd.org/dev/34425321.pdf>

Elite Capture

Much of the recent literature on decentralisation emphasises the danger of elite capture. This occurs when political elites (powerful, wealthy groups who dominate local political life) are able to take advantage of new opportunities to enhance their existing power and wealth. Decentralisation reforms can be undermined in this way, and so result in benefits for the few rather than developmental outcomes for the majority.

Without mechanisms to curb elite capture, decentralisation can have a negative impact on equity and, by extension, poverty reduction. Resources on this topic emphasise the importance of ongoing political economy analysis to help design reforms appropriately and ensure effective implementation. Strong accountability mechanisms are also critical, alongside the development of participatory political structures, civic education and public information campaigns.

Cammack, D. (2006). *Neopatrimonial Politics, Decentralisation and Local Government: Uganda and Malawi*. London: ODI.

What is the impact of domestic politics on democratic decentralisation in 'hybrid' African states? This paper argues that the unique political logic that governs policymaking in these states distorts the implementation of these reforms, resulting in outcomes detrimental to development and governance objectives. It concludes that donors must improve their tools for analysing and understanding the structural features of countries prior to intervening and, in some cases, must embrace reforms that are generally effective, if not universally equitable.

<http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5831.pdf>

Chowdhury, S. & Yamauchi, F. (2010). *Has Decentralization in Indonesia Led to Elite Capture of Reflection of Majority Preference?* Tokyo: Japan International Cooperation Agency Research Institute.

Elite capture in the context of decentralisation and democratisation is a general concern in public good provision in developing countries. In this paper, the authors empirically examine this hypothesis using a large rural household survey conducted in Indonesia concerning households' access to roads and electricity services. In Indonesia, before decentralisation, local infrastructure was supplied by a centralised authority that had the potential to provide infrastructure that did not match heterogeneous local preferences. Since the introduction of decentralisation, local infrastructure decisions are taken by elected local authorities, but with the risk of elite capture. The paper finds that, in this case, infrastructure decisions reflect the majority's preference rather than that of elites, suggesting that decentralisation has not led to elite capture. http://jica-ri.jica.go.jp/publication/assets/JICA-RI_WP_No.14_2010.pdf

Climate change and decentralisation

Local government has a role to play in developing climate change mitigation and adaptation strategies relevant to local contexts. These strategies may be more likely to result in sustained behavioural change on the part of individuals and communities. Developing countries are at greater risk than wealthy countries from climate change related disasters including flooding, landslides and heatwaves. However, local governments in developing countries often suffer severe capacity constraints which affect their ability to plan, implement and manage risk mitigation strategies. The resources below emphasise the need for local governments to act decisively and mainstream mitigation and adaptation strategies across all of their functions.

UNDP, UNCDF & UNEP. (2013). *Financing Local Responses to Climate Change: Implications of Decentralisation on Responses to Climate Change*. United Nations Development Programme Asia-Pacific Regional Centre, United Nations Environment Programme Regional Office for Asia and the Pacific, and United Nations Capital Development Fund.

Asia and the Pacific is one of the world's most vulnerable regions to the effects of climate change and also a large emitter of greenhouse gases. A significant increase in public and private financial resources from national and international sources will be required to meet these adaptation and mitigation challenges. The objective of this report is to better understand the significance of local governance and decentralisation in the delivery of climate finance, and to strengthen its coherence, responsiveness, and effectiveness. The report presents a regional picture, supported by specific examples from several countries across the region, of the most relevant trends, challenges and opportunities in relation to financing localised responses to climate change.

http://asia-pacific.undp.org/content/dam/rbap/docs/Research%20&%20Publications/democratic_governance/RBAP-DG-2013-Financing-Local-Response-Climate-Change.pdf

Deri, A. & Alam, M. (2008). *Local Governments and Climate Change*. Discussion paper. London: Commonwealth Secretariat.

How can local governments address climate change and its effects? This paper suggests that local governments can play an important role in mitigating the causes of climate change and adapting to predicted challenges through local level policy and citizen engagement. Financial and other capacity development mechanisms need to be diversified to support local governments in this role. <http://www.oecd-ilibrary.org/docserver/download/5k3w8fb9pc31.pdf>

Satterthwaite, D. (2008). *Climate Change and Urbanization: Effects and Implications for Urban Governance*. United Nations Expert Group Meeting on Population Distribution, Urbanization, Internal Migration and Development. New York: UNDESA.

How can municipal governments in low- and middle-income nations prepare for and adapt to the increasing risks posed by climate change? This paper indicates that most adaptation to the likely

climate change-related dangers over the next few decades fits well within a local development agenda. There needs to be a significant increase in development funding to help local governments adapt to climate change challenges.

http://www.un.org/esa/population/meetings/EGM_PopDist/P16_Satterthwaite.pdf

Corfee-Morlot, J., Kamal-Chaoui, L., Donovan, M. G., Cochran, I., Robert, A. & Teasdale P.J. (2009). *Cities, Climate Change and Multilevel Governance*. OECD Environmental Working Papers no. 14. Paris: OECD.

What forms of national-local policy links are used in implementing mitigation and adaptation policies? What are the key tools for integrated, multilevel governance of mitigation and adaptation activities, and how can these be applied? This paper highlights a 'hybrid' framework of multilevel governance in which local-regional/national collaboration promotes mutual learning and enhanced effectiveness. Systematic efforts are needed to align incentives across sectoral and cross-sectoral policy areas, so that regional and local policy implementation is successful.

<http://www.oecd.org/environment/cc/44242293.pdf>

Case studies

- Friis-Hansen, E., Bashaasha, B. & Aben, C. (2013). *Decentralization and implementation of climate change policy in Uganda*. DIIS Working Paper 2013:17. Copenhagen: Danish Institute for International Studies.
http://www.diis.dk/files/media/publications/import/extra/wp2013-17_ccri_uganda_efh_web.pdf
- Brown, A. (2013). Municipal Partnerships for Prosperity: Empowering the Working Poor. Chapter 8 in Sansom, G., & McKinlay, P. (eds.) *New Century Local Government: Commonwealth Perspectives*. London: Commonwealth Secretariat.
<http://dx.doi.org/10.14217/9781848591493-en>
- Okidi, J. & Guloba, M. (2007). *Decentralization and Development: Emerging Issues from Uganda's Experience*. Kampala: Economic Policy Research Centre.
http://www.eprc.or.ug/pdf_files/op31.pdf

7 Local Service Delivery

Theorists argue that decentralisation can bring benefits for service delivery by improving decision making and allocative efficiency (as local government are more sensitive to local priorities), increased revenue collection (as local government will be able to collect new local taxes and improve the collection of user charges), and generally improved administrative efficiency. However, several studies show that these expected benefits have not always been realised and that elite capture, political capture, weak administrative capacity, poor participation, inadequate accountability mechanisms and low levels of revenue collection, coupled with under-financing from central government, have all meant that significant gains in service provision have not yet been seen. Given that service delivery is a primary vehicle for local development, the importance of improvements in developing countries cannot be underestimated.

Impact of decentralisation on service delivery

These resources demonstrate the mixed impact that decentralisation has had on local service delivery.

Mitullah, W. V. (2012). Decentralized Service Delivery in Nairobi and Mombasa: Policies, politics and inter-governmental relations. WIDER Working Paper 2012/92. UNU-WIDER
In many African countries, decentralisation has long been viewed as a means for improving local service delivery. Yet, despite various decentralisation initiatives, poor service delivery continues to be problematic in two of Kenya's largest cities, Nairobi and Mombasa. Despite various governance reforms to enhance Kenya's decentralisation process, backed up by constitutional provisions and legislation, this study highlights that a proliferation of actors with overlapping mandates, opaque development frameworks, and intra- and inter-party politics remain major obstacles to providing critical services in these two cities. It is concluded that the effective decentralisation of service delivery in cities cannot occur without key accompanying policies, including the devolution of resources and amicable inter-governmental relations.
http://www.wider.unu.edu/publications/working-papers/2012/en_GB/wp2012-092/

Ahmad, E. & Brosio, G. (2009). Does Decentralisation Enhance Service Delivery and Poverty Reduction?. Chapter 1 in Does Decentralisation Enhance Service Delivery and Poverty Reduction? Cheltenham: Edward Elgar Publishing, Cheltenham.
This chapter introduces an examination of the recent literature on fiscal federalism and empirical assessments of decentralisation processes in Bolivia, Uganda, Poland and Spain. It argues that decentralised approaches to development are least likely to succeed where they are most needed – where levels of inequality are high. Particular attention needs to be paid to: 1) the risk of local capture; 2) partial decentralisation; and 3) fiscal institutions (especially the assignment of functions, the structure of intergovernmental transfers and limits on local debt).
Longer summary at: <http://www.gsdr.org/go/display&type=Document&id=4011>

Conyers, D. (2007). Decentralisation and Service Delivery: Lessons from Sub-Saharan Africa. IDS bulletin, 38(1), 18-32.
To what extent does decentralisation improve the quality of public service delivery? This article explores the evidence on the impact of decentralisation on service delivery in sub-Saharan Africa and offers some general lessons. It finds that decentralisation has not yet had a significant positive impact on the quality of public services in the region. However, this is due primarily to the wider policy environment rather than to the ineffectiveness of decentralisation *per se*.
<http://www3.interscience.wiley.com/journal/121649740/abstract>

Robinson, M. (2007). Does decentralisation improve equity and efficiency in public service delivery provision? *IDS bulletin*, 38(1), 7-17.

To what extent does decentralisation produce improvements in service delivery for the poor? This paper argues that political and institutional decentralisation do not currently contribute to increases in either equity or efficiency. However, a poor record on service delivery so far does not rule out scope for improvement. The challenge for proponents of democratic decentralisation is to specify methods by which equity and efficiency can be achieved under decentralised forms of service delivery.

<http://dx.doi.org/10.1111/j.1759-5436.2007.tb00333.x>

Decentralisation and education

The following resources are sectoral studies that give operational guidance on designing, implementing and evaluating education reform, as well as studies on the relationship between decentralisation and education quality.

UNESCO. (2007). *Educational Governance at Local Levels*. Policy Paper. Division for the Promotion of Basic Education. Paris: United Nations Educational, Scientific and Cultural Organisation (UNESCO).

Can decentralisation improve education and its governance? This booklet provides a Policy Paper on implementing educational decentralisation, followed by Evaluation Guidelines to evaluate progress at country level. It finds that if decentralisation is to succeed, then it must be planned and funded at all levels and its stakeholders trained at all levels. Equally it must adhere to the fundamental principles of human rights: participation, non-discrimination, transparency and accountability.

<http://unesdoc.unesco.org/images/0015/001544/154408e.pdf>

Fredriksen, K. (2013). *Decentralisation and Economic Growth - Part 3: Decentralisation, Infrastructure Investment and Educational Performance*. *OECD Working Papers on Fiscal Federalism* 16. Paris: OECD Publishing.

This paper empirically analyses the link between decentralisation and the composition of public spending, as well as the relation between decentralisation and educational performance, in a number of high- and middle-income countries. The results suggest that fiscal decentralisation increases the share of public funds directed to capital spending and that the bulk of this shift is due to higher education spending. Both decentralisation to lower government levels and decentralisation to the school level (school autonomy) showed positive impacts on educational performance.

<http://dx.doi.org/10.1787/5k4559gg7wlw-en>

Watson, D. & Khan, A. (2010). *Capacity Development for Education Service Delivery in Pakistan: Top-down Devolution*. *Public Administration and Development* 30(1), 11-26.

This article examines capacity issues in two programmes: the provincial-level Punjab Education Sector Reform Programme (PESRP) and the district-level Strategic Policy Unit (SPU) of Faisalabad City District Government. These programmes delivered major improvements in education delivery capacity in just four years. Political leadership and national ownership of reform were key. However, the political success that ensures ownership in one regime can become the cause of downfall in the next. Political economy factors therefore remain a major impediment to devolved service delivery in Pakistan. To strengthen the political ownership of reform, a popular, well-articulated consensus on the importance of basic services to the electorate is needed.

<http://onlinelibrary.wiley.com/doi/10.1002/pad.547/abstract>

Decentralisation and health

The resources below specifically focus on decentralisation of health services. Particular challenges in this sector include ensuring integration of health referral systems, managing 'moonlighting' (where health service staff undertake lucrative private work at the expense of their availability for public sector work), the need for strong regulation and supervisory systems to build public trust in health provision and creating participatory health programmes.

Mitchell, A., & Bossert, T. J. (2010). Decentralisation, Governance and Health-System Performance: 'Where You Stand Depends on Where You Sit'. *Development Policy Review*, 28(6), 669-691.

From a governance perspective, it is generally argued that decentralisation of the health sector is the right thing to do as long as the underlying conditions of good governance exist, and/or decentralisation will strengthen those conditions. This paper finds that from a health systems perspective, policies of partial decentralisation may be a better option than full decentralisation. Based on evidence from six countries (Bolivia, Chile, India, Pakistan, Philippines, Uganda), this study finds that a balance between centralisation of some functions along with improved accountability mechanisms is needed to achieve health system objectives.

<http://dx.doi.org/10.1111/j.1467-7679.2010.00504.x>

Regmi, K., Naidoo, J., Pilkington, P. A., & Greer, A. (2010). Decentralization and district health services in Nepal: understanding the views of service users and service providers. *Journal of Public Health*, 32(3), 406-417.

In the case of Nepal the paper finds that decentralisation was positively associated with increased service access and use, and improved service delivery. The study identifies areas of concern and possible improvement as well as barriers to implementing improvements.

<http://dx.doi.org/10.1093/pubmed/fdp116>

El-Saharty, S., Kebede, S., Olango Dubusho, P. Siadat, B. (2009). *Ethiopia : Improving Health Service Delivery*. Washington, DC: World Bank.

Has decentralisation enhanced health service delivery to the poor in Ethiopia? What factors enabled or inhibited improvements in health services between 1996 and 2006? This study finds that the Health Sector Development Programme, which used decentralisation strategies, was largely successful. Subnational institutional and management capacity was a key factor in successful implementation. Limited community voice and involvement limited the programme's impact: a carefully-synchronised balance between supply- and demand-focused interventions is important. Health sector decentralisation is likely to be more effective as part of a broader government decentralisation policy across sectors. The coordinated provision of sufficient critical inputs (facilities, health workers, drugs) is essential.

<http://siteresources.worldbank.org/HEALTHNUTRITIONANDPOPULATION/Resources/281627-1095698140167/EthiopiaHealthSystemDelivery.pdf>

Lopez Levers, L., Magweva, F., & Mpofu, E. (2007). *A Literature Review of District Health Systems in East and Southern Africa: Facilitators and Barriers to Participation in Health*. EQUINET Discussion Paper No. 40. Harare: Network for Equity in Health in Southern Africa

What are the facilitators and barriers to community participation in district health systems in sub-Saharan Africa? This literature review explores evidence on community voice, roles and participation at district level. The analysis is based on case studies in six countries: Botswana, Lesotho, Namibia, Rwanda, Swaziland and Tanzania.

<http://www.equinet africa.org/bibl/docs/DIS40ehsLOPEZ.pdf>

Decentralisation, water and sanitation

Effective decentralisation of water and sanitation services involves addressing issues such as how to devolve greater powers to water users and their local representatives, how to increase greater participation in water management and how to build transparent and accountable mechanisms for resource allocations. Resources on this topic emphasise the importance of the local context, timing, sequencing, adequate financing and the devolution of responsibilities in reality, not just in rhetoric. An issue of concern is how to manage the competition for water resources between domestic users and businesses. In poor areas there is a particular need to protect against the dominance of large-scale commercial farmers who are better able to articulate their needs, due to greater technical knowledge and fewer resource constraints in attending meetings.

Rosensweig, F., & Kopitopoulos, D. (2010). *Building the Capacity of Local Government to Scale Up Community-Led Total Sanitation and Sanitation Marketing in Rural Areas*. Water and Sanitation Program. Washington DC: World Bank.

This report reviews the role of local government in the Global Scaling up Sanitation Project in India, Indonesia, and Tanzania. This project uses Community-Led Total Sanitation approaches to create community-wide demand for stopping open defecation and improving sanitation. While there are variations in the models that reflect the country contexts, all three countries have placed local governments at the centre of the implementation arrangements. The study concludes that the model of working through local governments with the support of resource agencies, national or regional NGOs to build the capacity of local government is fundamentally sound.

<http://hdl.handle.net/10986/17266>

Mehta, M. & Mehta, D. (2008). *Financing water and sanitation at local levels: synthesis paper*. London: WaterAid.

WaterAid carried out analyses in 12 developing countries in Africa and Asia to identify key blockages and systemic weaknesses that stand in the way of development finance reaching local authorities responsible for delivering water and sanitation services. The research showed that in spite of policy commitments to decentralisation, local governments are consistently by-passed by those financing development, resulting in a high risk of duplication and inequitable coverage. Recommendations are provided for national governments, donors, NGOs and local government to improve financing and governance at the local level.

http://www.wateraid.org/documents/plugin_documents/financing_water_and_sanitation_at_local_levels.pdf

Case studies

- Mohmand, S. K., & Cheema, A. (2007). Accountability failures and the decentralisation of service delivery in Pakistan. *IDS Bulletin*, 38(1), 45-59.
<http://dx.doi.org/10.1111/j.1759-5436.2007.tb00336.x>
- Omar, M. (2009). Urban governance and service delivery in Nigeria. *Development in Practice* 19(1), 72-78. <http://dx.doi.org/10.1080/09614520802576393>
- Granados, C., & Sánchez, F. (2014). Water Reforms, Decentralization and Child Mortality in Colombia, 1990–2005. *World Development*, 53, 68-79.
<http://dx.doi.org/10.1016/j.worlddev.2013.01.007>

8 Decentralisation, Conflict and Fragile Contexts

Links between decentralisation and conflict

The resources below address the question of whether decentralisation is good or bad for conflict. Most authors on this topic agree that decentralisation and local government can have positive or negative effects on conflict dynamics, depending on the institutional design, socio-political context and the nature of the conflict.

Brinkerhoff, D. W., & Johnson, R. W. (2009). Decentralized local governance in fragile states: Learning from Iraq. *International Review of Administrative Sciences*, 75(4), 585-607.

This article examines the role of local governance in creating an effective state and building constructive state-society relations. Reconstruction efforts in fragile, post-conflict states have focused largely on central government, yet decentralised local authorities can counter problems that central governments face: weak roots beyond the centre, poor distribution of services, and weak national integration. Experience shows that local governments can increase speed of service delivery, address ethnic/regional inequities, build democratic and conflict management capacities, mitigate political conflict, experiment to find creative solutions, and enhance legitimacy. The authors conclude that the Iraq case offers some support for their argument that in fragile, post-conflict states, decentralised local governance is an important feature of good enough governance.

<http://dx.doi.org/10.1177/0020852309349424>

Gaynor, N. (2014). Bringing the Citizen Back In: Supporting Decentralisation in Fragile States-A View from Burundi. *Development Policy Review*, 32(2), 203-218.

Based on fieldwork conducted in Burundi in 2011, this article argues that current donor support, while consolidating the authority of local political elites, reinforces political and horizontal inequalities. This can lead to further disaffection and conflict. Decentralisation processes in post-conflict contexts often fail to conceptualise a clear role for citizens, resulting in obstacles to citizen engagement. The author argues that it is important to bring citizens back in and shift the focus of support to institution-building that is more inclusive, responsive and accountable.

<http://dx.doi.org/10.1111/dpr.12051>

Schultze-Kraft, M., & Morina, E. (2014). Decentralisation and Accountability in War-to-Peace Transitions: The Case of Kosovo. *IDS Bulletin*, 45(5), 92-104.

Though decentralisation has been promoted as a tool to consolidate peace and rebuild states in countries emerging from violent conflict, a key difficulty is the challenge of instituting effective mechanisms of accountability. Using Kosovo as a case study, the authors highlight the risk of negative trade-offs between what they call the 'political' (peace-building) and 'functional' (state-building) dimensions of decentralisation. While quite successful in terms of mitigating tensions between the Albanian majority and Serb minority, decentralisation has contributed little to enhancing cooperation and trust between the two communities and improving local governance. Weak accountability – both formal and social – needs to be addressed to conclude Kosovo's war-to-peace transition.

<http://dx.doi.org/10.1111/1759-5436.12107>

Policy guidance

While the exact impacts of decentralisation on conflict and state fragility remain unknown, local government plays a role in local level conflict dynamics. The following resources consider how decentralisation reforms can be implemented and local government capacity developed in ways that do not exacerbate conflict. The literature emphasises the importance of having a slow, non-ambitious and carefully sequenced approach that takes account of informal non-state authorities and the local socio-political context. Issues of timing, institutional support and design, and centre-local relations are also covered.

UNDESA. (2010). Engaging Citizens in Postconflict Reconstruction: Decentralization for Participatory Governance. Chapter V in *Reconstructing Public Administration after Conflict: Challenges, Practices and Lessons Learned*. New York: United Nations Department of Economic and Social Affairs (UNDESA).

To what extent can decentralisation help to institutionalise citizen engagement in governance and promote sustainable peace? This study analyses the concept of decentralisation and looks at the challenges of implementing it in several post-conflict countries. It argues that participatory governance at the local level facilitates the involvement of local communities in policy decisions. This creates a shared commitment to peaceful progress that reduces the likelihood of violent conflict. Peace cannot be lasting unless both men and women, as well as those in minority groups, participate in shaping post-conflict reconstruction and are able to enjoy its benefits equally. However, effective decentralisation for participatory governance requires political will, civic will, capacity development at the local level and careful implementation.

<http://unpan1.un.org/intradoc/groups/public/documents/un/unpan037819.pdf>

Jackson, P. & Scott, Z. (2007). *Local Government in Post-Conflict Environments*. Report to UNDP. Birmingham: University of Birmingham.

What role does local government (LG) play in post-conflict reconstruction? What are the key issues for LG in post-conflict contexts? This paper argues that further research is required on the role of LG in conflict prevention, particularly on the contextual factors that enable LG to mitigate conflict. Donors should recognise the significance of LG and undertake political economy analysis to ensure that they engage with LG appropriately.

http://capacity4dev.ec.europa.eu/sites/default/files/file/19/07/2011_-_0957/7-undp_lg_in_post_conflict_environments.pdf

Kyed, H. M. & Engberg-Pedersen, L. (2008). *Local Governance in Fragile States*. DIIS Policy Brief. Copenhagen: Danish Institute of International Studies (DIIS).

Comprehensive local government reform is unrealistic in fragile states. This paper recommends using local service delivery as a point of departure for local governance reform. Strengthening local service delivery will slowly build sound local governance practices that can plant the seeds for more comprehensive democratic decentralisation in the future. Ignoring informal non-state authorities can considerably undermine any effort to reform local governance, whereas exclusive reliance on non-state authorities in service delivery can undermine efforts to strengthen state capacity and legitimacy in local arenas.

http://www.diis.dk/files/media/documents/publications/pb2008_10_local_governance.pdf

Brinkerhoff, D. W., & Johnson, R. (2008, June). *Good enough governance in fragile states: The role of center-periphery relations and local government*. In 4th International Specialised Conference on International Aid and Public Administration, International Institute of Administrative Sciences, Ankara, Turkey.

How can fragile and post-conflict states stabilise themselves and transition toward socio-economic recovery? This paper argues that developing countries and donors should eschew ambitious idealised visions of good governance in favour of pragmatic approaches aimed at achieving 'good enough governance'. Drawing on evidence from stabilisation efforts in Iraq, it

concludes that implementing this new strategy requires looking beyond the centre to the critical role of sub-national levels of government in post-conflict reconstruction.

<http://www.gsdrc.org/docs/open/con65.pdf>

GTZ. (2006). *Decentralization and Conflicts: A Guideline*. Eschborn: Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ).

While decentralisation is often seen as an instrument for conflict transformation, little attention has been paid to whether and when it can mitigate or exacerbate conflict. This paper examines the connections between decentralisation and violent conflicts, and consequent implications for decentralisation, policy making and implementation. To avoid unintentional escalation of conflict, development cooperation should pay greater attention to decentralisation and conflict interactions, and strengthen the involvement of central government and civil society.

<http://www2.gtz.de/dokumente/bib/07-0148.pdf>

Case studies

- Mansoob Murshed, S., Zulfan Tadjoeeddin, M., & Chowdhury, A. (2009). Is fiscal decentralization conflict abating? Routine violence and district level government in Java, Indonesia. *Oxford Development Studies*, 37(4), 397-421.
<http://dx.doi.org/10.1080/13600810903305224>
- Diprose, R., & Ukiwo, U. (2008). Decentralisation and Conflict Management in Indonesia and Nigeria. University of Oxford. Centre for research on inequality, human security and ethnicity (CRISE). <http://www3.qeh.ox.ac.uk/pdf/crisewps/workingpaper49.pdf>
- Munawwar Alam and Abuzar Wajidi (2013). Pakistan's devolution of power plan 2001: A brief dawn for local democracy? *Commonwealth Journal of Local Governance* 12, 20-34.
<http://www.austlii.edu.au/au/journals/ComJLocGov/2013/16.pdf>

Other resources

- Strachan, A.L. (2014). *Supporting local governance in protracted conflicts*. GSDRC Helpdesk Research Report 1119. Birmingham, UK: GSDRC, University of Birmingham.
<http://www.gsdrc.org/go/display&type=Helpdesk&id=1119>
- McLoughlin, C. (2008). *Decentralisation and Assistance to Sub-national Governments in Fragile Environments*. GSDRC Helpdesk Research Report. Birmingham, UK: GSDRC, University of Birmingham. <http://www.gsdrc.org/go/display&type=Helpdesk&id=471>

9 Relevant Organisations and Resources

This section presents a selection of organisations working on decentralisation and local government issues in developing countries.

Development Partners Working Group on Local Governance and Decentralization (DeLoG)

<http://www.delog.org/>

DeLoG is an informal network of bi- and multilateral development partners. The website includes a number of resources on issues related to decentralisation and local governance in developing countries.

United Nations Capital Development Fund (UNCDF) Local Development

<http://www.uncdf.org/en/taxonomy/term/515>

This website presents the UNCDF's approach to decentralisation and local development through institutional reform, policy change and capacity building. The library includes a substantial collection of policy papers, country project papers, thematic papers and technical reports.

United Nations Development Programme (UNDP) Democratic Governance Group: Local Governance

http://www.undp.org/content/undp/en/home/ourwork/democraticgovernance/focus_areas/focus_local_governance/

This sub-section of UNDP's Democratic Governance programme aims to support donors to help build national ownership, national capacities and an enabling policy environment for effective decentralisation, local governance and urban/rural development. It contains a selection of UNDP guidance notes, toolkits and other publications.

EuropeAid

https://ec.europa.eu/europeaid/sectors/human-rights-and-governance/local-authorities_en

The EU recognises the importance of Local Authorities and Associations of Local Authorities in addressing the complexities of sustainable development and fighting poverty. The Commission also backs efforts to enhance the accountability of local governments and promote dialogue and partnership with civil society, community-based organisations and the private sector.

Commonwealth Local Government Forum (CLGF)

<http://clgf.org.uk/>

CLGF works to promote and strengthen effective democratic local government throughout the Commonwealth. The CLGF website contains a number of reports and country specific information on decentralisation initiatives, including the Commonwealth Local Government Handbook.

United Cities and Local Governments (UCLG)

<http://www.cities-localgovernments.org>

UCLG represents the interests of local governments on the world stage. It advocates democratic local self-government through co-operation between local governments, and within the wider international community. The website includes a large range of resources including the [Global Observatory on Local Democracy and Decentralisation \(GOLD\)](#), which contains information on local self-government, local authorities and local democracy. UCLG also has regional bodies in [Africa](#), [Asia-Pacific](#), [Euro-Asia](#), [Europe](#), [Latin America](#), and [Middle East-West Asia](#).

The African Caribbean Pacific Local Government Platform (ACPLGP)

<http://www.acplgp.net/>

ACPLGP is an umbrella organisation of mayors and representatives of existing local government associations in the Africa Caribbean and Pacific (ACP) countries. The ACPLGP website aims to

raise awareness of the role of local government in the Cotonou Partnership Agreement. It includes networking services, tools, good practices and an online library with a substantial collection of publications on local governance issues.

The Euro-African Partnership for Decentralized Governance

<http://www.euroafricanpartnership.org/>

The Euro African Partnership for Decentralized Governance aims to contribute to the strengthening of local governance in Africa by facilitating the establishment of relationships between African and European local institutions. The website contains information and documentation from past conferences as well as a number of publications which focus on decentralisation and gender.

UN-Habitat

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

The United Nations Human Settlements Programme, UN-HABITAT, is the United Nations agency for human settlements. It is mandated by the UN General Assembly to promote socially and environmentally sustainable towns and cities with the goal of providing adequate shelter for all.