

**AFRICITIES V
AFRICAN SUMMIT OF LOCAL GOVERNMENTS**

**TRIPARTITE DIALOGUE MEETING
BETWEEN MINISTERS, MAYORS AND DEVELOPMENT PARTNERS**

PREPARATORY DOCUMENT

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INTRODUCTION	3
PART I –WHAT EVOLUTION SINCE THE IV TH AFRICITIES SUMMIT IN 2006?	5
1. Contextual aspects of decentralisation in Africa.	5
2. Overview of the priorities and the situation of support by the Development Partners to decentralisation in 2006.	7
3. The evolution of the strategic concerns and contents of development aid.	9
4. Recent issues in the strategic framework of development aid.	14
PART II – IN WHAT WAY HAS THE GLOBAL CRISIS LED TO RENEWED STRATEGIES FOR THE DEVELOPMENT PARTNERS? SOME IDEAS FOR CONSIDERATION.	17
1. An overview of different aspects of the current situation: presentation in alphabetical order of the positions of several Development Partners, and illustrations (in boxes).	17
2. Elements of thematic summary on the strategies of the Development Partners in the context of the crisis.	31
PART III - CONCLUSIONS	33
1. An overview of the recommendations and conclusions expressed in 2006.	33
2. A renewed approach to the issues and challenges posed by the global crisis.	34
3. Organising participatory local development, winning the trust of local communities.	35
4. Conclusions and proposals.	36
BIBLIOGRAPHY	39

Introduction

In 2006, the IVth Africities Summit in Nairobi focused on the contribution of African Local Governments to the implementation of the Millennium Development Goals (MDGs). The preparatory document of the Tripartite Dialogue Meeting in 2006 underlined that it was indispensable to increase the dynamics of decentralisation and strengthen Local Government as part of reaching these goals, and succeeding in permanently reducing poverty in Africa. The programmes of Public Development Aid (PDA) were aimed at contributing to those targets.

In 2009, we are happy to note that progressive consensus has been reached among the community of Development Partners on the central role that should be played by Local Governments in development, and the relevance of *municipalisation* of certain of their objectives and programmes.

Nevertheless, in the context of the present global crisis that has led to a worsening of all aspects of living conditions for the vast majority of people, more radical reforms are needed than in the past. This in turn leads to the need to fundamentally revisit the concepts of development and economy.

African countries have been affected in many different ways by the financial crisis: the impact of the decrease in world trade, the fall in the price of oil and raw materials, repatriation of capital, reduced migratory flow and transfer of migrants' remittances and the incertitude of international aid, are all contributory factors, as well as increasing land tensions. The drop in global demand and fall in tax revenue will mean that African countries will most certainly be faced by great difficulties in their balance of payments. This will also probably lead to fewer employment opportunities. The budgets for paying civil servants and providing minimum social cover have already been cut this year. Devaluations similar to those caused by the debt crisis of the 1980s, and that have a devastating effect on the purchasing power of the poorest already exist in many countries. International credit restrictions and foreign direct investments are under threat. The World Bank and the International Monetary Fund (IMF) have promised increased aid to impact the level of PDA; China and other emerging economies have also done so – or expressed their wish to do so – in other contexts.

If these potential evolutions are to be controlled and channelled, African governments and their Partners need to jointly reflect on these questions, and formulate the steps that need to be taken, as well as commit to their implementation. The weight of local and regional governments can be considerable in helping to move forward collectively.

The question of financing aid is a crucial issue. The results depend on the way international regulations, particularly those discussed in the framework of the G20 are implemented. With the global crisis, the international community is confronted by fundamental questions: Are the national growth strategies through exports, that seemed to be the recommended development model, and are based on the Asian success model, still relevant? Will achieving the MDGs continue to be a priority on the international co-operation agenda? What is the future for migrant workers and what is their contribution to growth in their countries of origin, if the programmes restricting migrations

from the countries of the South continue to be pursued by the countries of the North? What are the impacts on employment in the developing countries? After a period of returning to the metropolises of the developed countries, will the investors come back to the developing countries and demonstrate a specific interest in Africa? What reforms are required to support global governance and to encourage development? How will the Development Partners adjust their strategies if the crisis persists? Will the global crisis lead to a reshuffling of the geopolitical cards, particularly with the arrival of the emerging economies? What practical impact will this strategic change in positions have on aid? How will it affect the decentralisation process and the role played by local governments? These questions should be placed at the heart of the discussions that take place during the Tripartite Dialogue Meeting on the 20th of December 2009 in Marrakech, and the Fifth Africities Summit meeting. The replies to these questions will prove decisive for the future of co-operation policies in Africa, and indeed for the role played in the decentralisation agenda, the strengthening of local government in the governance of African countries, and the entire continent.

The objective of this document is to prepare for this meeting, and to try to evaluate the Partners' strategic approach to development in terms of decentralisation and the strengthening of local government. It is also aimed at examining what adjustments might be required in the context of the global crisis. It does not pretend to be exhaustive, but rather to provide a basis for constructive discussions between Ministers, Local and Regional Authorities and Development Partners.

The document is organised in three parts: the first section presents the changes that have occurred since the IVth Africities Summit in 2006, in the extension and strengthening of the decentralisation policies in Africa. The second part considers the Development Partners' strategies for decentralisation, as well as those for the strengthening of local government, local development and employment. It includes some examples of adjustments of strategies used by Development Partners in view of the global crisis. Finally, a third part includes some ideas for consideration as well as recommendations.

PART I –What evolution since the IVth Africities Summit in 2006?

The objective of this section is firstly to outline the current context of decentralisation in Africa and to provide a brief overview of the way support given by the Development Partners to decentralisation is prioritized. This point was emphasized in the Africities Summit in 2006. We shall then consider the on-going preoccupations and strategic contents of development aid as well as the current situation.

1. Contextual aspects of decentralisation in Africa.

Since the end of the 1980s, decentralisation has become a declared political priority for most African countries. Genuine implementation can follow different paths; these are generally linked to the historical and socio-political context of the country in question. The general trend is, however, one of local democratic governance, with the creation of local authorities that operate under the administration of councils and representative elected executives.

The first Global Report by the Global Observatory on Local Democracy and Decentralisation (Gold Report, United cities and local governments, 2008¹) emphasized that in spite of this diversity, there is a genuine trend towards decentralisation and local democracy in Africa, and it is worth bearing in mind that:

- There is an increase in the number of local government authorities in Africa, as well as a diversification of the structures and levels of local government involved in the decentralisation process.
- Decentralisation has moved beyond an administrative technique, and is being consolidated as a policy, even if this is taking many varied forms from one sub-region to another. The contents of decentralisation - a tool that was originally conceived as an administrative technique that would bring local authorities closer to the public they administer - has shown a rapid shift towards a more political content. This is translated by the devolution of some of the briefs of public powers to authorities other than those of the central state. This shift has taken varied forms from one sub-region to another.
- Local governments have an increased level of responsibility in many countries, although this rarely corresponds to a genuine transfer of capacity in terms of financial means and human resources.
- There are fewer controls by central authorities over local government, (this varies greatly from one country to another) with a move to focus on legal, *a posteriori* controls.
- There is now recognition of the primary responsibility of local governments in the provision of basic services; they also have the possibility to include the private sector or NGOs in implementing this responsibility for many services such as waste removal, water and sanitation or urban transport...

¹ This can be up-loaded in English at :

http://www.cities-localgovernments.org/gold/Upload/gold_report/gold_report_en.pdf

and in French at : http://www.cities-localgovernments.org/gold/Upload/gold_report/gold_report_fr.pdf

- There are emerging networks of local or regional governments that enable people to speak in unison, and increase the volume and skills of those concerned by all the development stakes at national and continental level.

Although there has undoubtedly been a formal strengthening of decentralisation in Africa, the extent and the different territorial levels of administration still bear witness to the administrative traditions that were inherited from the period of newly-independent, centralized States. This leads to a diversity of situations that have many different aspects, and that include the contents of the decentralisation policies, a genuinely independent definition of local resources, the conditionalities of transfer from the central State authorities, the margins for manoeuvre as to their use, the executive functions of mayors, the way in which exclusive, shared or “competitive” powers are granted by the central State, the way in which Ministries responsible for a given sector have seized certain fields of local policies, the ability of local governments to access foreign loans etc.

This has also led to very varied demands - such as allowing local authorities to have their own controlled treasury in French-speaking countries - in order to gain greater independence in managing their own financial resources, or to create the function of executive rather than ceremonial powers for mayors; this is an extended mandate in the English-speaking countries.

In 2008, the GOLD report also highlights the critical question of the strategic position of the Development Partners. As we shall see, the priority granted to budgetary aid can limit the possibilities of local government to contribute to and implement national policies in a given sector, although this possibility may have been clearly envisaged by law, and inherent to the new approach of the aid agencies. The resulting impact is a slowing down of the move to greater territorial management. Moving from deconcentration to decentralisation is a step that is not yet clearly implemented in many countries. Furthermore, the question of the transfer of funds that correspond to the various briefs is an acute issue: without their own resources, local government’s margin for manoeuvre for is severely limited. Local taxation is still too low, as well as too directly and tightly controlled by the central authorities.

In the light of the current global crisis, these difficulties are even more acute for African countries. In most countries, the direct election of local and regional government has not been followed to any great extent by a genuine increase by a broader scope of political action. This is because the transfer of power has been too limited.

It is also important to note that the openly declared policy in favour of decentralisation, as well its implementation by local authorities that have both a legal structure and that are financially independent, is coupled to another simultaneous priority for African States. This is the priority to include States in the regional supra-national structures aimed at unifying the continent. This dual movement of decentralisation and regional integration creates radical change in State governance. Most African decision-makers - and indeed many of those responsible for the management of co-operation agencies - have so far failed to grasp the full measure of this change. Distribution of co-operation programmes essentially at national level is therefore liable to evolve to take these new institutional changes into account.

2. Overview of the priorities and the situation of support by the Development Partners to decentralisation in 2006.

The theme of the IVth Africities Summit was “Building coalitions for reaching the MDGs in African local government”. Specific attention was paid to including the fight against poverty in the co-operation strategies with Africa.

In methodological terms, Africities IV centred the fight against poverty on the increased access to basic services for the greatest number of people. Secondly, given the extended brief of local governments (education, health, local infrastructure, economic development...) that results from the reinforced decentralisation process, local and regional governments find themselves in a position whereby they can strategically move things forward, carry out planning and implement these basic services as well as the MDGs that they address. The success of the objectives of a permanent reduction to poverty in Africa is therefore conditioned by the progress of decentralisation and by capacity building within local authorities.

Frameworks for determining strategies and policies for poverty reduction as outlined in the MDGs were developed at continental level, as well as by the International Financial Institutions, the development agencies and governments. Embedding this in local government practice and in local political debate has been less successful, even if there have been some significant results. In certain African countries, the local authorities as well as the other actors, were asked to contribute to drawing up Poverty Reduction Strategic Papers (PRSPs). But ultimately, the role that has been played by the elected representatives and local government in defining national strategies for poverty reduction has remained marginal, or certainly less than the roles played by NGOs or the private sector.

In order to adjust the national development strategies that are still widely centralized in terms of shared responsibility for drafting and implementation, the Development Partners and actors have mobilised to improve the approach to local governance and establish the links between decentralisation, local governance and the empowerment of the poor.

Support for the triad “Decentralisation – Local Governance – Local Development” theory developed by the Development Partners is based on the following aspects:

- Decentralisation enables the specific needs of people and local contexts to be taken into consideration; it therefore makes development aid more efficient
- Improving local government is a necessary aspect of fighting corruption as well as to taking the kind of responsibility that helps development aid projects and programmes to be appropriated
- Mobilising communities and enhancing the value of social capital stand a better chance of success when they are initiated at local level. Working at local level therefore needs to become one of the preferred approaches of the Development Partners.

In 2006, the preparatory document for the Tripartite Dialogue Meeting noted that although the overall analysis framework that linked decentralisation to the fight against poverty was shared by the Development Partners, there were considerable differences in the concrete approaches used. This created a differentiated approach to the strengthening of the decentralisation of local government. It was underlined that, contrary to what had happened in the past, decentralisation and capacity

building of local authorities were becoming a key objective in co-operation programmes, and were no longer perceived as just one more item on a list.

In this type of programme, it was pointed out that the local level should be given priority, given that it is the level at which there has been a transfer of legal and administrative briefs, and was therefore generally the most effective. The fact that other levels of territorial governance appeared to be emerging in many African countries is also significant. There is also an increase in Development Partner programmes aimed at large cities and secondary towns; this was generally through specific parts of overall urban development programmes. The international Development Partners actively upheld the strengthening of local democratic processes, by supporting the organisation of municipal elections, as well as capacity building for town hall personnel, and support for the participation of civil society at all stages of planning and management of local development.

One of the essential components of the Development Partners' action is the support provided for the administrative reforms that are necessary to develop an efficient decentralised framework. This involves legal reform, moving towards the progressive creation of a legal framework for local government (in particular on questions such as land, taxation and public procurement), reform or consolidation of the system of financial transfers between the State and local government, the co-ordination of local planning processes and poverty reduction, as well as providing support for the ministries in question on the reform of services and administrative tools...

The support provided by the Development Partners acts at two separate levels in the way it has empowered local government: it has increased the effective provision of local public services and strengthened transparency and the quality of management of local civil services. In both of these instances, most of the interventions of the Development Partners have included training for town hall teams in programming methods and participatory management of local development. They have also paid specifically high attention to matters of taxation. This was done through training. Training was preferably carried out in short courses, aimed at technical aspects, somewhat to the detriment of a qualitative, more long-term approach to local economy or the conditions and forms of local political dialogue. There has been little effort made to develop a professional job structure in local authorities, or to certify the training on offer. This has not therefore made any significant contribution to consolidating professionalism within the local authorities in question.

All in all, in spite of the progress mentioned, the systems of local management and finance in Africa have changed very little, given the many challenges that they have to face. The existing measures that have been taken in terms of deconcentration and decentralisation are having little impact, whereas the consequences of the global crisis are being increasingly keenly felt by local people, and particularly by the poorest. The doubling of decision-making centres, or the multiplication of the number of interfaces for the government does not necessarily represent an increased depth of decentralisation. Furthermore, the reduced margins for manoeuvre in terms of taxation and budgeting at all levels of local government lead to centralisation.

More than ever before, to overcome the crisis and move forward to a more efficient kind development aid, what is needed is to develop a genuine principle of subsidiarity, a real delegation of power and means to the level of local government that is best suited to implementing policies, and not just a sham or a facade of responsibilities at all levels.

3. The evolution of the strategic concerns and contents of development aid.

From Project aid to Budgetary aid

Until the 1980s, the investment and operational budgets were considered separately from each other. The States did not include an overall budget for investment expenses. In reality, external finance was not considered as part of public expenditure. This separate treatment of projects and administrative expenditure, the “dual budgetary system”, had created accounting systems in many African countries that led to the co-existence of several “arenas” for gaining access to resources, depending on the source of funding (external versus national funding of projects).

This dual budgetary system has created different professions. On one hand, there are the planners who are in charge of programme and project planning and follow-up, linked to the development agencies and the co-operation activities, and who are attached to the Ministries for Economy and Planning. On the other hand, there are the “budget technicians”, who are public finance civil servants, who deal with funds that are channelled through the public Tax Office, and are attached to the Ministry for Finance.

The Paris and Accra Declarations by the Organisation for Economic Co-operation and Development (OECD) Committee for Aid Efficiency seem to tip the scales in favour of budgetary aid, as the international community now favours budgetary aid in co-operation with African States. Their justified argument is that the latter enables a more appropriate flow of aid. This trend does however come up against recurrent questions as to how efficiency this aid is; the traceability is also not as easy as in the previous period of aid aimed essentially at development projects. This question of the impact of budgetary aid is particularly raised by local authorities that would like to see the implementation of policies that are specific to sectors, as they believe it would be easier to improve the evaluation of the impact of aid on local communities. These same authorities also insist that there should be a greater amount of public development aid channelled through the pipelines of decentralised co-operation, as this allows for greater peer learning. It also situates aid programmes in a long-term perspective.

The strategic approach of the development policies, strengthened by the impetus given in 1996 by the HIPC initiative (followed by HIPC II in 1999), as well as the emphasis on the Poverty Reduction Strategic Paper, stated the objective of totally renewing State management practice in the developing countries². This change of approach was part of a move towards a process based on the principles of New Public Management. Joseph Stiglitz, former chief economist of the World Bank, considered that development was going through a managerial revolution based on the introduction of *accountability*³ at the turn of the century. The technicalities of structural adjustment were replaced by a new approach based on partnerships, participation and strategic approaches. Appropriation became a buzzword, and was symbolised by the principle of “beneficiary country in the driver’s seat”. In concrete terms, civil services were expected to reorganise, in order to develop, implement and increase their own planning abilities, budgetary management and statistical follow-up skills, and in order to meet their objectives of poverty eradication, obtain social results, growth

² S. Maxwell, « Heaven or hubris : reflexions on the new “new poverty agenda” », *Development Policy Review*, vol. 21, London, 2003, pp. 5-25

³ J. Stiglitz, « Towards a new paradigm for development : strategies, policies and processes », communication to UNCTAD, *1998 Prebisch Lecture*, Geneva, 1998.

etc. The development strategies include a phase where the principle of good governance is perceived as a central condition of development. They are anchored in reforms and the strengthening of capacities of the State. This is based on the theoretical approach known as *state-building*, explicitly outlined by the World Bank⁴.

As of 1997, the introduction and development of norms and codes of good conduct that include criteria for transparency in the management of public finance grew rapidly. In 1999, the Poverty Reduction Strategy Paper (PRSP) was launched. This proposed apparently simple recipes for incorporating the management of social sectors into the approach as an extension of the macro-economic management used during the adjustment. Although at first sight it is explained in simple, clear terms, the scheme represents a huge work programme. It implies grounding public action in a poverty audit, justifying which public actions should be selected according to their impacts on poverty, listing the priority objectives, defining statistical indicators that enable these objectives to be quantified, and evaluating the costs of the policies. The strategic frameworks thus present a structured economic and social audit of poverty in the so-called multidimensional aspects. They include a definition of national priorities (developing access to education, accelerating growth...) and a programme of actions spread over a three-year minimum period, with a series of statistical indicators that enable progress to be monitored during the implementation of the project.

The PRSPs are supposed to provide a reference for national policies as well as guidelines for partners and co-ordinating aid. International aid is therefore conditioned by the implementation of PRSPs.

The PRSPs are the reflection of the more acute questions on budgetary reform of the last twenty years throughout the world. This is an iterative process. The *Joint Staff Assessments* (JSA) prepared by the World Bank and the IMF were introduced to carry out an annual progress report, based on a pre-determined grid of questions. The reports were specifically used to evaluate the extent to which a PRSP was effectively impacting the debt reduction in the framework of the HIPC initiative. They are also, at a simpler level a tool for dialogue.

The analysis of the Poverty Reduction Strategic Papers (PRSPs) and their reform in the 2000s.

Africa has started its entry into the era of poverty reduction in a paradoxical manner. The PRSP and the new approach to aid have had two fundamental impacts that are rarely taken into consideration. On one hand, budgetary aid has effectively increased with the introduction of PRSPs, in terms of volume and aid that is actually spent. On the other hand, the HIPC initiative allows for an increase in national ability to finance an investment budget.

The combined effect of these two elements has led to increased investments financed on budgetary resources and therefore to an increase in the level of procedures involved in budgetary investments. Yet at the same time, the interest in the programming procedures for investments has dropped, and given way to results-based management techniques that involve new instruments. The approach to development has shifted to a budgetary rather than a planned approach, although the instrument of

⁴ C.F. J. Stiglitz, « Towards a new paradigm for development... », op.cit. c.f. also, *World Development Report 1997 : the State in a Changing World*, Washington DC, 1997 ; International Monetary Fund and World Bank, *2005 Review of the Poverty Reduction Strategy Approach : Balancing Accountabilities and Scaling Up Results*, Washington DC, 2005.

the public investment programme has been heavily used. The new paradigms encourage the development of new products, aimed at “transforming” the management system of public finance.

The PEFA (*Public Expenditure Financial Assessment*)⁵ was created in 2003. It attached great importance to “budgets based on national policies” according to the doctrine inspired by management by results. It aimed to include national strategies in the budget: the existence of policies for each sector, budgetary time-lines that enabled them to be taken into consideration in the budget, a harmonised budget, techniques that took medium term policies into account... The evaluation scales refer to each other: the PEFA can be used to determine the CPIA (*Country Policy and Institutional Assessment*) score, which in turn will be used to evaluate in accordance with the Declaration of Paris, which is itself used to determine the operational aspects of the development strategy of a country. This scale acts as a sort of certification, and the scores force the public sector reforms to move towards results-based management. The most recent versions of the World Bank CPIA that date from December 2007 have been used to determine the sums to be allocated by the International Development Agency (IDA)⁶.

This was considered to be contrary to the objective of appropriation, so the PRSP programme was reformed in 2004. The JSAs were no longer called Assessments, but “*Advisory notes*”⁷. Furthermore, in order to provide guidelines for countries in this huge undertaking of reforms being pushed through by Washington, the *PRSP Sourcebook* of the World Bank provided the guidelines for writing the strategic plans. This document, that was developed during the experience of implementing PRSPs, includes recommendations on the overall field of public policies, ranging from health to the reform of public finance, by way of social protection, infrastructure or participation. All in all, it involves a huge review of public policies on the part of the civil services of all countries wishing to benefit from the cancellation of their debts.

The Paris Declaration on aid efficiency⁸, passed in 2005, restates the principles outlined under the idea of “national outcome-oriented development strategy”. This idea was born as early as 1998 in the *Comprehensive Development Framework* (CDF) of the World Bank. It defines an operational strategy according to precise criteria⁹. The annual examination of national strategies is carried out according to a normative approach that analyses whether the country is actually making progress

⁵ To read more about the instrument, c.f. Secretariat PEFA-World Bank, *Framework for evaluating the performance of the management of Public Finance*, Washington DC, June 2005. For Burkina, c.f. country evaluation, Linpico, *Mesure de la performance de la gestion des finances publiques au Burkina Faso selon la méthodologie PEFA*, Ouagadougou, April 2007.

⁶ Questionnaire for the CPIA score : <http://siteresources.worldbank.org/IDA/Resources/CPIA2007Questionnaire.pdf>

⁷ Modifications are made to the evaluation method. It is considered inadequate that the World Bank & the IMF evaluate the quality of the participatory process : it continues to be « noted » but is not longer evaluated in recent version of the JSA.

⁸ <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

⁹ « An operational development strategy refers to a prioritized outcome-oriented national development strategy that is drawn from a long-term vision and shapes a country’s public expenditures. Three criteria are used to assess whether a country has such a strategy :

– *unified strategic framework* : the country has a coherent long-term vision with a medium term strategy that is derived from that vision and tied to sectoral and local development strategies.

– *prioritization*: the country has development targets linked to a holistic and balanced set of long-term goals. Medium-term actions identified in the national development strategy are tied to these targets and follow a well-sequenced path.

– *strategic link to the budget* : the country has the fiscal resources and capacity to operationalize the strategy, including feeding back data on progress into strategy revisions and the budget. » in *Results-based National Development Strategies: Assessment and Challenges Ahead*, World Bank, December 2007.

towards becoming operational. Until 2005 this work was carried out in the framework of the evaluation of CDF implementation. Very few countries were considered as highly advanced: in 2005 only 7 out of the 59 that had developed poverty reduction strategic papers were considered to have operational development strategies¹⁰. This figure has not progressed very much since then; it was running at about 20% in 2007¹¹. Since 2006, the evaluation of progress towards becoming operational has been carried out under the framework established under the Paris Declaration, aimed at all donors who use it to decide whether or not to increase their budgetary aid.

It is worth noting that the Paris Declaration commits the beneficiary States to the logic of mutual responsibility and joint partnership, and to introducing the requisite reforms of public management for implementing aid under positive conditions. In exchange for aligning aid with national policies and moving as far as possible towards budgetary aid that uses national systems of management of public finance and the implementation of commitments as to the sums of aid granted, the beneficiary States are expected to develop strategies and to institute reliable management systems of public finance as well as guarantee the participation of all stakeholders.

It is worth underlining that the above-mentioned approaches pay little heed to the regional perspective of co-operation planning. But NEPAD (New Partnership for African Development) was established in 2001 to include strategic proposals for Africa from a continental perspective, and to promote an integrated socio-economic framework for development. NEPAD was unanimously applauded at the time as representing progress in African leadership, inasmuch as it opened an African path to the continental development process. It is remarkable that the new management tools for aid almost totally fail to take the continental dimension of development aid into consideration, in spite of the warm welcome given to NEPAD. This provides at least a partial explanation as to why NEPAD, in spite of its undeniable interest, has failed to take off.

AN EXAMPLE OF RECAPITULATION
THE NORMATIVE RESPONSE AND “STALEMATE” OF THE PRSP PROCESS IN BUKINA-FASO

In 1999, Burkina committed to the PRSP process. The techniques were set up, the main recommendations and principles applied. But there was considerable hesitation and instability as to the way documents were written, the institutional structures and the quantitative instruments that were to be used: the solutions that were adopted proved unsatisfactory to programme and follow-up on public policies. The vague nature of the recommendations led to much technical work, reforms and negotiations involving national civil service departments and donors, all in the hopes of achieving an operational PRSP. Certain factors pointed towards the inevitable reform, such as implementing budgetary aid and the reform of management of public finance. But trust in the founding principles was lost, and in late 2008, almost nine years after the start-up, the PRSP approach was drastically undermined.

¹⁰ C.f. World Bank, *Comprehensive Development Framework Progress Report : Enabling Country Capacity to Achieve Results*, Washington DC, 2005, et *Results-Based National Development Strategies...*, *op. cit.*

¹¹ C.f. World Bank, *Aid Effectiveness Profile for Burkina Faso*, Washington DC, décembre 2006, & OECD, *Enquête 2008 de suivi de la mise en œuvre de la Déclaration de Paris: une aide efficace d'ici 2010 ? Les actions à prendre*, vol. 2, 3e Forum de haut niveau sur l'efficacité de l'aide, Accra, September 2008.

Prior to 2004, in the logic of the reform of aid and appropriation, the dialogue between the State and the donors was supposed to be connected to the strategic lines and it was expected that the follow-up would no longer be conditional, as had been the case in the past, to adjustments. The State had previously been judged on the basis of the implementation of specific measures that were part of the donors' requirements. For example, it had been possible to submit for aid for the creation of regional head-offices for education or the building of a certain number of schools. The percentage of the funds that had been used was supposed to correspond to the ability to implement funded projects was also not accepted in the follow-up framework, as they were said to be linked to a logic of "means" and not to "results". This is how the first PRSP was drafted in accordance with the so-called technique of logical frameworks. There is a very general presentation of the expected outcomes (for example achieving a certain level of education) of each aspect as well as the actions required to achieve this outcome (for example the implementation of a programme for building a sufficient number of schools). The first PRSP did not include a list of compulsory actions. It did, however try to prove that the designated lines of action had been respected in practice, by listing the investment projects supported by the public investment programme (PIP).

Although this approach had thus far been strongly supported by the European Commission, the programme was considered non-operational as of 2003. A group of donors, including the World Bank and the Delegation of the European Commission joined together to help the PRSP method to evolve. This led to the introduction of a programme of priority actions (PAP) for the second round of the PRSP programme 2004-2006. This movement represented a step backwards compared with the logic of using indicators to track progress, but it was considered to be essential in order to maintain some degree of control over the way policies were implemented. For example, it meant that the State had to commit to carrying out a given audit, to implementing a given strategy, and even to building health centres in a given region.... These specified measures were supported by deadlines for implementation. The PAP was composed of a series of documents. This included an evaluation of the implementation of the previous year's strategy, the list of priority actions, a programme of public investments that translated public investments into actions, a matrix of synthetic statistical indicators, and was supposed to progressively include a matrix of indicators per sector. There were therefore an increased number of instruments to connect the declared strategic planning with the PRSP and the planning methods and follow-up of public action.

However, in spite of these multiple instruments, the connection between public investment and the projects that were actually implemented remained weak. Many of the aspects included in the PRSP remained unclear and had no real link to the public actions that were actually implemented. Under these circumstances, it is very difficult to evaluate the expense of the PRSP programme actions, and the follow-up is obviously compromised. The introduction of the PAP in 2004 was therefore rapidly perceived as posing technical problems, as it was lost in a vague mass of programmes and strategies. Sectoral and thematic Commissions (STCs) were introduced. They were supposed to meet regularly, produce reports, to prepare action programmes and matrices of indicators. There were six of them, and jointly they were supposed to cover the whole field of public policies and were aimed at reviewing the programmes of the various sectors, while also encouraging synergy between ministries. Work started in 2004, but their ability to produce coherent programmes was rapidly queried. One of the many difficulties they faced was the fact that very heterogeneous questions were considered within a single commission. One commission covered all social sectors; water policy was dealt with in the same framework as employment and education...

The recognition of the problems encountered by the system that had been introduced in 2004, which had

itself been devised to replace the initial 2000-2003 PRSP, led to the introduction of a new reform in November 2008. The key measure was the modification of the technical commissions for sectors, which were increased from six to nine. The social sectors were divided into four commissions instead of forming just one. Donors were also invited to participate in the work. There was a stern reminder that PSRPs are an instrument designed for the strategic steering of aid, and as such, the measures that are included in the action programmes should not merely be realistic, but also “genuine priorities and strategic in nature”.

The long-awaited guide was finally written. But in early 2009, it still was not being circulated. People were facing a dilemma: even if the development community effectively agreed on a theoretical strategic plan, they were not capable of making it effective. The instruments are not really effective and are highly unstable. Given this lack of efficiency, a great deal of energy is spent every year in producing a huge number of reports and new procedures. The reality of the evaluation of extra aid that has recently taken the form of budgetary aid is supposed to be implemented through PRSPs. But given the unstable mechanisms, it is not properly grounded, and does not meet the objectives of being operational, in accordance with the PRSP objectives themselves, budgetary aid has led to creating structures that are separate from the evaluation, and that respond to more pragmatic objectives. Simpler matrices, with available indicators, actions with follow-up and controls have been set up by the donors. They have committed to using a single list of indicators of progress for priority actions in their respective evaluations, as well as using a mutual annual calendar that enables them to plan their support and carry out co-ordinated and even joint evaluations.

4. Recent issues in the strategic framework of development aid.

Parallel to the identification of issues facing poverty reduction specific to the MDG development issues, the international donors redefined the guidelines of their policies and actions in 2006:

- The overall cost of the expected measures to achieve these objectives was evaluated at an extra 50 billion US\$ per annum up to 2015. International public development aid, both bi- and multi-lateral will therefore have to be increased by a significant 50 billion US\$ each year.
- The co-operation actors have to establish a strong connection between democracy, good governance and accountability on one hand, and development on the other. With this in mind, they need to emphasize a certain number of criteria for democracy and good governance that essentially condition international funding; a certain degree of decentralisation, that guarantees greater responsibility for political leaders, and increased transparency in management are some of the indicators that are considered as positive.
- Under the auspices of the World Bank economists in particular, the issue of attributing aid takes on a particularly high importance. A certain number of donors are proving increasingly selective in favour of governments that are showing the best economic and social performance. *The Country Policy and Institutional Assessment (CPIA)* and the *American Millennium Challenge Account (MCA)* fall into this category.
- The development model that is recognised by the big international aid institutions has not changed that much since structural adjustment. The basis remains integrating countries into the global economy, particularly for trade, that is supposed to guarantee sustained economic growth, which, on condition that there is relatively good governance and appropriation of

the political and economic reforms by the beneficiaries, will in turn be translated into a sustainable reduction in poverty.

- NEPAD, which was adopted in 2001, is now recognised, in spite of its programming and operational difficulties, as being a relevant framework for partnership between Africa and the Development Partners.
- The issue of harmonisation of international aid policies and procedures is now the object of reflection and increasingly precise resolutions. The Paris Declaration, which was adopted in March 2005, is a good example.
- Ideas on budgetary aid (direct aid granted to government budgets) have progressed in the case of a certain number of donors. According to the donors, budgetary aid enables national actors to gain a better appropriation of development policies. It also improves the co-ordination of development programmes. The predictability of budgetary aid reinforces independent planning and local management.

What questions on PRSPs today, and what ideas for moving forward in the coming decade?

PRSPs are currently criticised by the Development Partners, and there is even doubt as to their future, particularly on the technocratic and prescriptive approach that they develop and the fact that there are contradictions between the instruments on offer. Declarations on efficient conditions and procedures for aid around PRSPs now seem fictitious, and are not in phase with reality. Furthermore, PRSPs have not stopped some people from creaming off profit, and have even sometimes helped this to happen in spite of the existence of declared anti-corruption programmes.

The undermining of the PRSP paradigm means moving forward to analyse how practice needs to be transformed, and querying the meaning of the ability to respond to basic needs and the implementation of sustainable development. It also means that by doing so, that there will be due consideration given to transforming the norms, good practice and recommendations of good governance for very extravert countries that have to comply heavily with donors' conditions.

It would therefore appear necessary first and foremost in the light of experience and given the current crisis, to analyse the way in which the model of PRSP is no longer appropriate, and fails to meet the declared objectives. This discussion, which needs to be held in the course of the Tripartite Dialogue Meeting, would help those actors involved in the field of development to identify new aspects that would genuinely reflect truly operational development strategies that would help to provide a coherent support for development at local level.

Secondly, the mechanism that defines whether the development strategy is or is not operational, based on the Paris Declaration, needs to be reconsidered in light of recent change. Defining a development strategy to some extent induces certain choices in how aid should be oriented. How do PRSPs contribute to taking certain positions and contribute to the creation of political order? We are aware of the influence that development aid programmes have on the way societies in the South are structured, in Africa and elsewhere. The greater the aid in terms of sources of finance, the more necessary it becomes to share the revenue and the more it becomes an integral part of the national and local economic policies and impacts daily life. Many representations of social actors bear witness to its presence and action.

Thirdly, the complexity of the phenomena of interaction of international co-operation and social and political dynamics requires discussion. It undermines the notions of:

- The co-operation “market” in development, inasmuch as the aid proposed by the donors does not necessarily correspond to the request formulated by local populations
- The rational, neutral “norms” for mobilising and distributing aid.

In order to overcome these issues, today’s reality is that both donors and recipients are progressively learning how to move forward in order to connect the offer with the demand. Experience so far has shown that by clearly organising contractual relationships based on dialogue, both donor and beneficiary States develop the ability to implement aid in an efficient and sustainable manner. The question of the place of local government and the difficulty of contributing to this dialogue also needs to be clearly examined.

To conclude this first part of the document, it is worth noting that the concept of development in an organised form, the need for which has again become obvious due to the crisis, depends on one invariable factor: the strategic vision of development can only exist if there is relative autonomy to apply it to individual situations and take local dynamics into account. Due to their involvement in the implementation of aid, local government authorities, irrespective of their status, are the legitimate partners in constructing public policies and the aid programmes that are required to help translate them into reality. In Africa, it is very much in the mutual interest of aid donors and beneficiaries alike to bring local and national strategies together, to the best of their ability. But for the moment, we are forced to note that this is still a fragile area that shows a more or less uneven level of success and that does not demonstrate particularly convincing results. The meeting of stakes and objectives all too often suffers from the constraints of excessive centralisation and lacks explicit coherence.

The Tripartite Dialogue Meeting of the Fifth Africities Summit also needs to address the questions of how best to overcome these obstacles.

PART II – In what way has the global crisis led to renewed strategies for the Development Partners? Some ideas for consideration.

Introductory note of warning:

This part of the preparatory document explores the question “In what way has the global crisis led to renewed strategies for the Development Partners?”. So far there has been no really consensual reply to this question. The ideas proposed hereafter are essentially aimed at feeding into the discussion.

Although the impacts of the crisis in both the donor countries and in those countries that receive aid are generally recognised, they have not yet really led the Development Partners to clearly redefining their strategic positions.

It is probably too early to fully measure the way in which the global crisis will cause a shift in positions. So whether it is in terms of decentralisation and strengthening of local authorities, or of support for local development or local employment, we wish to share, with all due caution, some aspects of the positions of certain Development Partners that appear of interest to us for the discussions during the Tripartite Dialogue Meeting.

This initial approach can be considered as a preliminary overview, and will enable us to hold future discussions with the Development Partners and prepare joint work with the Cities and united local governments of Africa.

Firstly, this part includes an overview of different aspects of the current situation: presentation in alphabetical order of the positions of several Development Partners, and illustrations (in boxes). Then, it considers a thematic summary based on the strategy of the Development Partners in the context of the current crisis.

1. An overview of different aspects of the current situation: presentation in alphabetical order of the positions of several Development Partners, and illustrations (in boxes).

As stated in the introductory note of warning, we are including certain elements on the position of some of the funders that would appear to indicate a change that takes the present situation into account.

a. The Brazilian Agency for Co-operation¹² (ABC)

In 2008, the Brazilian Agency for Co-operation (ABC) supported and co-ordinated 236 South-South projects and technical co-operation actions in 58 developing countries.

¹² <http://www.abc.gov.br/>

ABC has been present in the African Portuguese-speaking countries since the end of the 1970s: Angola (1980), Cape Verde Islands and Guinea Bissau (1978), Mozambique (1981) and Sao Tomé e Príncipe (1984), as well as in other countries that include Benin, Burkina Faso, Chad and Mali, where they have been supporting the cotton sector. They are also present in Botswana in the Health sector.

Brazilian bilateral technical South-South co-operation has concentrated on agriculture (including agricultural production and food security), professional training, education, justice, sport, health, environment, information technology, urban development, biofuels, air transport and tourism. The fields of culture, foreign trade and human rights are more recent additions to the sectors that have been supported by ABC.

ABC has developed a strategy for technical co-operation based on the institutional strengthening of its partners. They favour an approach based on the exchange of experience between these partners, and develop the connection with organised civil society.

ABC is particularly present in the field of Human Rights and supports actions aimed at exchange of practice and training in local authorities, particularly in the field of experiences of participatory budgeting.

Brazil and Namibia are negotiating the second phase of the project that supports urban development. ABC supported a project aimed at providing support for an urban development project in Namibia between 2005 and 2007. This project was specifically aimed at transferring a policy for building non-conventional houses for low-income groups, transferring the non-conventional building methodology and drafting project proposals in the field of sanitation in the towns of Rehoboth and Okahandja

In March 2008, a mission led by ABC and the Caixa Econômica Federal (CEF) was implemented in Namibia. The objective was to evaluate the project and determine the follow-up with the local authorities. This mission included meetings with local government, project visits to waste management sites; training sessions were also organised. Similar missions to exchange experience took place in Burkina Faso in the fields of animal stock farming and health.

b. The Canadian International Development Agency¹³ (CIDA)

In 2009 the Canadian government drew up a new action plan aimed at increasing the efficiency of its international aid. It centred on three priority themes: increasing food security, encouraging sustainable economic growth, and ensuring the future of children and young people.

This new action plan seems to be the result of long years of consideration of the efficiency of Canadian aid, without providing a specific solution to the global crisis. CIDA has three new strategic lines: aid has become untied, (initially food aid, to be extended to all other aid in 2013), 80% of their bilateral aid is concentrated on twenty target countries, including Ethiopia, Ghana, Mali, Mozambique, Senegal, Sudan and Tanzania in Africa, and an important dimension of support for support decentralisation has been introduced. This new action plan represents the continuity of existing projects such as those that have been funded in Ghana since 2004.

¹³ <http://www.acdi-cida.gc.ca>

Poverty reduction: local approaches help get the best results.

Nobody knows the needs of a local community better than its own members. This is the founding principle on which the fruitful partnership of the CIDA and the government of Ghana aimed at supporting local efforts in poverty reduction.

Since 2004, 34 district administrations of the southern regions of Ghana decided for themselves how their share of Canadian funding would be spent in the district-level funded project¹⁴. They decided to establish primary schools, medical clinics, police stations and markets, as well as boreholes so that poor communities could gain access to the basic services they need to improve their subsistence means as well as people's safety.

This is a new way of doing things. The aid project at district level is a good example of how the CIDA approach to new aid mechanisms is helping partner countries like Ghana to take charge of their development and decide on the priorities that best meet their own needs.

In this project, the Canadian funds are transferred directly to the Ghanaian government. They are then transferred internally and finally received and managed by the district administration. This new way of working differs from the old, which generally relied on external structures for project management. The southern districts have welcomed this new approach to such an extent that the Ghanaian government has used the lessons learnt to introduce a Ghanaian district development fund at national level. "Paying the budgetary aid direct to the districts has been very helpful to us" declared Mr. Francis Asampana Akurugo, general manager of the Bongo district.

By providing the resources in a spirit that conforms to the current governmental regulations, the project has helped the districts to shoulder a lot of the responsibility in terms of the national development process.

c. The African Development Bank¹⁵ (AfDB)

The AfDB analyses the fact that the impact of the crisis on Africa will have more serious implications than was at first thought to be the case. The crisis has put an end to the positive growth trends and the positive reforms that had been undertaken in recent years. Although the forecast growth for Africa was around 5.9% for 2009, these figures now need to be revised downwards to about 2.3% on average for 2009. But some African countries may fail to have any positive growth (for example Benin, where the current estimated figures are – 1.3% for 2009 and –3% for 2010).

The AfDB has indicated that the effects of the crisis are clearly perceptible for African countries: the fall in revenue from exports and transfer of remittances from the Diaspora, the impacts of the fall in budgetary and fiscal revenue, can damage investments and infrastructure, and social protection as well as employment, even though these are such important issues.

Given this context, the AfDB is trying to find the means to support Africa by co-operating with other agencies. They underline the importance of African leaders meeting each other. For example, in November 2008, there was a meeting of African Ministers for Finance and central banks that was

¹⁴ <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/projFr/A031899001>

¹⁵ <http://www.afdb.org/en/>

dedicated to increasing flexibility of debt repayments, and restructuring of the AfDB approach. In a period of crisis, conditions need to be adapted, in order to avoid penalising indebted countries and further restricting them in their development efforts. For it is important to avoid a situation where the end of the crisis would see countries heavily indebted, as this would wipe out the previous positive gains for the HIPC initiatives.

The AfDB like other multilateral development Banks that are donors, can play a counter-cyclical role in the context of the economic and financial crisis. But in order to achieve this, it would have to take a more offensive position in supporting local authorities and urban development. Hopefully, their new strategy on urban development will do just that. The United Cities and Local Government organisation proposes that a joint task force be created between the AfDB and the UCLG, particularly in its African region, in order to consider what mechanisms and instruments AfDB could use to provide stronger support for local authorities in Africa.

d. The French Development Agency¹⁶ (*Agence française de développement, AFD*)

For approximately the last ten years, the French Ministry for Foreign Affairs has been supporting decentralisation programmes that have been introduced in developing countries. These programmes are particularly based on supporting the training of local authority staff so that there is “improved management of equipment, more efficient local taxation, performant financial management”.

Projects funded by the AFD fall into this approach, and favour the use of overall municipal control over projects. The way in which decentralisation is supported may also concern specific sectors: tax reform, funding equipment, the way in which resources are allocated, legislation regarding land etc. – that are determined at a central level, with a view to improving local management. Particular attention is paid to questions at district level as well as the management of towns.

The decentralisation process is concretely implemented by financial mechanisms and support for local government. AFD funding is generally awarded to towns, either directly (so-called sub-sovereign finance) or via specialised financial institutions. Certain recent projects have led to so-called hybrid finance that is partly based on grants and partly by direct loans to the towns in question.

Ultimately, the idea is to facilitate access to financial markets for the best managed towns, thanks to the introduction of specific mechanisms.

The programme for reinforcing and equipping local government (PRECOL) in Senegal is an example. Jointly financed by the AFD and the World Bank, and implemented by the Agency for Municipal Development (AMD), it impacts all Senegalese villages and is characterised by the use of mixed finance in the loan-funding for municipalities. It also includes a town contract as management tool to regulate the relations between the State and the local authorities. The AFD is specifically involved in this programme in the Greater Dakar area, particularly in supporting the introduction of the inter-municipal structures.

¹⁶ <http://www.afd.fr>

For the 2008-2011 period, the AFD has confirmed this line in matters of urban development, and emphasizes the role of local government, not only as a strategic actor that should be strengthened, but also as a “legally competent public actor, that is *a priori* better informed, more responsible and ultimately more relevant”. The AFD also recalls that “local authorities and local governments [...] are unavoidable [...] and also legitimate and relevant actors in implementing public policy”. The AFD thus defines their own role as needing to “support the dynamics of building towns and urban town planning through on-going action at local level that promotes the value of the work carried out by local government”.

The programme of dedicated actions drawn up by the AFD for the 2008-2011 period is based on supporting local government to define and implement public policies aimed at improving the living conditions of city dwellers on one hand, capacity building of local authorities and support for the decentralisation process on the other. The priority in terms of financial tools is to give direct loans to municipalities and to grant-supported intervention.

The AFD is less clear in terms of the role that local government should play in rural development. It does nevertheless explicitly state that: “The AFD will support the decentralisation process in several sub-Saharan African countries, and will continue their support aimed at strengthening local control over local development projects”.

Geographically speaking, the AFD essentially provides support for the main cities and capitals. The smaller towns are not identified as a priority for AFD support. In the emerging countries, the AFD actions are carried out directly in support of local government, and try to have a knock-on effect on neighbouring towns and on national policies. In the medium-income countries, the AFD support is essentially concentrated on accompanying the decentralisation process through the financial support for specialised financial institutions or municipal investment funds. In the less advanced countries, the AFD favours financial support for urban projects aimed at helping to catch up on investments, and supporting capacity building for local authorities.

e. *Department for International Development*¹⁷ (DFID)

In the context of the global crisis since 2008 the DFID has estimated that there will be an additional 90 million poor compared with the previous estimates made for 2010. The crisis has already resulted in a reduction of almost 5% in international loans to developing countries in 2009, with the forecast of an 8% fall for 2010. DFID has generally speaking confirmed its support for basic public services, for security (for states that are fragile or coming out of conflict) for maintaining levels of aid and economic growth that respect current and future climate change.

DFID has stated that they will maintain present levels of aid until 2013, based on 0.7% of British national income.

In the White Paper¹⁸, published in July 2009, DFID restates the various positions of the organisations that have been consulted on the impact of the global crisis. This represents an opportunity for the

¹⁷ <http://www.dfid.gov.uk/>

¹⁸ <http://www.dfid.gov.uk/Documents/whitepaper/building-our-common-future-print.pdf>

countries of the South to reconsider their long-term growth strategies, in order to create sustainable growth and environmentally friendly development, as well as profitable regional growth for all.

Research strategy 2008-2013: emphasizing local aspects

Decentralisation, the role of local organisations and the private sector in the provision of services both form part of the Research strategy for 2008-2013.

There is a plan for DIFD to decentralise certain research activities, so that the partners in the beneficiary countries will be able to implement the research results locally, and be in a better position to help the regions to forecast development and find the means to improve the use of technology. The objective of emphasizing the decentralisation of research is also to strengthen links with the private sector, with NGOs and local communities and intermediaries.

Local research is therefore considered as essential inasmuch as it corresponds to different ways of responding to local issues and helps to develop sustainable solutions to development issues.

f. *Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Co-operation Agency)*¹⁹ (GTZ)

GTZ is a development partner that clearly indicates that it supports administrative reform linked to decentralisation and regionalisation of central powers, as well as to capacity building in local and regional authorities.

GTZ therefore places a lot of emphasis on the local level. They clearly express their position on subsidiarity: certain powers should be exercised by central government, others by local and regional authorities. And even if decentralised structures work very closely with grassroots, and are perceived as flexible and efficient, local and regional authorities cannot meet all of society's needs. GTZ has an original approach of strong support for local and regional authorities, while also supporting the central State, which preserves its own powers.

GTZ also explicitly supports the articulation between different levels of governance, at local, national and continental level, including the regional economic communities. They also support peer group exchange in local authorities in the key sub-regional integration areas. GTZ is the only one of the Development Partners in Africa to do this.

One of GTZ's actions that supports this position is providing support and advisory services to help define the appropriate level of competence for a given service (central, regional or local). GTZ advises the various actors on how to increase the performance of their respective brief, and explicitly asks the following question: what skills do local authorities need to promote local development? In the framework of administrative reform, GTZ works with the representatives of the regions and towns as well as with civil society and the private sector.

GTZ also emphasizes the importance of regions in terms of cultural identity: the regional context is where goods and services are exchanged, where natural resources are managed and grown...The regional level of development therefore appears to offer a great deal of potential to countries wishing

¹⁹ <http://www.gtz.de/en/>

to progress. Interconnections and interdependencies in and between regions are analysed in order to build regional development strategies. The objective here is also to involve all the important actors at regional level and empower regional institutions to develop their own capacities. They are then able to manage the complex and evolutionary processes that characterise regional development by themselves.

An example of a programme: *Capacity Building of Regional Economic Communities in Africa to Promote Regional Infrastructure Projects* This programme is based on the observation that national authorities in many African countries are confronted by serious challenges in terms of providing their citizens with adequate infrastructure for energy, water, transport services etc. Regional projects are considered as crucial to improving the economic situation in such countries. However the lack of expertise and capacities in the regional organisations that are in charge of infrastructure are perceived as a major hindrance. This is a major challenge to improve the use of funds.

g. EuropeAid / The European Community²⁰

The European Union and the Member States together provide around 60% of all development aid to the poorest countries. The European Union is therefore one of the biggest donors, and allocates 9% of the total annual budget of the European Commission to external aid. For the period 2009-2013, EuropeAid will be managing a budget that has been increased by 17%.

In December 2006, a simpler framework replaced the range of existing financial instruments for providing aid outside the EU. The Instrument for Development Co-operation (IDC) has been allocated the sum of 16 897 billion euros for the period of 2007-2013. One of the thematic programmes of the IDC is aimed at non-State actors and local authorities in the development field. It is specifically aimed at local authorities, both in EU countries and in developing countries. The main objective of this programme is to strengthen capacities of non-State actors and local authorities so that they can play a greater part in the decision-making process and provide more efficient basic services for the poorest inhabitants in the developing countries. The EU also encourages co-operation between non-State actors and local authorities “because their efforts are often complementary (multi-sector partnerships)”.

The brochure called “Implementing European Community foreign aid 2004-2009: better, faster, more” outlines the simplifications that have occurred in the provision of aid. It explicitly states that local authorities have become a new category of beneficiary eligible for aid. The brochure also indicates that the Commission’s regional aid programmes provide considerable added value, and that the connection between national and regional activities should be further reinforced.

It is worth noting that since 2000, EuropeAid has “deconcentrated” its aid management by organising the transfer of responsibilities from Brussels to an increasing number of European Commission Delegations in the beneficiary countries. Prior to this reform, 55% of the fund management was jointly handled by the 120 Delegations. By late 2008, 82% of the funds were being directly managed

²⁰ http://ec.europa.eu/europeaid/index_en.htm

by the Delegations. It seems that this decentralisation has greatly contributed to improving the efficiency of actions.

The European Commission funds most of its development programmes aimed at the ACP partners (Africa, Caribbean, and Pacific) through the European Development Fund (EDF). Some programmes are also funded on the EU's general budget. EuropeAid works on a regional and country level in many different sectors such as: aid for co-operation and regional growth in Africa through the financial instrument for peace in Africa (APF) that was created in 2004. The Commission has also created a new type of fund aimed at encouraging massive sustainable investment in infrastructure in the ACP countries; this fund gives priority to regions. It offers a European-African partnership for infrastructure that is aimed at improving interconnectivity, supporting regional integration and promoting "South-South" trade. There is also a country-based system of co-operation based on a Country strategy Paper. This presents the strategic framework of EU aid for a specific period. This framework allows decentralisation-related questions to be considered under the heading of "governance". The methods of management are, however, at national level. Local authorities are perceived as being actors that should be supported and strengthened, rather than as direct partners.

In the context of the current crisis, the European Commission is introducing new measures. While there is dedication to respecting their commitments, as well as those of other funders, they state that there is a need to adapt strategies by combining development aid and other financial tools.

COMESA and EAC (East African Community)

"A regional programme of the Commission has supported the regional integration organisations in East and Southern Africa to develop their operational capacities. The Commission's support to the Common Market for East and Southern Africa (COMESA) and the East African Community (EAC) has been doubled. In effect, it concentrated on implementing their integration programme as well as extending their regional and multilateral trade.

Ghana

"The strategic country document for Ghana (2008-2013) presents the strategic framework for co-operation between the European Commission and Ghana under 10e of the European Development Fund (EDF). Ghana is well-placed to meet some of the millennium development goals (MDGs) by 2015. Nevertheless there are still regional and socio-economic disparities. Ghana needs to try to overcome these key obstacles to fair and sustainable growth, particularly in the field of governance, private sector competitiveness and human development. They also need to be vigilant concerning participation and the responsibility of civil society to help achieve reforms in political governance. [...]. Aid shall be based on improving transport services, regional integration and governance, and will encourage decentralisation, civil society and the non-executive bodies. The European Commission has dedicated 175 million euros to general budgetary aid [...]"

Source : http://ec.europa.eu/europeaid/index_en.htm

h. The Ile-de-France Region (Greater Paris): an example of territorial partnership development²¹

Support for decentralisation is a key element in the Greater Paris (Île-de-France) Regional co-operation policy. Although the Region is also involved in other indirect capacity-building themes, the support for decentralisation is a very important aspect, even if there is no specific budget line to quantify the amount.

The Region's strategy is to contribute to helping to develop more efficient public policies. Some examples of this are the training of elected representatives and local government officers in Kayes (in Mali), in Nouakchott (in Mauritania) as well as founding an Institute for Local Government Studies (Institut des métiers de la Ville: IMV) in Antananarivo in Madagascar. This work uses the global Fund for urban development (Fonds mondial pour le développement des villes: FMDV). Indirectly, this all contributes to local development and local employment.

The global crisis has not resulted in any reduction to the investment budgets that the region has dedicated to decentralised co-operation. It is the working budgets that have been cut. To date, the Île de France Region has not introduced any strategic change to either their strategic or financial position. Project continuity has been a priority, particularly in terms of local government levels that are being supported: this affects essentially urban and regional communities.

The Institute for Local Government Studies (Institut des métiers de la Ville IMV).

In 2008, an Institute for Local Government Studies was created in Antananarivo, in partnership with the greater town council. Based on the Hanoi model, the Antananarivo Institute aims to provide support for new planning methods and town management that meet the requirements of sustainable development. Planning issues, urban transport, regulatory aspects, tax issues etc are some of the fields that are covered. This new structure provides a real framework that supports decentralised co-operation, as well as being a permanent institutional support for members of the Greater Council. The first training was carried out on the subject of urban planning and transport; it was aimed at improving urban mobility.

Source: <http://www.iledefrance.fr/international>

i. The Organisation for Economic Co-operation and Development²² (OECD)

The 2009 annual report of the OECD²³ states that the financial and economic crisis that exists in most of the donor states may well lead to drastic cuts to aid budgets, as was the case following the recession in the 1990s. The OECD and the development aid Committee called upon OECD members to respect their commitments in terms of development support, in order to avoid "the financial crisis becoming an aid crisis". This position was already stated during the Doha conference on development aid that took place in November 2008.

²¹ <http://www.iledefrance.fr/international>

²² <http://www.oecd.org>

²³ <http://www.oecd.org/dataoecd/38/39/43125523.pdf>

The OECD, in partnership with other organisations, promoted numerous initiatives for studying, discussing and formulating proposals in response to the global crisis that is seriously affecting Africa. To illustrate this, the 9th International economic forum on Africa, that took place in June 2009, jointly organised by the OECD, the African Development Bank and the Economic Commission for Africa of the United Nations, and with the support of the European Commission. They insisted on the fact that the crisis, which is now global, had originated in the OECD countries. The latter, all now undergoing a recession, should not “forget Africa”, as they are responsible for the crisis. Development aid to Africa should therefore be maintained, not only for structural reasons, but also to provide a timely echo to the crisis.

Although the weaker growth, the fall in foreign investments, aid restrictions and remittances all have a considerable impact on the budgetary and fiscal resources of African countries, the direct consequences for local government and local development have not been emphasized to the same extent. Nevertheless the annual OECD report for 2009 states that “we must confront the crisis by making the most of local resources”. It calls upon developing and emerging economies to mobilise their local resources to the utmost, in order to take up new challenges. We thus find ourselves at the heart of a new development issue, partly centred on local dynamics, and that opens up new perspectives for distributing structural aid.

“The Sahel and West Africa Club (SWAC)²⁴ is a place for dialogue between West African and OECD member states. The SWAC aims to promote the regional dimension of development alongside governments, regional institutions, the private sector and civil society organisations. It also supports the conception and implementation of joint or intergovernmental policies. The SWAC work covers 18 countries, 15 of which are members of the Economic Community of West African States (ECOWAS), as well as Cameroon, Mauritania and Chad [...]”.

“All the SWAC activities are based on a regional approach. The revision process of the Charter for food aid that is co-ordinated by the SWAC and their partners shows how regional co-operation can improve the efficiency of aid. The first ECOWAS/SWAC report on development resources underlines the importance of regional co-operation and feeds into the discussion on the future of the region. [...]”;

Sources: www.oecd.org/csao and www.westafricagateway.org

j. The United Nations Development Programme²⁵ (UNDP)

The UNDP, working together with regional institutions, the UN Agencies and other partners, including civil society and private sector organisations, has supported capacity building for African governments and communities in order to speed up progress towards achieving Millennium Development Goals. (MDGs)

The UNDP addresses the multi-dimensional aspects of poverty by working in four major fields, and including the cross-cutting aspects of gender balance and increased empowerment of women. The four pillars are: poverty reduction and MDGs, democratic governance, environment and energy, crisis prevention.

²⁴ http://www.oecd.org/pages/0,3417,en_38233741_38242551_38246378_1_1_1_1,00.html

²⁵ <http://www.undp.org/>

The UNDP intervenes in Africa essentially in the field of poverty reduction, reaching the MDGs and democratic governance by supporting decentralisation and partnerships with local authorities.

Budgetary reform to help reach the MDGs in West and Central Africa.

The UNDP offices for West and Central Africa are based in Dakar. In November 2009 they brought a group of international experts together to discuss the possibilities of improving budgetary programming to achieve the MDGs in the sub-region.

The UNDP has already worked with six West and Central African countries on planning and budgeting for the MDGs: Benin, Senegal, Burkina Faso, Togo, the Central African Republic and Mauritania. African ministers, economists from the country offices of the UNDP and donors were all present for this meeting, and considered the following themes: the stakes of results-based public management and medium term planning, budgetary reform and new budgetary tools, making budget reform operational from the point of view of national appropriation and the articulation with strategy documents and finally, the evaluation of public policies and performance evaluation.

Environment and local employment in Gabon

Domestic waste management is a real environmental and public health issue in the capital of Gabon. The UNDP is working in partnership with the Libreville Town Hall and the hygiene department of the Ministry for Public Health to develop the programme "Joint management of solid urban waste", as part of the national waste management programme. This enables the MDGs to be implemented, thanks to increased poverty reduction, improved conditions of public hygiene and primary health care as well as a cleaner environment. There is a positive knock-on effect at economic level, as it contributes to job creation for unemployed young people who are and who account for 48% of the population. It is therefore essential to develop pre-collection points that respect the best possible conditions of proximity and partnership with the users. The objective is to increase the number of households concerned by refuse collection from 40 to 80% in the next five years, and to develop incentives, information and awareness-raising.

The strategic approach to the project places the population in question at the centre of the mechanisms. It is therefore the poor youth from the poor neighbourhoods who are being recruited. They are trained in waste management, in administrative and financial management and in a participatory approach before being allocated jobs in project teams. Over and above the training, they are also encouraged to raise awareness in the households that have signed up to the pre-collection scheme, concerning the benefits of a healthy environment. Almost two hundred young people are currently employed in eleven project teams that service the waste removal on a daily basis for 300,000 inhabitants in eleven selected neighbourhoods. The clients pay 5,000 CFA francs per month (less than ten dollars) for these services. The young people have thus acquired a profession that is ultimately aimed at training organised groups that have an institutional and legal status that will enable them to become real economic actors. As time progresses, many of the young people have seen their economic and social situation improve, with increased income and purchasing power.

According to local government sources, this project will be rolled out on a large scale. As well as considerable job creation for young people, the first project teams are now independent, and operate as small and medium-sized companies.

k. *United States Agency for International Development*²⁶ (USAID)

USAID has been supporting local democratic governments and decentralization for several years. USAID provides support at national and local levels for decentralization and effective local governance. Under this objective, technical assistance and training is provided to strengthen local government functions, including development of budgets, raising local revenue, provision of basic services, and community participation.

In the last Citizens' report²⁷ in 2008, support for decentralisation is confirmed through anti-corruption reforms, and strengthening public sector executive functions by providing training on financial planning and management, strategic planning and management etc. USAID works with governments, and local authorities to encourage citizens' participation in political processes. It aims to create new programmes that reinforce citizens', authorities' and local organizations' ability to take the lead in developing civil society.

USAID works directly with African regional organisations that encourage the building of democratic African Regional organisations in the region, such as the African Union.

USAID is responding to the global crisis by additional programmes as a reaction to the food crisis, due essentially to the considerable price increase in agricultural produce (+43% on average between March 2007 and March 2008 according to the International Monetary Fund, with increases of over 146% for certain foods). These additional programmes are implemented on a regional basis. In East Africa, the programme objective is to increase the resilience to shocks that threaten the food security of households. In West Africa, the funds are aimed at supporting the co-ordination of regional subsistence as well as programmes aimed at responding to the crisis in food prices. There is also an FAO regional support programme aimed at strengthening subsistence means and improving nutrition for the most vulnerable households, be they rural, peri-urban or urban. In southern Africa, the funds are allocated to improving food security for the most vulnerable and those most affected by the increased price of food.

l. *The World Bank*²⁸ (WB)

The World Bank has included the issue of decentralisation in its governance strategy since the end of the 1990s. Its urban strategy is based on "a strategy for towns and Local Government" including for institutional questions. Nevertheless statutory constraints mean that it may only lend money to governments. In order to impact Local and regional Government, there is now an emphasis on intermediation, either by going through NGOs, with all the problems that this can pose, or via dedicated funding that is linked to guarantees by central government and their legitimate intervention. This is aimed at lifting the constraints to local control of project management.

The World Bank also states that it is taking the global crisis into account in its interventions by declaring that they are highly concerned with the idea of mobilising fresh resources. They make a clear distinction between the two dimensions of the crisis: the food crisis and the financial crisis.

²⁶ <http://www.usaid.gov/>

²⁷ http://www.usaid.gov/policy/budget/citrep08/usaid_citizensreport_fy2008_012909.pdf

²⁸ <http://www.worldbank.org/>

The World Bank launched an intervention Programme aimed at the global food crisis, the *Global Food Response Program* (GFRP). It aimed at a mechanism to raise 1.2 billion dollars to meet immediate needs, and to speed up the aid to the countries in greatest need. In September 2009, the GFRP paid 1,164 million dollars out of a total of 1,190.4 million total for projects in 35 countries. This programme funds the following African countries: Benin (9 million), Burundi (10 million), Central African Republic (a) (7 million), Djibouti (a) (5 million), Ethiopia (a) (275 million), Guinea (10 million), Guinea-Bissau (5 million), Kenya (a) (50 million; 5 million), Liberia (a) (10 million), Madagascar (10 million, 12 million), Mali (5 million), Mozambique (20 million), Niger (a) (7 million), Rwanda (10 million), Sierra Leone (a) (7 million), Somalia (a) (7 million), Southern Sudan (5 million), Togo (7 millions).

The World Bank has also increased its overall lending to agriculture from 4 billion dollars in 2008, to 12 billion for the next two years. This measure practically doubles loans to Africa.

The World Bank Group addressed the financial crisis situation as of late 2008 by introducing measures to accelerate the granting of loans, assistance and consultancy to developing countries. In 2009, the World Bank dedicated a record amount of almost 60 billion dollars to support countries facing difficulties that were a result of the global crisis. This corresponds to an increase of 54% on the previous year. The Bank also introduced a new mechanism that fast-tracked the approval procedures, so that the poorest countries could gain access to a special amount of 2 billion dollars of the IAID (Association for International Development) budget. In February 2009, the Democratic Republic of Congo was one of the first countries to avail of this mechanism.

This is an extract from an interview in September 2009, with Shantayanan Devarajan, chief economist for the African region of the World Bank.

“It is largely due to African governments that have been supported by the World Bank that we have been able to avoid an even more tragic humanitarian catastrophe” [...].

“We have been dealing with a crisis that has primarily hit the urban poor – and to a lesser extent the rural poor. It was therefore possible for us to target our aid. Another part of our response was to rapidly work on developing measures of social protection.” [...].

“In Ethiopia for example, the simple doubling of the daily amount allocated to existing public works projects enabled poor people to get money quickly. In fact the first people to take advantage of this increase are the extreme poor, as wages in the public works sector are very low, only the poor are prepared to accept these jobs. Countries like Liberia and Sierra Leone have also extended their public works programmes”.

The impact of the financial crisis on the closure of public private infrastructure projects. Based on documents supplied by the World Bank

Sources: PPI database²⁹ – World Bank and PPIAF (*Public private infrastructure advisory facility*)

PPI (*Private participation in infrastructure*) in developing countries was growing rapidly until the full onset of the crisis. Investment commitments to PPI significantly declined in the second half of 2008, but have since recovered. In the first semester of 2009, investment commitments to PPI projects were concentrated in certain countries: Brazil, India and Turkey, which are all economies with a high level of liquidity and important Public-

²⁹ <http://ppi.worldbank.org>

Private Partnership programmes. The recovery in the first semester of 2009 affected medium-income countries and was driven by a few large projects. (The number of projects continued to fall). Low-income countries continued to see lower investment in early 2009.

The financial crisis impacted new PPI projects (higher investment costs, delays, cancellations.). Local public banks and donor agencies have become key providers of funds.

Projects were initially delayed in the transport and energy sectors. "Greenfield" projects have shown a lesser decrease in the second half of 2008, and showed a strong increase in 2009.

The PPI market has undergone considerable change. This new environment will lead to greater project selectivity and stricter financial conditions.

2. Elements of thematic summary on the strategies of the Development Partners in the context of the crisis.

The global crisis.

- a. Although the consequences of the crisis in both donor and beneficiary countries are recognised by everyone, they have not yet been significantly translated into any precise redefinition of strategy by the Development Partners. It is probably too soon to measure what repositioning will result from the global crisis.
- b. The theme of the Vth Africities summit and the response of local and regional government to the global crisis covers many different dimensions. The Development Partners have not yet formulated their strategies for confronting “the crisis”, but there is consideration being paid as well as actions implemented to deal with the consequences of the *crises* at local level: land crisis, food security, climate crisis, loss of income linked to exports, loss of income from migrants’ remittances.

Decentralisation / strengthening of local government.

- c. There is an undeniable consensus between Development Partners as to the relevance of decentralisation, on the fact that this results in the need to consider certain development objectives at territorial and municipal levels, and on the strengthening of local authorities.
- d. Concrete implementation by the various Partners, however, remains disparate. In some cases, the specific formulation of support programmes for decentralisation and strengthening of local government authorities does translate an explicit commitment. For others, it is more a case of implicit expected outcomes of the implementation of broader poverty reduction programmes, improving infrastructure or good governance.
- e. There is diversity in the support given by the Development Partners to decentralisation; this may be linked to some extent to the organisation’s and their country’s culture. This is demonstrated by the heterogeneous way in which strategic recognition of the importance of decentralisation exists, and by the direct support provided to local governments. For some Partners, support for the decentralisation process is linked to the central State being very active in the fields that fall into their brief, and the application of the principle of subsidiarity. For others, this link is not so clear, and the former may occur to the detriment of the latter.
- f. Most Development Partners are not sufficiently aware of the need to move beyond the project-based logic, in dealing with the fundamental issue of decentralisation.
- g. Deconcentrating aid programmes so that local Partner delegations are in control, may well represent an opportunity to improve aid efficiency in terms of meeting real needs, on

condition that the strategic discussion on defining the needs and implementing the aid programmes is open and includes the work of local authorities.

- h. One of the most urgent outcomes of the global crisis will be the need to ensure careful co-ordination and coherence of the implementation of actions. It is regrettable that local authorities that are in the best position to do so, have not so far been considered as the essential link in the co-ordination chain. Yet they are in the best position to be able to understand cross-cutting local issues, and ensure that implementation is in phase with national policy for a given sector.
- i. The inter-dependence of the rural and urban worlds that is expressed in an acute way in the context of the present crisis has not changed the approach that continues to split urban from rural programmes. Better articulation between them would mean that all local authorities could provide a better response to the underlying issues. This would develop the complementarities that are essential to helping dynamic local economies to emerge. It is these local economies that form the basis for any real competitive economy at national and regional levels.

Local development and employment.

- j. Support for basic public services (management of waste disposal, water, urban transport etc.) provide a useful means for Partners to reduce poverty and make a substantial contribution to local development. This type of action should be maintained and strengthened, because the access to basic good quality services leads to a virtuous circle in terms of job-creation and new local tax revenue.
- k. One of the expressions of the global crisis is the drop in remittances that migrants are sending back to their home countries. But these remittances can, under certain circumstances, provide help for local development and employment. Programmes with matching funds for local development projects designed by the migrant workers where the Partners contribute at least the equivalent sums to those transferred, could prove to be a fruitful illustration of initiatives of co-development with positive knock-on effects.
- l. The creation of local wealth and employment are seen by some Development Partners as a positive potential outcome of their programmes, rather than as a strategic objective *per se*. Innovative projects that support newly recognised actors for their contribution to local development – for example actors in the social and solidarity economy sector - could also be developed. They could generate more efficient aid, and become the vectors of important levers that would help local authorities to create local employment and increase their own resources.

PART III - Conclusions

1. An overview of the recommendations and conclusions expressed in 2006.

In 2006, the preparatory document for the Tripartite Dialogue Meeting underlined that it constituted a first step aimed at defining a co-ordinated, jointly developed strategy for co-operation in the area of decentralisation, for strengthening local government and poverty reduction. This strategy was built around proposals that we shall now list as a reminder:

- Articulate support for decentralisation and budgetary aid
- Organise the co-ordination of the Development Partners
- Define appropriate levels of intervention
- Ensure the existence of financial support for local development
- Encourage coalitions of local actors
- Develop coherence in policy-making
- Support decentralised co-operation
- Introduce a process of mutual evaluation
- Confirm ambitious financial commitments for the decentralisation of African local governments.

We also recall some of the conclusions of the 2006 document:

- Political determination of national governments is a decisive factor; decentralisation cannot achieve satisfactory results if it is imposed.
- Promoting decentralisation as the only existing institutional management technique or as a tool for good governance is insufficient: it only becomes fully justified if it helps to create precise links with the objectives of universal access to basic services, and poverty reduction.
- It is a priority to ensure that stable local finance based on different sources exists or is created.
- The slogan of participation is not in itself enough to guarantee genuine support for excluded groups, and old or new forms of discrimination may emerge; the role of the State is fundamental in ensuring that such effects are rectified by reforms. This requires an efficient and legitimate State.
- The simultaneous support for the decentralisation process and the “community-based” approaches to the conception of development programmes has increased the number of parallel informal institutions; these structures may sometimes compete with elected territorial authorities in terms of legitimacy and decision-making powers. A greater effort needs to be made to achieve more coherence and inclusion of these community dynamics in the planning process as well as implementing the choices made by local government.
- Joint support for decentralisation and policies for specific sectors has sometimes led to a *de facto* recentralisation of decision-making. More generally speaking, it is necessary to try to systematically align support programmes for decentralisation with all other strategies, be they national, community or sector-based.

In spite of progress that has been made in some countries, the recommendations that were formulated in 2006 are still relevant in 2009. Nevertheless there are new contextual aspects that are the result of the global crisis, and particular way that it affects Africa.

2. A renewed approach to the issues and challenges posed by the global crisis.

What is the overall situation?

The International Institutions are forecasting that projected growth for Africa for the next years will decrease. The worst-affected African economies are those that are most highly dependent on exports of basic products. In many African countries that are net importers of oil, the GNP is expected to drop in 2009 and 2010. The high price of food traded on the international commodities' markets is an on-going contributory factor to the food crisis in many African countries. This particularly affects the urban poor. In all countries the reappearance of inflation is liable to reduce the positive effects of growth for the poorest.

Africa is generally characterised by a low level of development of intensive agricultural techniques, coupled with a dual urbanisation and all the related social tensions that this involves, as well as the poor state of infrastructure. Most African countries remain heavily dependent on their exports of raw materials and the fluctuations of external financial and monetary markets and therefore on international aid.

The heavy impacts of the shocks to external markets are therefore ruinous to Africa. The present crisis again sheds light on the main cause of the situation: endogenous growth is too low in the rural world of peasant agriculture, which has been neglected and left to exist in an almost closed environment, as well as the informal urban sector, where the trend to live off income support is greater than productive behaviour. The rural sector, the informal sector and public services are all levers of action when global resources become sustainably reduced.

In this difficult context, policies aimed at the diversification of the economy and that support endogenous growth as well as the creation of national and regional markets have been added to the political and co-operation agenda again. The crisis also demonstrates, that the need for building and maintaining stable State systems that are both efficient and democratically legitimate are more important than ever before.

The question of the coherence of the aid policies of the OECD countries and those of emerging countries, including China, need to be discussed, and the initiatives strengthened, if Africa is to avoid damaging competition.

What discussion on aid for Africa?

The increase in internal exchange that includes added value and increased productivity is the solution proposed by African local government authorities. Let us bear in mind that this will not be efficient unless other positive change also occurs: rich countries need to open their borders to African products, subsidies and other trade barriers need to be removed. There also needs to be a shift in the concept of intellectual property rights, and African immigrants need to be treated in a dignified way. Let us remember that the remittances that African countries receive in terms of transfer of funds by migrant workers, are equivalent to the total amount of public development aid received.

The policies aimed at restricting migration should therefore be considered in terms of the essential contribution of these remittances to the development of the African continent.

Public development aid certainly appears as capital that is injected straight into the African development circuit. Poverty reduction needs to remain the priority in the co-operation agenda. Aid is also aimed at creating the necessary minimal conditions required for development to begin. It also is essential for preserving, and where possible increasing, human and social capital, as well as public goods, particularly infrastructure. To achieve a sustainable reduction in poverty, it is necessary to create wealth at national level and even more so at local level. Certain prerequisites are necessary if local governments are to be able to efficiently do this: it is necessary to develop local economy, to promote local food sovereignty, ensure that people's rights are respected as well as access to basic local services. Production needs to be encouraged, as well as access to as many basic local services as possible. The institutions and mechanisms created at local level, based on the rule of law, are something that also constitutes a priority. Local development needs to be able to create the overall financial resources required to cover the cost of urbanisation, infrastructure and upgrading for which local government and the inhabitants of any town are responsible.

A preferential way of creating human and social capital is probably if public development aid is increasingly linked to local areas and to the dynamic work of hands-on actors. This would help in to develop local social capacity and jointly finance projects that strengthen local development and support the exchange of essential goods and services at local level.

3. Organising participatory local development, winning the trust of local communities.

Human relationships are based on the need for security, peace and harmony that can best be expressed in the converging effort to liberate all people. Local development needs to be grounded in justice and solidarity, which guarantee trust in local actors, a trust that is a necessary condition for their human and material investment.

It is very difficult to establish a "scientific" correlation between the progression of democracy and the level of trust of citizens. Certain authoritarian regimes have introduced social policies that were appreciated by their citizens, whereas formal democracies have sometimes been incapable of meeting the challenges of development. Although there are no direct links of cause and effect between democracy and local development, or between the existence of independent local policies and social well-being, we have many reasons to believe that cleverly designed local policies strengthen democracy, just as democratisation can contribute to enlarging the field of public action by allowing greater freedom of expression of people as to their priorities.

Decentralisation with the devolution of power limits the risk of instrumentalisation of political powers, and calls for specific attention to be paid not only to the coherence of local and national policies, but also to the links between these policies and their democratic content.

Democracy is a concrete space where struggles and conflicts can occur, where people are able to have a genuine influence and control over the State's actions. This means it is necessary to spend time building bottom-up and top-down participatory frameworks that allow for the expression of

various social demands and that pay special attention to the way that they are included in local and national policies.

Trust also develops when people are elected on the basis of universal suffrage, and when the possibility for permanent democratic control exists, with local and national public policies that are all correctly articulated. This complex task stands a greater chance of success if it is implemented in a small area and then extended to the national level. Those actors involved in participatory aspects at local level should be encouraged to accept clearly defined responsibilities to be able to make a critical contribution to the institutions and contribute to building sustainable social and institutional capacity.

Local government needs to play a strategic role, as it their very existence and skills that make it possible to envisage a structured dialogue between the State and local authorities on questions of local development. These organisations should play an equally important role in linking the local to the supra-national levels of governance.

Sustainable local development is a genuinely credible alternative to activate a social and economic dynamic based on meeting the needs of people and the provision of public services at local level.

These proposals conform to the Agenda 21 recommendations that emphasize participatory processes in the definition of local policies. This is aimed at three objectives:

- The possibility of local development actors to influence policies that affect living conditions, social peace and access to basic services
- Decentralised appropriation and democracy that are supposed to encourage all citizens at all levels to contribute to the joint management of society in general
- Developing new partnerships between NGOs, public services and local governments.

Action programmes should basically emphasize and encourage methods of budgetary, tax and social solidarity by developing participatory budgeting, carrying out social investment and creating job opportunities and income (local development).

Medium- and long-term impacts of the projects and programmes should be considered in terms of the sustainable development of the projects and programmes in question. This implies developing strategies for protecting the environment and biodiversity, having a policy that protects water, promoting renewable energies and also waste management.

4. Conclusions and proposals.

- a. The on-going efforts that are being made to renew the management of States in the developing countries needs to be translated by an increase in local democratic governance and by promoting participatory approaches that enable all actors to mobilise.
- b. In order to be truly democratic, local governance needs to ensure that all the actors involved have genuinely *appropriated* the principle of subsidiarity. This is a necessary stage for implementing aid in positive conditions. Democratic appropriation of the decentralisation of responsibilities is central to the efficient implementation of objectives in the fight to reduce

poverty, achieve positive social results, growth and good governance. It also depends on the quality of the planning abilities, budgetary management, follow-up and evaluation that allow programmes to be smoothly implemented.

- c. Discussion between all actors involved in co-operation on the operational strategies that can provide a coherent support for development at local level should be prioritised. These discussions should deal with all aspects of the new methodological demands of sustainable development and to help overcome crises.
- d. In the context of the Tripartite Dialogue Meeting, the following conclusions could be considered for discussion:
 - Reaffirm the strategic role played by local government in local development promotion and job creation; this is all the more true in a context of crisis.
 - Continue to produce norms and codes of good conduct in the field of national strategies and the Development Partners, particularly in the case of donors, with a view to unifying the approach to management and the evaluation of budgetary aid.
 - Promote the criteria of transparency in terms of management of public finance in this same framework, as well as the good governance of local development and evolution of territories.
 - The donors need to continue to move beyond the project-based logic, and encourage decentralisation of the necessary investments for sustainable local development of territories as well as for co-ordinating their implementation. This effort needs to respect the contractual relationships that are the outcome of dialogue between aid donors and beneficiaries at all levels.
 - Promote mechanisms that would enable African local governments' voice to be heard by the development partners in matters of the definition and implementation of public policies. This should be done in a more independent way, and based on legally supported partnerships.
 - Support migrants whose remittances sent back to the various African countries contribute to local development. Migrants' associations are a high-quality mechanism of grass-root control over the use of funds, and could constitute one of the most efficient mechanisms for providing development aid at local level. Public Development Aid would also become more efficient and have a greater impact if a significant proportion of the sums in question were to be channeled through the decentralized co-operation mechanisms. (This portion of aid is calculated as representing 30% of financial support).
 - Increase direct public development aid, build social capacities and access to services and public goods, as has been stipulated since the introduction of the Millennium Development Goals.

- Jointly fund projects using a significant amount of local public finance, in order to optimise the amount of public finance that is being efficiently used, and especially institute the joint local steering of projects.
- Provide significantly higher aid to local and regional government than is the case today, in order to undertake anti-cyclical investments that will minimise the negative impacts of the global crisis on local and regional economy in Africa. It is essential for local government to strengthen their cohesion and to develop quickly, if Africa is to overcome the global crisis.

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