

**AFRICITIES V
AFRICAN SUMMIT OF LOCAL GOVERNMENTS**

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

SUMMARY OF THE PREPARATORY DOCUMENT

November 2009

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.

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 Tripartite Dialogue Meeting scheduled for December 20th in Marrakesh will focus on new questions: 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? 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.

What evolution since the IVth Africities Summit in 2006?

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. 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.

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.

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.

In 2009, 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.

The preparatory document gives a general overview of the evolution of the strategic framework of development aid, in particular the move from supporting projects to budgetary aid and the analysis of the Poverty Reduction Strategic Papers (PRSPs) and their reform in the 2000s. 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. 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.

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, and 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.

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.

In what way has the global crisis led to renewed strategies for the Development Partners?

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.

It includes an overview of different aspects of some positions held by various Development Partners, that are not detailed here, but that we are summarising as follows:

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.

Concluding elements

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

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.

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 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.

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.

A tool: organising participatory local development

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.

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. 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).

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.