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**Swiss Agency for Development
and Cooperation SDC**

ddlgn   Democratisation, Decentralisation
and Local Governance

Regional Governance Seminar WBA Division in Skopje, Macedonia
March 15th to 17th 2016
DRAFT AGENDA

Public Room Conference Centre (15th of March 2016)
http://publicroom.org/index.html
HOTEL Holiday Inn (16th and 17th of March 2016)
http://www.ihg.com/holidayinn/hotels/de/de/skopje/skpmp/hoteldetail

Regional Governance Seminars of the Western Balkans Division of SDC occur on a yearly base in the region. Participants are National Program Officers responsible for the Governance Portfolio, Swiss Cooperation Office or Embassy management members supervising the Governance Portfolio, Western Balkans desk officers responsible for the governance topic, a member of the Western Balkans division management, a member of SDC's Decentralisation, Local Governance and Democratization focal point, selected partners from the Western Balkans invited ad persona by the SCOs, and the Regional Governance Advisor. Regional Governance Seminars are tailor made learning events to improve the effectiveness of SDCs governance portfolio.

The objectives of the three day event in Skopje are as follows:

The interface between governance (including Democratization, Decentralisation and Local Governance) and fragility (day 1)

Very recently SDC's management approved its new
  ➢ Peacebuilding and State building Strategy for SDC's work in fragile and conflict contexts
  ➢ Democratisation, Decentralisation and Local governance policy paper, which extensively elaborated on the interface between governance and fragility

"Recent crises … show that without addressing the root causes of social and political marginalization while strengthening governmental structures as well as inter-community relations, development agencies provide only technical answers to political challenges. The concept of fragility thus encompasses insufficient state building and peacebuilding efforts on national as well as local levels. If these state building and peacebuilding efforts are not integrated as an overall objective into development and humanitarian efforts, poverty and fragility cannot be sustainably reduced" (SDC Peace Building and State Building Strategy, 2015)"

According to the OECD, "a fragile region or state is weak in its capacity to carry out basic governance functions, and lacks the ability to develop mutually constructive relations with society". The 2015 State of Fragility Report rated both Kosovo and BiH as fragile states. Day 1 of the seminar supported by experts of swisspeace and the Institute of Social Sciences and Humanities will therefore focusses on:
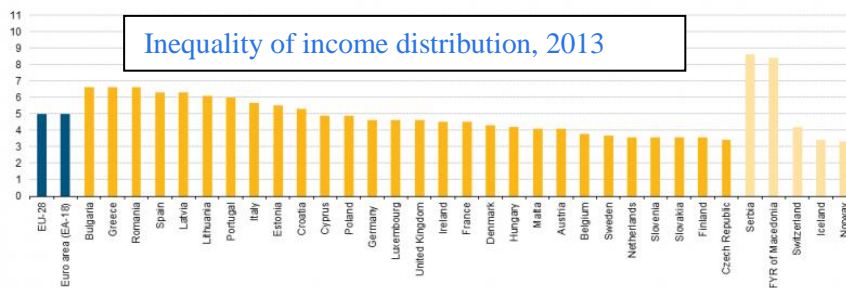 - How do the concepts out of fragility, peacebuilding and state building, better governance and building of a stronger but democratic state link with each other?
  - What has worked out of the different approaches and interventions? How is the fragility discussion linked to aid effectiveness? What does this mean for Western Balkans?
  - What could 'out of fragility' be in SDC funded interventions tackling an inclusive approach, access to justice and fighting corruption? What are the potentials but also limitations in governance interventions as a contribution out of fragility?

Regional Development to empower Municipalities (day 2)

Within their governance portfolios, SDC currently supports the following Regional Development initiatives:

- **Albania** The Regional Development Program in the North was concluded in 2014; currently the Prime Minister's office is supported in their RD policy development, and a new area based project is designed. In the frame of SDCs longstanding municipal support program DLDP, functional area based projects were supported in 2014;
- **Macedonia:** A GIZ project contribution for Sustainable and Inclusive Regional Development has started late in 2015, building on an earlier RD GIZ project;
- **Serbia:** A regional and rural development program with a focus on the respective municipal role, has been won by NIRAS and is in the entry phase; The ongoing GIZ Municipal Economic Development contribution has developed a regional development component along the Danube, capitalizing the common tourism and winery potentials.

In the 2014 to 2020 budget, the European commission has allocated 32% (320 Billion Euros!) for the implementation of the EU cohesion policy within its member states. With large in country disparities (see e.g. Serbia and Macedonia in a 2013 comparison) Western Balkan counties come to realize how important it is to get their Regional Development policies right. Municipalities should – but not yet always have – an important role to make Regional Development sustainable.

Inequality of income distribution, 2013

Sandra Boulos, SDC Junior Program Officer in 2015 elaborated a concept paper on SDC's worldwide experience in Regional Development, latest RD policies of the EU and in Switzerland and the SCOs conducted a self-assessment on the state of RD policies in their countries.

The second Regional Governance Seminar day is therefore devoted to share
- Important concepts in Regional Development: EU, in the Balkans, Switzerland – how do they relate to our governance objectives, and how relevant is RD;
- Findings of the self-assessments of RD portfolios by SCOs. What are the biggest challenges and potentials identified, followed by an interactive reflection with international and regional experts on how they can be addressed;
- Conclusions on how the day's findings can be translated into our governance portfolio and the design of new phases or interventions are drawn;

In the third part of the Regional Governance Seminar will focus on merit base Public sector recruitment and promotion, on Cost benefit, and on gender in governance, assess the impact of the 2015 Pristina RGS and draw the management conclusions of the Skopje 2016 RGS.

MONDAY March 14th 2016
ARRIVAL DAY
From 19.30 onwards Informal Dinner in Restaurant Bellavista www.bellavistaskopje.mk 100m from the Hotel Holiday Inn facing the Vardar River
During the dinner short brief by Liliane Tarnutzer and Elena Tankovski on the planned Regional Governance Seminar reporting.

WORKING DAY ONE
THE INTERFACE BETWEEN GOVERNANCE REFORMS AND OUT OF FRAGILITY
Tuesday, March, 15th 2016, Public Room Conference Centre http://publicroom.org/index.html

ATTENTION the bus leaves from Hotel Holiday Inn to Public Room at 8.00 sharp!

MODULE 1 Welcome to FA and Governance Regional Seminars
Morning Session: 8.30 to 9.15
Welcome by Ambassador Sybille Suter and Georgette Bruchez/Richard Kohli WBA
Welcome to Public Room by Aleksandar Velinovski and the concept of a place and space
3Min presentation of the collected participants' expectations for the (governance) workshop by Liliane Tarnutzer and Elena Tankovski

MODULE 2 Different concepts of fragility and their link to state building, peacebuilding, democracy and good governance
Morning Session 09:15-10:30
Andrea Iff swisspeace, Jordan Shishovski Institute of Social Sciences and Humanities and Harald Schenker, DDLG focal point

Concerted inputs by Andrea Iff, swisspeace and Harald Schenker DDLG focal point (25min) on
- the what: fragility characterized and re-iterated in swisspeace terms; why is it so relevant for development;
- the how: governance interventions as contributions to "out of fragility": swisspeace perception on the suggested logic in their own terms, and more specifically reflection of swisspeace on SDCs new DDLG policy paper which has carefully looked at exactly this aspect "support to governance reforms as contribution out of fragility"

Input by Jordan Shishovski (15min)
Becoming context specific: how does fragility look like in Macedonia and BiH? Focus on legitimacy and the five peace and state building goals;

Discussion with the audience

Coffee Break 10:30-11:00

MODULE 3 What has really worked "out of fragility"?
Morning Session: 11:00-12:30
Andrea Iff swisspeace

Katharina Häberli Harker interviews Andrea Iff on the following questions:
- (i) What are the challenges related to empirical research on fragility?
- (ii) What does empirical research on "out of fragility" contributions by international stakeholders such as SDC show? Where has it really worked?
- (iii) What made it work? Approach, power or money, or all of them together?
- (iv) Does it mean to do other things or just to do things differently?
- (v) What were the enabling factors in control or beyond control of the international donors/stakeholders?
- (vi) What may be the risks of not recognizing the nature and extent of fragility? Why not focus on 'easy reforms' and 'low hanging fruits'?

Additional questions, comments and own experiences from the audience.

Lunch in Public Room Restaurant 12:30-14:00

MODULE 4 Assessing the theory of change and the relevance of out of fragility of three governance case examples

Afternoon Session 14:00-15:30
Andrea Iff, swisspeace and Jordan Shishovski, ISSH and three NPOs

Based on a written guidance, three working groups will particularly work on the out of fragility potential for three specific governance interventions: trust building through joint local governance projects, anticorruption and notary as a form of complementary access to justice: Each group will be supported by a resource person, a fragility expert, and a moderator.

- ***Case example 1 (resource person Alma Zukorlic)*** In the Balkan country B, ethnic divisions are a reality of life, pervading its politics and often hampering initiatives that could have worked in another country. Government legitimacy is undermined due to incompatible visions of the state by different ethno-national groups. However, people are prepared to set ethnic differences aside when they have a sufficiently important common interest – most often a common economic interest. <u>Therefore</u> generating common interests across ethnic lines by identifying, facilitating and financing municipal initiatives of common interest in service delivery, economic development or knowledge exchange may be a relevant contribution of SDC "out of fragility" in the Balkan country B.
- ***Case example 2 (resource person Saranda Cana)*** In the Balkan country C, the backlog of cases in judiciary is so high, that access to judiciary is often delayed for years and perceived as "not worth to try" by many citizens. With the notary system established, citizens can pay for and immediately access all legal services in the competence of notaries. Therefore, as SDC was the major funder for the development of a new and well working notary system in country C, SDC may has made a relevant contribution "out of fragility" through **extra-judicial** certification of legality and truth both directly (for the citizens having worked with notaries) and indirectly (reduced backlogs in courts due to notaries treating cases).
- ***Case example 3 (resource person Viktor Popovic)*** In the Balkan country D, corruption perception is the highest in all European countries and trust into public institutions the lowest. With SDC support, in the last four years over 4,000 corruption cases have been reported by citizens through the web-platform www.kallxo.com. 10% of these cases were investigated by an NGO specialised into fighting corruption, 64 cases were forwarded to the judiciary, resulting in 24 disciplinary processes and investigations by the prosecution. Therefore, and as pervading corruption is considered one of the strongest factors driving corruption in country D, SDC may has made a relevant contribution "out of fragility".

The working groups will be tasked to
(i)   visualize the "out of fragility" theory of change
(ii)   reflect on the arguments for relevance, and the arguments that may question relevance
(iii)   reflect on if and how the intervention could contribute even more to "out of fragility"

Coffee Break 15:30-16:00

MODULE 5 Restitution of the working groups
Afternoon Session 16:00-17.00

The three working groups present their findings as per the written guidance.
Feedback by other participants and fragility experts;

CLOSING MODULE 6 How is Fragility reflected in the SDGs? What may this indicate for SDCs work in the future?
Afternoon Session 17:00-17:15
Interview with Michael Gerber, Switzerland's SDGs chief negotiations with Liliane Tarnutzer

17.15 Close of Working day 1
17.30 Departure of bus to Hotel Holiday Inn

19.30 Joint Reception at Residence of Swiss Ambassador
19.00 Departure of bus from Hotel Holiday Inn to Residence

Recommended readings for day 1

Brinkendorff_2010.p
df

State Fragility and Governance: conflict mitigation and subnational perspectives: this research looks at decentralisation, citizens' participation and service delivery as measures contributing "out of fragility" with a particular focus on the sub national level;

Rocha_Menochal_20
10.pdf

State Building for Peace – A new paradigm for international engagement in post conflict fragile states this research looks at more inclusive polities and societies in the formal and informal, fostered legitimacy, the sub national level and the state society relationship as pathways out of fragility; it also appeals to combine peace building with state building, and not favour either stability OR reform.
OECD States of Fragility Report 2015 http://www.oecd.org/dac/states-of-fragility-2015-9789264227699-en.htm

Peacebuilding and
Statebuilding Strategy

SDC Strategy for Peace and State building 2014

FINAL Version DDLG
Policy_09.11. 2015.d

SDC Democratization, Decentralisation and Local Governance Policy 2015

WORKING DAY TWO
REGIONAL DEVELOPMENT to EMPOWER MUNICIPALITIES
Wednesday, March 16th 2016
Hotel Holiday Inn, Skopje

MODULE A Introduction
Morning Session 8.45 to 9.00
Katharina Häberli Harker, Regional Governance Advisor

Short reflection on a few quotes and figures on Regional Development
- *"No country can afford **huge gaps in living quality**". Austrian Ambassador to Albania, 2015;*
- *The total budget of the European Union for 2014 to 2020 amounts to 1080 Bio Euros; **One third** of it is reserved for cohesion funding in the EU member countries;*
- *"There is no regional development without **regional identity**". Johannes Heeb, Deputy Director of swissregio, 2015;*
- *As per 2012, Croatia formed only two Non-administrative (NUTS-2) regions. As a result, the average per capita income in both regions of Adriatic Croatia and Continental Croatia has dropped **under the threshold of 75%** of the average EU per capita income.*

MODULE B: The Rational for Regional Development
Morning Session 9.00-10.30
Input by Peter Heil, Regional Development Expert, currently mandated by the SCO Albania to provide technical assistance to the Government of Albania on Regional Development

Peter will brief us on the European Commission's new Cohesion Policy and what it may mean for Regional Development in the Western Balkan countries interested in EU membership. Peter will also response to below collection of questions and concerns raised by SDC WBA colleagues related to Regional Development in recent times (max. 45 min presentation).

- *Why does the EU let itself cost Regional Development 1/3 of its budget?*
- *If you had to describe the EU's RD policy in a nutshell: Is it growth centre oriented (mono/multipolar) with citizens gravitating to these centres or primarily support/development of the least developed regions to become more competitive and prevent emigration?*
- *SDC argues that "Regional Development empowers municipalities", because first: good regional development is bottom up and second: a large share of the (huge) RD money available latest after accession will be spent in and by the municipalities? Correct or wrong?*
- *Does a bottom up driven regional development process profit a common identity of stakeholders? Is this common identity essential or only nice to have?*
- *Modern Regional Development promotes vertically integrated development of common interests in sectors and across municipalities. This seems in conflict to traditional hierarchical fields of competence and control by ministries and in municipalities. How to overcome political resistance?*

Former objectives by sectors	*Future objectives in an integrated development perspective*
Infrastructure and water supply	Development of accessibility infrastructure
Education	Regional cohesion and cooperation
Agriculture	Sustainable development and quality of life
healthcare	Digital convergence and entrepreneurship
Art and culture	

- *The EU spends 1/3 of its budget on Regional Development; Macedonia has reserved 1% GDP for Regional Development; How could we assess if one of our partner countries in the Western Balkans has allocated "enough" funding to regional development, to e.g. demonstrate political commitment to RD? How other would you assess political commitment for RD in a Western Balkan country?*
- *Regional development implies that the rich give to the poor to reduce disparities, and that this is in the interest of all (including the rich), because it prevents negative externalities. Reduction of disparities and prevention of negative externalities are two difficult concepts and require a long term vision to be achieved. Can there be RD without a strong national vision and respective political will at all political levels? Will this happen in the Balkans?*

- *If we believe in a functional area based development concept (an area defined by similar development potentials and challenges), are RDA's really needed? Should we not rather invest into existing institutions (e.g. municipalities) to develop the ability to temporary and flexibly form regional institutions matching the reginal challenge and potential?*
- *How would you characterize "good regional development governance"? In under developed regions, civil society and media may be particularly weak, too? And while through IMC regional executives can be formed, who should oversee them, if there is no elected regional legislative?*
- *Central Government will control Regional Development very much by definition and may misuse RD funding as an additional element of clientelistic control instrument. What could donors ideally negotiate with Central Government to enable, but not to control good Regional Development?*
- *SDC has a large experience in supporting the decentralisation and local governance reform in the Western Balkans. How can we assure coherence between the DLG and the RD reform in a way they become mutually supportive?*
- *Which European countries have excelled in Regional Development? And who or what were the drivers of change that made the difference?*
- *What are the major stumbling blocks in countries that struggle with Regional Development, be it be not accessing EU funding (short term) and/or not reducing disparities (long term)?*
- *Implicitly, some stakeholders in the Western Balkans carry a fear that an explicit Regional Development with development regions defined by common identities and run by regional institutions could also drive unwelcome claims for greater Regional Autonomy or – in the worst case scenario – even break away. Is this fear supported by empirical data? Or the contrary, if regions are generously supported by central government, integration is strengthened?*

Discussion with the audience; if any of the participants questions or concerns has still remained (partly) open, please do re-address them;

Coffee Break 10.30-11.00

MODULE C Regional Development and the local government and practitioners' perspective
Morning Session 11.00-12.30
Moderated talk with Ratko Dimitrovski, Mayor of Kochani, and Nikolche Churlinov, Mayor of Valandovo, Dragica Zdraveva, Director of the Centre of the East Planning Region and Emilija Geroska, director of the Pelagonija planning region;
Moderator: HKA

Moderated Panel discussion focusing on local governments' and Regional Agencies' perspective on Regional Development
- What is the panel participants' vision and goal of regional development?
- How do they steer regional development?
- And how is good regional governance assured?

Lunch in Restaurant of Holiday Inn 12.30-14.00

MODULE D Findings from the assessments on Regional Development made by all five SCOs for their respective countries
Afternoon Session 14.00-15.45
Sandra Boulos, Junior Program Officer and author of WBA SDC RD concept paper;
Biljana Cvetanovska–Gugoska, State Secretary in the Ministry of Local Self Government of Macedonia, and expert for Regional Development in Macedonia;
Peter Heil, Regional Development Expert with an EU perspective;
Moderator: HKA

Questionnaire for   Concept Paper on
SCO on Regional Dev Governance Approach

Presentation of the findings by Sandra Boulos, with a focus on the major challenges and open questions followed by an expert panel (Biljana Zvetanovska and Peter Heil) to respond to the

identified challenges and raised questions, Biljana with a focus on Macedonia, and Peter with a wider focus on the region;
Subsequently the discussion will be opened to questions and comments of the audience;

Coffee Break 15.45-16.15

MODULE E: The way forward in Regional Development, adapted to the specific contexts Module in individual country teams
Afternoon Session 16.15 to 17.00

Five country teams supported by the expert Peter Heil (and also the JPO Sandra Boulos), draw the conclusions related to regional development in and for their portfolio. A working aid to structure the reflection will be made available;

CLOSING MODULE F on Regional Development to empower municipalities Afternoon Session 17.00 to 17.15

17.15 Close of Working day 2

Free evening No common dinner is organized

Recommended readings for working day 2

Concept Paper on
Governance Approach

Sandra Boulos SDC WBA concept paper on Regional Development

EU-8th progress
report on economic, s

European Commission 2013 progress report on the effect of the cohesions (regional development) policy within the EU

WORKING DAY THREE
NEWS from Headquarters, HIGHLIGHTS from the Portfolio, FOLLOW UP from previous Seminars, and CONCLUSIONS
Thursday, March 17th 2015
Hotel Holiday Inn, Skopje

MODULE i Non merit based recruitment and promotion system in the public sector undermines the sustainability of many international projects, and drives fragility; What could be ways out of the vicious circle?
Morning Session 8.45-9.30
Saranda Cana and Elda Bagaviki, SCOs Kosovo and Albania

Clientelism_-_the_alt   Clientelism_Effects_T
ernative_dimension_t   raining_System.pdf

Saranda Cana will brief on the major findings of the "Clientelism in Kosovo" and "Municipal Capacity Building" studies commissioned by SDC in 2015. What were the major findings related to a (non) merit based recruitment and promotion system in local governments and related ministries, and how does it impact on reform and change?

Elda Bagaviki will subsequently present innovative responses from the Albania Public Administration Reform to promote a merit based public recruitment and promotion system. She will give an overview on ideas, and reflects on potential Swiss support.

Subsequently we may reflect if merit based public sector recruitment and promotion is a suitable indicator in future Performance Based Budget Support systems (as analysed in the RGS in Pristina in 2015)? What speaks for it? What against it? Would it be a good machine room indicator?

MODULE ii News from the DDLG (Democratisation, Decentralisation and Local Governance) focal point
Morning Session 9.30-10.00
Harald Schenker, DDLG Focal Point

- The DDLG Policy Paper has been unanimously approved by the SDC management in 2015. How can this Policy Paper be use best in our daily work?
- A very interesting piece of Action Research funded by the DDLG focal point on Informal Institutions of Local Governance has just been finalized. What were the eye openers?
- Under development is a capitalization of SDCs experience in civil society support. What are the preliminary findings related to constituency building and claiming spaces and places for dialogue?

Coffee Break 10.00-10.30

MODULE iii Cost Effectiveness and Cost-Benefit case studies
Common module CFAs and governance specialists
Morning Session 10.30 – 12.30

Four years after a first joint session about CBA/CEA in governance projects, we want to consolidate our findings and experiences aiming to increase substantial CBA/CEA statements in CPs, EoPh-Reports and ARs.

Main topics:

- Presentation and discussion of three case-studies (all in the final design phase) to demonstrate how we can develop meaningful statements and assumptions at the beginning of a project phase and how we can generate an added-value.

Expected results:
- NPOs, Fin-Admin staff and Mgmt experience the added value of pragmatic reflections on CBA/CEA and how they can be elaborated also in a broad set of our governance projects

Mgmt and NPOs embrace the findings and ensure application in future CPs (and throughout the whole project cycle);

Lunch in Restaurant Café Amica 12.30-14.00

MODULE IV Success stories in gender mainstreaming in the governance domain
Afternoon Session 14.00-15.00
All
Note This module will be held in Café Amica

The head of the WBA division has recently encouraged us to keep on making efforts to meaningfully integrate the gender dimension into the governance portfolio. In an informal set up in Café Amica colleagues are invited to present their gender in governance success stories to mutually inspire ourselves.

PLEASE NOTE in parallel the management debriefing of the CFA Regional Governance Seminar takes place. Ambassadors and (Deputy) Directors of Cooperation are kindly asked to join the CFA Regional Seminar during this module;

MODULE V How have the Pristina Regional Governance Learnings impacted on your portfolio development since?
Afternoon Session 15.00-15.30

Liliane Tarnutzer will present the video documentation of the January 2015 Regional Governance Seminar in Pristina. Participants are invited to reflect on the impact the event since had on their portfolio development.

MODULE VI Conclusions and strategic guidance of WBA management related to the topics treated in the 2016 Regional Governance Seminar Skopje; what would they like to see reflected in the future governance portfolio?
Afternoon Session 15.30 to 16.00
Richard Kohli and Georgette Bruchez, WBA division management

16.00 Close of Regional Governance Seminar Skopje (latest)

19.30 onwards Farewell Party hosted by Richard Kohli, Deputy Head of Division, and the Regional Advisors Reto Nigg and Katharina Häberli Harker in Cresha Bar at Ulica Ivan Milutinovikj or Rajko Zhinzifov Nr. 8**!**
The Letecki Pekinezeri Band will be performing live music ☺! All workshop participants are invited;
Transport to Cresha Bar will be individual by taxi.