

**Agenda (Draft Version 0.6)**

# **Fiscal decentralisation made effective – concepts, challenges and solutions**

A four-day course offered by SDC's Network on Democratisation, Decentralisation, and Local Governance DDLGN

3 – 6 December 2018

Lucerne University of Applied Sciences and Arts  
HSLU, Lucerne, Switzerland

and

Institute for Development Studies  
Brighton, UK

## Participants:

No.	Mr/ Ms	Family name	First name	Country	Role/Position	E-Mail
1	Mr	Danii	Radu	MD	National Program Officer Local Governance	radu.danii@eda.admin.ch
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3	Ms	Iff	Andrea	CH	Thematic Advisor Democratization, Decentralization and Local Governance	andrea.iff@eda.admin.ch
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5	Mr	Khattak	Ahmed Ali	PK	Senior Programme Officer	ahmed-ali.khattak@eda.admin.ch
6	Mr	Kumar Karmaker	Tapan	BD	Director General-NILG cum Additional Secretary to Government of Bangladesh	tapankarmaker@gmail.com
7	Ms	Kuzumi	Denalda	AL	Project officer for Municipality Performance	jacques.merat@helvetas.org
8	Ms	Läubli	Ursula	RS	Head of Cooperation	ursula.laeubli@eda.admin.ch
9	Mr	Mogić	Saša	RS	Assistant minister	sasa.mogic@mduls.gov.rs
10	Ms	Müller	Sascha	RS	Regional Advisor on Governance for Western Balkans / Head of Governance Domain SCO Serbia	mes@eda.admin.ch
11	Ms	Ngoma	Jacquiline Gatera	TZ	National Programme Officer	jacquiline-gatera.ngoma@eda.admin.ch
12	Mr	Regmi	Prakash	NP	Senior Programme Officer	prakash.regmi@eda.admin.ch

<b>13</b>	Mr	Tarbuk	Nikola	RS	Deputy Secretary General for Advocacy	nikola.tarbuk@skgo.org
<b>14</b>	Ms	Tsivtsivadze	Tamar	GE	Head of Effective Democratic Institutions, Human Safety and Security Domain in Georgia	tamar.tsivtsivadze@eda.admin.ch
<b>15</b>	Mr	Vasilev	Petar	RS	National Programme Officer	petar.vasilev@eda.admin.ch

### Sunday, 2 December

18.30 (Lucerne)	Welcome Drink <i>Hotel Continental Park, Murbacherstrasse 4</i>
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### Monday, 3 Dezember

08:15 (Lucerne)	<b>Pick up of participants at Hotel Continental Park</b> => short walk to HSLU
08:30 – 10:00 (Lucerne)	<b>Core Elements and Concepts of Decentralization and Fiscal Federalism</b> <i>Topics:</i> <ul style="list-style-type: none"> <li>• Meaning of the idea and rationales for doing it</li> <li>• Important public finance concepts</li> <li>• Pillars of fiscal decentralisation</li> <li>• Risks and risk prevention</li> </ul> <i>Experts:</i> <ul style="list-style-type: none"> <li>• Mr. Stefan Pfäffli, Lecturer, HSLU, IBR</li> <li>• Mr. Roland Fischer, Lecturer, HSLU, IBR</li> </ul> <i>Location:</i> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 2nd floor, <b>Room No.2.06</b></li> </ul>
10:00 – 10:30	Coffee Break
10:30 – 12:00 (Lucerne)	<b>Assignment of Functions and Administrative Competences</b> <i>Lucerne University of Applied Sciences and Arts (HSLU)</i> <i>Institute of Management and Regional Economics (IBR)</i> <i>Topics:</i> <ul style="list-style-type: none"> <li>• List of functions</li> <li>• Functional review</li> <li>• Functional allocation, financial and administrative implications</li> </ul> <i>Expert:</i> <ul style="list-style-type: none"> <li>• Mr. Stefan Pfäffli, Lecturer, HSLU, IBR</li> </ul> <i>Location:</i> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 2nd floor, <b>Room No. 2.06</b></li> </ul>

<b>Monday, 3 Dezember</b>	
12:00 – 13:30	<p>Lunch</p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 5<sup>th</sup> floor</li> </ul>
13:30 – 15:00 (Lucerne)	<p><b>Assignment of Functions and Expenditure Shares in Participant's Countries</b></p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• Allocation of functions and expenditure shares, presentations of country examples</li> <li>• Comparison of findings</li> <li>• Idea of asymmetric decentralisation</li> <li>• Measuring progress of decentralisation reform</li> </ul> <p><i>Experts:</i></p> <ul style="list-style-type: none"> <li>• Mr. Stefan Pfäffli, Lecturer, HSLU, IBR</li> <li>• Mr. Roland Fischer, Lecturer, HSLU, IBR</li> </ul> <p><i>Location:</i></p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 2nd floor, <b>Room No. 2.06</b></li> </ul>
15:00 – 15:30	Coffee Break
15:30 – 17:00 (Lucerne)	<p><b>Exercise: Criteria Based Allocation of Functions</b></p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• Application of presented methodology for the allocation of functions</li> <li>• Presentation and discussion of solutions</li> </ul> <p><i>Expert:</i></p> <ul style="list-style-type: none"> <li>• Mr. Stefan Pfäffli, Lecturer, HSLU, IBR</li> </ul> <p><i>Location:</i></p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 2nd floor, <b>Room No. 206</b></li> </ul>

<b>Tuesday, 4 December</b>	
08:30 – 10:00 (Lucerne)	<p><b>Fiscal Decentralization Reform: The Swiss Case</b></p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• Reform on the Federal Level (NFA)</li> <li>• Reform in the Canton of Lucerne</li> <li>• Reform process</li> </ul> <p><i>Expert:</i></p> <ul style="list-style-type: none"> <li>• Mr. Roland Fischer, Lecturer, HSLU, IBR</li> </ul> <p><i>Location:</i></p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 3<sup>rd</sup> floor, <b>Room No. 308</b></li> </ul>
10:00 – 10:30	Coffee Break
10:30 – 12:00 (Lucerne)	<p><b>Revenue Assignment</b></p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• General considerations for revenue allocation</li> <li>• Natural resource revenue sharing</li> <li>• Discussion of case on natural resource revenue sharing in groups</li> </ul> <p><i>Expert:</i></p> <ul style="list-style-type: none"> <li>• Mr. Stefan Pfäffli, Lecturer, HSLU, IBR</li> </ul> <p><i>Location:</i></p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 3<sup>rd</sup> floor, <b>Room No. 3.08</b></li> </ul>
12:00 – 13:30	<p>Lunch</p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 5<sup>th</sup> floor</li> </ul>
13:30 – 15:00 (Lucerne)	<p><b>Revenue Assignment in Participant's Countries</b></p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• Presentation of findings from participants countries</li> <li>• Comparison of findings</li> <li>• Conclusions</li> </ul> <p><i>Experts:</i></p> <ul style="list-style-type: none"> <li>• Mr. Stefan Pfäffli, Lecturer, HSLU, IBR</li> </ul>

<b>Tuesday, 4 December</b>	
	<ul style="list-style-type: none"> <li>• Mr. Roland Fischer, Lecturer, HSLU, IBR</li> </ul> <p><i>Location:</i></p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 3<sup>rd</sup> floor, <b>Room No. 3.08</b></li> </ul>
<b>15:22 – 15:44</b>	<p><b>Bus Transport Lucerne – Udligenswil:</b></p> <ul style="list-style-type: none"> <li>• Postal Bus No.73</li> <li>• Lucerne, Station Square: Platform U</li> </ul>
16:00 – 17:15 (Udligenswil)	<p><b>Functional Allocation and Revenue Assignment in Small Municipalities</b></p> <p>Discussion with the mayor of Udligenswil, Mr. Thomas Rebsamen</p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• Main challenges in revenue and spending</li> <li>• Vertical collaboration with the Canton of Lucerne</li> <li>• Horizontal collaboration with other municipalities</li> </ul>
<b>17:31 – 17:54</b>	<p><b>Bus Transport Udligenswil – Lucerne</b></p> <ul style="list-style-type: none"> <li>• Postal Bus No. 73</li> <li>• Bus Stop: Udligenswil Alte Post</li> </ul>

<b>Wednesday, 5 Dezember</b>	
08:30 – 10:00 (Lucerne)	<p><b>Fiscal Decentralization and Beyond: Norms, Linkages and Reform Challenges</b></p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• Revisiting basic fiscal decentralization issues and recommended reforms</li> <li>• Is the traditional fiscal decentralisation approach fit for purpose?</li> <li>• Beyond fiscal decentralization: the need for an integrated approach</li> <li>• Empirical evidence and the challenging landscape of decentralisation reform</li> </ul> <p><i>Expert:</i></p> <ul style="list-style-type: none"> <li>• Mr. Paul Smoke, New York University – Wagner, New York City, USA</li> </ul> <p><i>Location:</i></p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 3<sup>rd</sup> floor, <b>Room No.3.08</b></li> </ul>
10:00 – 10:30	Coffee Break
10:30 – 12:00 (Lucerne)	<p><b>Fiscal Decentralization and Beyond: Norms, Linkages and Reform Challenges</b></p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• Revisiting basic fiscal decentralization issues and recommended reforms</li> <li>• Is the traditional fiscal decentralisation approach fit for purpose?</li> <li>• Beyond fiscal decentralization: the need for an integrated approach</li> <li>• Empirical evidence and the challenging landscape of decentralisation reform</li> </ul> <p><i>Expert:</i></p> <ul style="list-style-type: none"> <li>• Mr. Paul Smoke, New York University – Wagner, New York City, USA</li> </ul> <p><i>Location:</i></p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 3<sup>rd</sup> floor, <b>Room No.3.08</b></li> </ul>
12:00 – 13:30	<p>Lunch</p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 5<sup>th</sup> floor</li> </ul>



<b>Wednesday, 5 Dezember</b>	
13:30 – 15:00 (Lucerne)	<p><b>Strategic Implementation</b></p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• Traditional normative approach to implementation</li> <li>• Establishing a framework, consensus and coordination</li> <li>• Elements of an implementation strategy</li> <li>• Developing a strategic approach <ul style="list-style-type: none"> <li>○ Identifying entry points/sequencing</li> <li>○ Crafting political agreements and institutional arrangements</li> <li>○ Creating robust incentives</li> <li>○ Building the right capacity appropriately</li> </ul> </li> <li>• Selected examples of strategic approaches</li> </ul> <p><i>Expert:</i></p> <ul style="list-style-type: none"> <li>• Mr. Paul Smoke, New York University – Wagner, New York City, USA</li> </ul> <p><i>Location:</i></p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 3<sup>rd</sup> floor, <b>Room No.3.08</b></li> </ul>
15:00 – 15:30	Coffee Break
15:30 – 17:00 (Lucerne)	<p><b>Case Studies</b></p> <p><i>Topics:</i></p> <ul style="list-style-type: none"> <li>• Political economy of fiscal decentralisation reform</li> <li>• Strategy and organisation of decentralisation reform</li> <li>• Comparisons and conclusions</li> </ul> <p><i>Expert:</i></p> <ul style="list-style-type: none"> <li>• Mr. Paul Smoke, New York University – Wagner, New York City, USA</li> </ul> <p><i>Location:</i></p> <ul style="list-style-type: none"> <li>• Lucerne, HSLU, Zentralstrasse 9, 3<sup>rd</sup> floor, <b>Room No.3.08</b></li> </ul>
18.30	<b>Networking Dinner</b>

<b>Thursday, 6 December</b>	
<b>08:00 – 09:00</b>	<b>Train Transport Lucerne – Berne</b> <ul style="list-style-type: none"> <li>• Lucerne Train Station</li> <li>• Platform ...</li> </ul>
<b>09:00 – 09:15</b>	<b>Tramway Bern HB - Wander</b> <ul style="list-style-type: none"> <li>• Tramway No. 9 Direction “Wabern”</li> </ul>
09:30 – 11:30 (Berne)	<b>Fiscal Equalization System between the Confederation and the Cantons</b> <i>Swiss Federal Finance Administration</i> <i>Topics:</i> <ul style="list-style-type: none"> <li>• Elements: resource equalization, cost compensation and cohesion fund</li> <li>• Management: periodic review and adjustment, coordination with cantons, administrative and parliamentary process, quality control</li> <li>• Challenges: marginal equalization tax rate, public choice problems, reform proposals</li> </ul> <i>Experts:</i> <ul style="list-style-type: none"> <li>• Mr. Werner Weber, Head Fiscal Equalization Section</li> <li>• Mr. Pascal Utz, Deputy Head Fiscal Equalization Section</li> </ul> <i>Location:</i> <ul style="list-style-type: none"> <li>• Bern, Swiss Federal Finance Administration, Montbijoustrasse 118, 5th floor</li> </ul>
<b>11:45 – 12:00</b>	<ul style="list-style-type: none"> <li>• <b>Wander – Bern HB</b> Tramway No. 9 Direction “Wankdorf Bahnhof”</li> </ul>
12:00 – 13:15	Lunch Break
13:30 – 15:00 (Lucerne)	<b>Tax Autonomy and Tax Competition</b> <i>Conference of Cantonal Finance Ministers</i> <i>Topics:</i> <ul style="list-style-type: none"> <li>• Tax autonomy of Swiss Cantons</li> <li>• Tax competition</li> <li>• Horizontal collaboration</li> </ul>

**Thursday, 6 December**

- Challenges and reform proposals

*Expert:*

- Mr. Peter Mischler: Deputy Secretary of the Conference of Cantonal Finance Ministers

*Location:*

- Bern, “House of Cantons”, Speichergasse 6, room 083

**16:00 – 17:00**

**Train Transport Berne – Lucerne**

- Berne Train Station
- Platform ...

**or**

**Train Transport Bern- Zurich Airport**

- Berne Train Station
- Platform ...