

Minutes

Key points of the Local Governance/Decentralisation Workshop, 28th April 2010

Date: 05.05.2010

Place: Steigerhubel parochial hall, Berne

Time: 12pm – 2.30pm

Minutes: SIE/SKU

Chair: WIR

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Workshop objectives

- Participants take note of the current state of decentralisation and municipal/district development as an SDC topic
- Participants discuss future prospects for local governance/decentralisation and are informed of what the next steps in the process will be

1. Key points made by the “Decentralisation and Local Governance” network and the Latin America, South Asia and West Balkans Departments

Almost all SDC country programmes deal with the issue of "local governance" (around 20-30% of funds are used for local governance efforts). The sustainability of traditional sectoral project aid proved to be unsatisfactory, which is why the SDC is now systematically committed to action that seeks to improve local governance.

The selected projects presented during the workshop will clearly show that they are primarily concerned with improving interaction between elected officials, the administration, civil society and the private sector. The aim of local governance projects is to increase public participation and to improve the accountability of the decentralised administrations and lawmakers. Their overall aim is to equip municipalities and districts so that they can deliver services that reduce poverty and create the necessary general conditions for economic development.

From SDC experience to date, the outcomes at the micro-level are generally good but it faces problems with the broader impact of its micro-campaigns. Two independent SDC evaluations on "Empowerment" and "Decentralisation", which were carried out in 2007, came to the same conclusion. They criticized the considerable ground that the SDC needed to make up in relation to widening the impact of their efforts, as well as the fact that SDC misses chances to introduce concrete micro-level products and experiences in the national decentralisation reforms of its partner countries (poverty-reducing, experience-based reforms of legislation and institutions).

Network conclusions:

- **Broader impact and sustainability** can be achieved through greater involvement in the reform processes (consideration of project-related experience at the national level).
- **Better analyses of power issues, policy and roles/capacities of the institutions** are needed so as to minimise risks and to guarantee the **inclusion of the very poor** and disadvantaged.
- **Municipal institutions** tend to have neither the capabilities nor the resources to assume the responsibilities in relation to services and general conditions assigned to them by the **decentralisation legislation**. If sustainability is to be achieved, the political institution must be made fit for purpose.

Conclusion of the three department heads on the importance of local governance (LG) and decentralisation from an operational perspective:

- It makes sense to treat LG as a separate sector in addition to a part of cross-cutting action.
- A scaling-up of SDC experiences from the local to the macro is needed to affect lasting change.
- Context specificities require flexibility on the part of the SDC as regards its basic approaches (no blueprints).
- The Swiss model can and should not be exported as is. Yet, Switzerland has many comparative advantages to offer in terms of LG/Dec, which should be exploited to the full.

2. Key discussion points

- Decentralisation is the global political megatrend of the last 30 years (the number of places holding local elections has gone from under 25 to over 90%).
- No-one disputes the central role that the state plays at various levels of a sustainable development process. The progress that has been made as regards the process differs across the various countries where the SDC is active, i.e. programmes must take account of the prevailing conditions in the given country. Sectoral projects (health, education, water etc.) make sense in countries where decentralisation is less advanced or in those emerging from a crisis situation, such as Haiti. The countries of the West Balkans aspiring to membership of the European Union need to have local administrations that are EU-compatible.

There was also a discussion on - when it comes to the formulation of the next Message –whether sectoral approaches versus the “local governance sector” constitute a dichotomy that can form the basis for decision-making or is a problem similar to the chicken-or- the-egg question.

- Reform processes are highly political, hence the need for prudent political analyses. During the discussion, various positions were expressed on whether and in what areas of state reform the SDC should be involved.
- Switzerland enjoys renown as a country with a functioning decentralised democracy. Its experiences are much sought after and can be shared in a variety of contexts. This enjoys the support of parliamentarians and the public alike.

In future, the outcomes of local governance projects which have actually benefited the disadvantaged need to be set out more clearly. The proof of effectiveness is generally weak (overly strong focus on institutional support?).

3. Conclusions

There was agreement on the following points:

- Functioning local government is a prerequisite of sustainable development and poverty reduction
- Development programmes must take into account the specific context in which they are carried out. The SDC guidelines must be sufficiently flexible to facilitate this. The new Message must clarify the relation between sectoral programmes and local governance programmes without any specific sectoral focus.
- Reporting on the effectiveness of local governance programmes must be improved. Political analyses must be specified and documented.

There was disagreement on the following points:

- Which approaches should be deployed with which partners?
- Should there be guidelines on involvement in local governance programmes? Only via a (service) sector? Or should they approach it via the issue itself?
- Should the SDC be involved in specific state reform programmes?
- Should the SDC consider the issue of local governance and decentralisation SDC exclusively as a cross-cutting theme (thus ignoring the institutional dimension), as a sector in its own right or both?
- How much governance expertise versus sectoral expertise will the SDC need in the future?

4. Next step

- The director considers the workshop as an important step on the path towards clarifying the thematic priorities for the new Messages. It is currently not about reaching decisions but about improving existing understanding through more detailed discussion and developing various lines of reasoning. Decisions will be taken during the Directorate Retreat in mid-June and later during the coordinators' seminar, the parliamentary consultation processes and in discussions with the Head of the FDFA on the draft Message.
- The director asks the "Decentralisation and Local Governance" network to create a checklist of the key terms on this issue in order to avoid any further misunderstandings in subsequent discussions, and to explore the problem of weak political analyses in greater depth.
- FAM will hold a further event that will look at the expectations with regard to credit requests and the role of the Operational Committee.