



Decentralization and Local Governance Network

Sustainable Municipal Finances – Online Discussion Consolidated Reply

Topic: Building capacities

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Issue date: 29 March 2011

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Posted: 14 February 2011

This is the first week of our e-discussion on Sustainable Municipal Finances. The topic for this week is on "Building Capacities". In the attachment, you will find a summary of the [Synthesis Paper](#) addressing the conclusions and lessons learned on this topic.

During this week, we would like to hear your opinion and experiences on the capacity building on Donor Support to Municipal Finances by responding to any of the following questions.

All SDC supported programmes on strengthening municipal finances have a strong capacity building component built into them. The SDC experience covers all intervention levels of capacity development (from systemic approaches to individual trainings). The case studies addressed by this Learning Project, however, only cover a fraction of SDC's experience, which may be an indication that although there are unique and pertinent experiences of SDC in this regard, they are often not documented or known to the wider public within and outside of SDC. During the first week of discussion we would like to gather examples of experiences in different countries taking into consideration the following questions:

1. From the case studies, it appears that SDC often works on a pilot basis on capacity development and that its activities are often not rooted deeply in the given institutional setup of a country/region. Do you agree with these conclusions? Share your experience
2. What is your opinion and experience about the role of local government associations and networks in providing capacity development?
3. What is your opinion and experience regarding political interference as a threat to capacity development?
4. Compared to the international state-of-the-art, SDC lacks experience with engaging in truly demand driven capacity development. By this, it is meant to provide local governments with capacity development grants or vouchers and let them decide what kind of training / exposure / consultancy they would want to use this grant for. Do you agree with this statement? Share your experience.

Responses were received from:

1. [Emilija Mazar](#), Una Consulting, Bosnia and Herzegovina
2. [Parfait Randrianitovina](#), SAHA and [Annette Kolff](#), Intercooperation, Madagascar
3. [Adrian Gnägi](#), SDC HQ, Switzerland
4. [Parfait Randrianitovina](#), SAHA and [Jacques Mérat](#), Intercooperation, Madagascar
5. [Valbona Karakaci](#) and [Voltana Ademi](#), Intercooperation, Albania
6. [Oksana Garnets](#), DESPRO, Ukraine
7. [Matthias Boss](#), KEK, Switzerland
8. [Annonciata Ndikumasabo](#), SDC, Burundi

9. [Petar Vasilev](#), SDC, Serbia
10. [Ibrahim Mehmeti](#), SDC, Macedonia
11. [Snezana Mistic](#), MDP, Bosnia and Herzegovina
12. [Nicole Töpperwien](#) and [Erika Schläppi](#), Ximpulse, Switzerland
13. [Preeta Lall](#), SDC, India
14. [Batbayar Gan](#), SDC, Mongolia
15. [Celestine Krösschell](#), Helvetas, Switzerland
16. [Cana Saranda](#), [Limani Merita](#), SDC; and [Norbert Pijls](#), Intercooperation, Kosovo
17. [Alma Zukorlic](#), SDC, Bosnia and Herzegovina
18. [Annemarie Sancar](#), SDC HQ, Switzerland
19. [Marc DeTollenaere](#), SDC, Mozambique
20. [Rudi von Planta](#), SDC, Central America

[Analytical Summary](#)

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[Responses in Full](#)

Analytical Summary

The discussion of week one on capacity development can be summarized in the following 3 main conclusions:

- SDC has been engaged in many countries in capacity development for municipalities. The typical SDC approach seems to be to work through pilot projects. However, in many countries pilot work has been the first step only, leading to a longer term approach and to the institutionalization of initiatives allowing for ownership at national levels.
- The discussion confirmed that there is little experience in our community with demand-driven approaches as defined in the synthesis paper: capacity development grants or vouchers for municipalities. However, most of the projects have been very good in capacity development needs assessment and in the planning of activities in a participatory/responsive manner. It has also been highlighted that the reasons for such approaches is that local governments in many countries still lack the capacities to organize and manage capacity development programs themselves. There also may be problems with political interference and donor control.
- Most colleagues find that associations of municipalities in their countries still are weak institutions, not very capable for capacity development support/advice/training to their local government members. However, they are effective mechanisms for lobby and advocacy (towards central Government) and in many countries they are platforms for experience exchange.

Related Resources

From [Valbona Karakaci](#): Report on the difficulties legal frame work presents to Local Government Units in Albania

- Assessment on procurement risks and opportunities of the soft /consultancy services from LGU in the frame of dldp co financing grant fund. dldp, Albania http://www.sdc-decentralization.net/en/Home/Community_Affairs/Community_Activities/F2F_Sarajevo_2011

From [Annemarie Sancar](#): Tool published by SDC on gender and training

- Gender and Training. Mainstreaming gender equality and the planning, realization and evaluation of training programmes: www.deza.admin.ch/ressources/deza_product_en_1519.pdf
-

Responses in Full

Emilija Mazar, Una Consulting, Bosnia and Herzegovina

Please find the comments and experience by Una Consulting and Project "GOV-WADE". I hope some of these will be useful in you work.

Question 1:

As per Governance Project in Municipal and Environmental Development ("GOV-WADE"), which has been implemented since 2006 in NW Bosnia and Herzegovina, the experience has shown different results. SDC began supporting water and environmental protection sector in 1997. At that time, in the humanitarian period first pilot project was implemented, and based on the results of the project, but also on the good feedback and cooperation from project partners (municipalities), SDC support continued in the upcoming period. From that aspect, a pilot phase is necessary in project, but if the results and collaboration by the project partners shows the need for further project implementation, a donor, in this example, has accepted the proposed project and contributed to the capacity building of project partners, and project facilitator.

What differentiates "GOV-WADE" from other projects is mainly reflected in the achievements through composition of "software" + "hardware" component and on-budget support to municipalities. Software=capacity building of project partners, including municipalities, public water and utility companies, cantonal authorities, NGO sector, hardware= support to infrastructural projects in the sector.

Nevertheless, the success of the project is also based on the participatory planning, long-term planning (strategic plans in water and environmental sector) which involves all relevant stakeholders and civil society. Based on those plans, municipalities are always focused on their objectives, and aware of the support needed by the donor. In addition, on-budget support enables the partners to address the needs and projects which are realistic, deeply analyzed and discussed.

As a conclusion, in our case SDC is really involved in the project and taking into account the context and needs based on the analysis and potential risks. These aspects contributed to the long-term support of SDC in this region and the achievements gained so far.

Question 2:

In general, considering the context in Bosnia and Herzegovina, the local government associations and networks still do not sufficiently perform their role in provision of capacity development. There are some specific examples which offer more positive answer. Association of cities and municipalities, based on the inputs from municipalities and utilities supported the initiative for the adoption of relevant laws in the water and environment sector. In addition to these lobbying activities, the capacity building provision is not developed due to lack of understanding between governmental, non-governmental institutions and public. Each of these stakeholders needs to clarify the role they have, in particularly in capacity development and more initiatives could be addressed in this respect.

Question 3:

Political interference is very important risk concerning capacity development and project implementation in general. From the B&H perspective, every two years the electoral campaigns and activities take place. These activities often slow down or even stop the process such as project implementation. During that period, civil servants are mainly dealing with political issues, despite the fact that elections should not impact the work of administration and provision of services to its citizens.



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Political decisions are also found as an obstacle in the appointment or transfer of municipal staff (in specific departments), because they often influence their continuous work on specific activities projects. In that way, duties and responsibilities are transferred to people who need additional time and knowledge to take over the implementation. In some situations, many people are selected based on the political party they belong to, and unfortunately not based on their capacities and skills.

One of the good mechanisms to overcome these risks is anticipative approach and planning. Project "GOV-WADE" and Una Consulting (facilitator) plan the project activities in advance taking into consideration above mentioned risks and in particularly potential political decisions that could negatively affect the project. In one case, SDC supported the implementation of the project in the specific municipality. Namely, a municipality lost over one year after elections to establish a municipal council, which obviously stopped all the activities. Upon the initiative from project facilitator and donor, representatives of all project parties agreed to sit together and discuss the open issues. Finally they established the council and continued with project activities, but thanks to the understanding by the donor and the good results achieved prior to this political situation, this municipality has not been eliminated for the project.

As per selection of people involved, the project facilitator should emphasize the importance of the continuity of people involved, the trainings and capacity building already invested and point out at the negative aspects if those people are transferred or replaced.

Question 4

As already mentioned, the situation in B&H is rather different. Based on the long-term planning and significant role of project facilitator local governments lead the overall process. Due to planning process the local governments are focused on their priorities and objectives and have the possibility to decide on their priorities (trainings, consultancy etc.). Despite that, very often the project facilitator has very important role, needs to be a link or balancing factor between the local partners and donor. It means that sometimes the local partners may lose the focus or simply avoid the agreed objectives. In those cases, often happens that the project partner insists on financing infrastructural projects rather than capacity building. They need to be reminded that donor provides financing based on the concrete plans and agreement, and that without capacity building they would hardly benefit from infrastructural projects, since no people would be prepared or trained to manage those projects.

Matthias Boss; KEK, Switzerland

Dear Emilija

It has been interesting reading your response to the questions posed for this week's discussion. In your reflection on the first question you mention that "GOV-WADE" is different from other projects is its composition of "software" and "hardware" and on-budget support to municipalities.

I would be interested if you could share with all of us what "GOV-WADE" understands as 'on-budget support' and what the project does in regard to this.

In your response to question 4 (your response D) you mention that local governments have the possibility to decide on their priorities in regard to training, consultancy etc. I would be interested to know whether your project provides capacity building grants to municipalities which municipalities can use based on their own priorities and decide on how and where to access required training, consultancy. In case you provide such grants, do you transfer the money into the account of the municipalities and let them do the payment for capacity building expenditure?

I am looking forward to hearing back from you.

Emilija Mazar, Una Consulting, Bosnia and Herzegovina

Dear Matthias,

Thank you for the interest to learn more about "GOV-WADE", but also I have to apologize because I was yesterday out of office, we actually had training for municipalities, cantonal and public utility



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representatives.

As per “software” and “hardware” and on-budget support to municipalities – in B&H there has been significant donor support to our institutions/organizations for the past 15 years (after-war period). Unfortunately, many of those projects were not focused on the needs and priorities of beneficiaries, and mostly invested into infrastructural projects without in-depth analysis and consultations with project beneficiaries.

In our context, the combination of “software” and “hardware” has proved to be very good mechanism that enables capacity building of local administration (establishment of departments for water and environment in the municipalities, trainings for staff, improvement of job organization, project cycle management), but also on the other hand funds are provided for infrastructural projects (water supply, waste water collection and treatment, flood control, waste management).

The funds for project implementation are provided by SDC and municipalities in the ratio 50%-50%. Based on the signed MoU between SDC, Una Consulting and each municipality, every year financial annex is signed and funds allocated by SDC for each municipality. Municipalities have to also allocate the equal amount in their budgets (adopted by the council).

But, the SDC funds are managed by Una Consulting, meaning that municipalities have to implement B&H public procurement procedures for activities and projects if required. Only upon signed contracts, implemented part of the activities, works or services and submitted progress certificates (or interim statements) to Una Consulting, the 50% of funds are transferred directly to municipal account (on-budget) and they further realize payments towards contractors.

What is important is that the municipal authorities run the procurement procedure, they in the “driver’s seat”, but at any moment they are controlled by Una Consulting and SDC, and all the projects and activities (as I already mentioned) are in line with their strategic plans and yearly operational plans. Another important aspect is that the contractors are directly responsible to municipalities, they control implementation of activities, and they are in position to react at any moment if the works/services etc. are not done in line with the contracts signed.

Also, each municipality, for the implementation of GOV-WADE project, after signed MoUs, appoints Project Implementation Unit which consists of municipal, public water utility representatives and in some cases environmental NGO representatives. They take over the responsibility for overall project implementation and closely collaborate with Una Consulting team.

All the financial reports along with activities implemented are presented quarterly to GOV-WADE Project Steering Board, and sometimes, SDC representative has to approve or agree on decisions concerning financial or any other operations.

The same applies to your next question, municipalities receive the funds only based on the agreed yearly operational plan (for software or hardware component), but there are some exceptions which I will try to illustrate.

I mentioned that yesterday we organized training for municipalities, cantonal and public utility representatives. The training was focused on “Public Relations and Public Appearance”. The training was selected based on the needs of all project partners and necessity for improvement of communication in their working environment and communicating project achievements to citizens and wider public.

The training is part of the GOV-WADE activities, but since all the project partners have been involved (municipalities, canton, utilities, NGOs) the funds were provided directly from the project funds. It means that some specific activities of common interest (another example: improvement of cantonal legislation) might be funded directly by Una Consulting/SDC.

I hope this is the response you expected, but in conclusion, this is a good mechanism which proved to be efficient and aims to developing project ownership by partners and supports the use of good governance principles in water and environment sector, which is actually the main objective of this project.

[Parfait Randrianitovina, SAHA and Annette Kolff, Intercooperation, Madagascar](#)

Please find a short reaction from Madagascar on the four questions of this week regarding capacity development:

- A. Yes indeed also the SAHA programme is working on a pilot basis. For capacity building we focus on 'on-the-job- coaching' by service providers (prestataires d'accompagnement) combined with technical training either by SAHA staff or by external experts (national experts). For example our partner communes have received training on accountability, use of accounting software, land administration etc. The statement that capacity development activities are not deeply rooted in the national set up is also true. In the context of Madagascar there is no network of institutions that could assure the advice and support of the communes. The few existing institutions work only at national level and do not have the mandate or the capacity/resources to reach out to the rural communes. The implementation of the national policy on decentralisation is progressing slowly and has not (yet) resulted in the creation of sub national institutions. However, we are supporting the policy dialogue at national level on the basis of the experiences gained at local level (pilot activities) and as such we influence the national institutions. For example we contributed to the elaboration of reference documents on decentralisation. We also contributed actively to the development of learning modules on the role and responsibilities of the municipal elected representatives, budgeting etc ('maitrise d'ouvrage communale').
- B. As far as Madagascar is concerned, associations of local governments do not have the competences to strengthen the capacities of their members (communes), but they manage to mobilise external resources persons for training. In general this is more efficient and stimulates sharing of experiences which has an important learning effect. These associations provide certain services to their members which include lobbying.
- C. Political interference may negatively influence the quality of capacity development. Often political oriented decisions favour infrastructure development instead of capacity development. Moreover they prefer quick results and capacity development is a long term process. Another risk is related to the frequent changes of elected representatives: when the mayor changes, trained staff may be replaced as well and the built capacities risk disappearing.
- D. We cannot comment on the practices in other countries, but the approach of SAHA is demand driven. Partner municipalities decide themselves on the type of training they require, on the coach they contract, on the terms of references of these coaches etc. They receive a grant and manage these grants on the basis of an agreed plan. Our experiences have shown that especially for weaker municipalities it is not easy to identify their needs for capacity development and to translate these into actions.

[Adrian Gnägi, SDC, HQ Switzerland](#)

Dear Parfait

Thanks a lot for your interesting reflections. Some weeks ago, a group of 11 dlgn members participated in a pilot train4dev course on decentralization and local governance in Brussels. There we met with colleagues from Denmark, Germany and from the EC. One EC participant presented the EC support program for decentralization in Madagascar. His presentation strongly influenced the discussions of the entire course. He did not mention SAHA at all, but from his explanation I concluded that he considered all other support strategies as inferior (quite a frequent way of presenting things in our business, isn't it?). One of his major points was that the EC program was the only one not to go for substitution, but to work on the link between line ministries and municipalities. He claimed that they were able to have line ministries perform the kind of support role for municipalities that they should play. Is this true? How can they convince line ministry staff to actually train and advise municipalities?

Thanks for helping me to understand



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[Parfait Randrianitovina, SAHA and Jacques Mérat, Intercooperation, Madagascar](#)

Dear Adrian,

We've been talking with Parfait about your mail. It should be specified that the fourth phase of SAHA (begun in 2009) highlights the necessity to work more with line ministries. The SAHA programme stimulated working relationships between line ministries and local governments mostly in three areas:

- Land administration: Line ministries elaborated land tenure maps and hand them over to local governments so that they can open their own land administration office. Line ministries also signed agreements with local governments to provide capacity building and on-going technical assistance in legal and topometric skills.
- Small mines administration: Line ministries helped local governments to elaborate maps that are the base for the delivery of mining licenses by line ministries and local governments. This census allows local governments to regulate mining activities (any new exploitant must obtain a license) and to collect taxes ("redevance minière") that are shared with the central state.
- Local taxation: Line ministries helped local government to do the census of property tax liabilities and then help local governments in the collection (enforcement).

SAHA does not adopt a top down approach consisting in designing a national "master" plan with the ministries to improve the relations between ministries and local governments. It rather identifies with local governments those burning issues that need to be tackled and then involves the relevant institutional actors. Often contacts with senior executives within the ministers are very useful because these executives can require the desired measures to be taken by their services on the field. Once problems are tackled in coordination between line ministries and local governments, the lessons learnt are shared at the national level, hoping that in this way the ministries change their attitude and collaborate more proactively with local governments, looking at the benefits of the joint action rather than looking anxiously at the empowerment of local governments and try to limit this empowerment.

Otherwise we share the perception that in our business everybody seems to claim to do much better than the others. Clients' voices are nevertheless not often heard.

We appreciate much the program of the EU. AIM (Association Intercooperation Madagascar) was even contracted for its implementation in two regions of the country. We will try to find the recent evaluation of this program that could bring more insight.

[Adrian Gnägi, SDC, HQ Switzerland](#)

Dear Jacques and Parfait

Thanks a lot; this in fact does clarify a lot. I admired the charisma and enthusiasm of the EC colleague when he talked about the decentralization experience in Madagascar. But I am still not sure I believe everything he said. One thing that still puzzles me is: why would line ministries support municipalities? After all, they are in a competitive position; if decentralization really succeeds and municipalities get stronger and fulfill their function, line ministries lose power (and maybe also resources). What is their incentive to do so? What is the driving force that makes them change against their own interests?

If you could shed some light on those mechanisms, I guess you'd do a great favor to many of us. This question of how line ministries can be brought to align with overall decentralization initiatives comes up everywhere.

[Jacques Mérat, Intercooperation, Madagascar](#)

I think one element is "the pressure to deliver". If a government is under pressure to deliver on health, education, rural roads, power, water, etc... he will seriously look at decentralization as an option. This could be good for him since through decentralization he can make local governments accountable to deliver, and release some of the pressure put on him.

One problem I see is that despite poor service level, many governments are not under pressure to deliver. In this condition, I do not easily see where the incentives could come from. Why there is no pressure or let say little pressure should also be surveyed.

Nicole Töpferwien and Erika Schläppi, Ximpulse, Switzerland

The question raised by Adrian is a very interesting one: What kind of incentive does central governments and line ministries have to decentralize resources (in the form of human capacity or finances)? Jacques mentions the pressure to deliver – and the wish to decentralize responsibility for impossible tasks. The idea of building up associations of municipalities, steered by local power holders, is a way how to build up pressure in a centralized political landscape and diversify the political power lines in a country.

The case of Madagascar may show the challenge of decentralizing political power, instead of administrative responsibility only: How much control will the line ministry be ready to transfer? Does the line ministry provide capacity building for municipalities with a view to keep control and make municipalities follow instructions from the center, or with a view to empower municipalities to take their own responsibilities?

The example also shows very clearly that decentralization is not an either-or, but it involves various levels (“multi-level governance”): Decentralized tasks may fall under the main responsibility of local governments. However, the central government and the line ministries always do keep responsibility to ensure that the local governments can fulfill their tasks: They may keep the responsibility to ensure minimal standards across all municipalities in the country (for example, construction standards for school buildings). Or they may have to ensure that municipalities do have the resources (finances, human capacities) to do so.

Valbona Karakaci and Voltana Ademi, Intercooperation, Albania

Please find the following feedback on regard of dldp experience in Albania working on decentralization and local development:

Question 1:

a) pilot basis on capacity development

Yes, dldp experiences shows that SDC tends to develop good practices and through them to cause a “chain of positive reactions” in long terms. We believe that this is a pragmatic solution as long as the funds would be limited to “cause a mass effect”. The strong part of this approach is the long term support SDC provides in the sector through which the right conditions for influencing policy and building standards might lead into results.

b) activities are often not rooted deeply in the given institutional setup of a country/region

It’s true as long as new reforms are initiated or when the whole institutional set up is missing. Whenever the institutions proves to be reliable various forms of cooperation and mainstreaming initiatives within the existing set ups take place.

Question 2:

The function of local associations especially in the countries like Albania: *a highly polarized political environment, where the culture of gathering in Associations is mainly “positively driven by donor” and the market of local experts/consultants is developed rapidly* should be carefully analyzed and not just taken as a “copy-paste” binomial because it might be contra productive. The dldp assessments show that the role of Associations in the Albanian context should be mainly focused on the *advocacy and lobbying efforts*. But what other donors have supported in the past and presently is as well capacity building through Associations thus the donor harmonization approach in defining who provides the capacity building measures is of a high importance in order to ensure the quality through a balanced competition and not confusing the relatively new Associations regarding the role they should play. The

Associations themselves see themselves as providers of training for their members, but their membership base does not ensure their sustainability.

The role of networks (incl. NALAS, if you refer to Local Associations): we would see more as an opportunity for exchange and knowledge management. It may provide comparative analyses, which could be used from researchers. It might serve to strengthen members through a broader base (*support for instance in Albania the incentive for creation of political Associations by division of the existing one*). We do not see it directly linked with *providing capacity development*, but more as a resource center for those who should have as their core task to deliver capacity development.

Question 3:

The capacity development is one of the spheres where the political interference is lower than in any other aspect. That's why some times we do influence on the policy just thought the capacity building being aware that education is one of the ways to influence.

Question 4:

Being engaged in demand driven capacity development does not necessarily mean to provide local government with grants for this purpose. We believe that it is possible to work demand driven even through other instruments by assessing properly the needs and progressively transferring to LGU the understanding of consultancy. Our experience shows that there are as well legal constraints and lack of awareness on the needs institutions might support through capacity development and the related costs. Dldp made an assessment for the number of LGU, which had procured in the last year technical assistance and consultancy; the results were really negative almost all tenders had failed although the cases were very limited. Another illustration is the capacity of LGU to define ToR and be able to functionalize the consultancy expertise: dldp had to closely support those LGU which wanted to procure technical assistance.

Please refer to the [report](#) as illustration on the difficulties legal frame work presents to be implemented by weak Local Government Units.

[Oksana Garnets, DESPRO, Ukraine](#)

I would like to share some views and practices from Ukraine:

Question 1:

“Focused” capacity building activities that are applied to the direct project partners: For example DESPRO (as well as MGSDP) are conducting capacity development for various project partners (mayors, community leaders, technicians etc.) to provide them with knowledge needed for implementing or supporting the DESPRO co-financed projects. This capacity building is based on the direct needs of the project partners and aimed at a very pragmatic goal of successful project implementation. Thematically this type of capacity development is closely connected to the project sector and project implementation aspects – project management, financial management etc. supported. Mostly such capacity building remains within the project as part of its activities and procedures. However, part of the learning materials - those that are of common interest for the sector, LSG functioning, local development etc., are further transformed in learning materials, training modules publications etc. for relevant actors. These materials with some effort from the project could be incorporated into the programs of the existing training institutions. Most likely it is done at regional level because national level institutions require, as a rule, more elaborated and licensed courses. In fact, this process could be views as partial up scaling of the project approaches and is very typical for various, not only SDC, TA projects.

On the other hand, DESPRO in Ukraine exploits another strategy of developing capacity of national partners. With the support of the project training and learning materials for public servant and LSG officers are being developed. These materials are based on the state-of-art international knowledge and experiences as well as practices of DESPRO and other projects operating in the area of DLG. Prior to this a needs and capacity assessment was conducted among public servant and LSG officers

to identify theoretical and practical knowledge needed for their effective performance. Therefore thematically the learning materials are based on the results of this survey. Institutionally, though the process is supported by DESPRO, it is led by the key institution in the country responsible for training and retraining of public servant and LSG officers – National Academy of Public Administration. In developing the training materials key experts in specific fields both from the Academy and think tanks are involved. The product of this effort – manuals, learning and training materials - will be built in the curricula of the Academy with its regional branches. Thus it will have an outreach to target audience all over the country. Such an approach could be viewed with some limitations as a demand driven and systemic one.

Capacity development is also practiced through various types of networking, e-learning, communities of practice etc, However this is a topic that needs more elaboration because these forms and types of capacity development a not widely practiced common for Ukraine so far. Introducing them needs special effort

Question 2:

LG associations could be a very effective instrument of capacity development under several conditions. These organizations have to be really active, functional and motivated to be involved in capacity development. Besides, the associations themselves need to have sufficient capacity to become leaders in developing capacities of their members. The current practice shows that those associations that have capacity development on their agenda are able to conduct these activities only with external financial support. In Ukraine there is experience with the Association of Cities and Association of Small Towns. Thematically capacity development of association is usually demand driven. However on the other hand it could be viewed as a limitation as well – the programming is focused on resolving short term tasks rather than forward-looking.

Question 3:

Political changes of course can influence the process both institutionally and thematically. Reorganizations followed by change of management in the national training intuitions might also bring changes of institutional policies. Certain topics are becoming less demanded or even politically “incorrect”. However, on the other hand, training institutions are usually extremely slow and conservative systems which means that if a topic is on the curriculum it is not a quick process to remove it. Besides to, for instance, you can talk about LSG development instead of talking about “decentralization” which amount to the same. As it was done in some case in Ukraine in 2010 when the topic has become rather irritating for some politicians Of course it depends on how dramatic and tough the political changes are.

Question 4:

Demand driven capacity development implemented through local governments could be an effective approach but again under a number of conditions. There should be the capacity in the local government to lead the process. Within the local government there should be an understanding of both immediate and strategic capacity development needs. Moreover there should be the vision concerning capacity development in general, which is very often not the case. Therefore, prior to practice demand driven capacity development implemented through local governments, the local governments themselves would need a lot of capacity building and change of views. The situation with local governments is in some sense similar to that with associations - the capacity development is focused on resolving short-term tasks rather than long term and forward-looking. Involving good expertise in the capacity development could also be a challenge. However this approach could be a good solution for future but based on substantial preparatory work.

[Annonciata Ndikummasabo, SDC, Burundi](#)

Please find below the experience of Burundi as to the questions in discussion:

A) The experience of Burundi shows that pilot projects are the best means to better know the

context, the challenges and thereby identify the ground for effectiveness and efficiency. SDC started its decentralization programme in Burundi in 2007. The one-year entry period that served as a pilot experience was from the start rooted in the institutional setup both at the communal level and the national level. This allowed more ownership by the nationals and was a good moment to assess the needs anticipatively, plan together (with local authorities and professionals in the driving seat) and see which capacities are needed to steer the implementation phase. The involvement of the communities in the process showed that the capacity building programmes should not be limited to professionals but should rather be extended to citizens who have also an important role to play in terms of accountability. As the project started in a post-conflict context where the move from emergency to development had not yet occurred, the capacity development activities carried out in this programme lacked a national framework. SDC, together with other donors are now supporting the national level to develop a national capacity building programme that will provide more room for harmonization and sustainability.

- B) The Local government association and network in Burundi is very young. It started in 2009. Capacity development of municipalities is among its missions. It also played an important role in lobbying and advocacy to the central government to support municipal investment as this has not yet transferred any fund to the communes to exercise the new competences. Yet, the lack of capacities in this association prevents it from playing its role of steering the capacity building activities. Besides, political powers in this body make of it an organization that is more active in political matters than in technical ones.
- C) This is very sound in Burundi. At the local level and the national one as well, the authorities and the professionals are among the constituency of the ruling party. This means that they are the main ones to receive the trainings. In this regard, as rotation occurs quite often in politics, the capacity building has difficulties to have impact. For example, our decentralization programme had hardly finished its capacity building plan that the elections happened last year and at least 60% of the people already trained were gone. Now, this year, it has to begin with new ones. The other problem we experienced is related to the fact that decentralization missions in the responsibilities of two ministries (the ministry of home affairs and the ministry of planning and local development). The political fight between these ministers, mixed with the confusion that is in task description are sometimes real obstacles to the good running of programmes including capacity development ones.
- D) Compared to the international state-of-the-art, SDC lacks experience with engaging in truly demand driven capacity development. By this, it is meant to provide local governments with capacity development grants or vouchers and let them decide what kind of training / exposure / consultancy they would want to use this grant for. Do you agree with this statement? Share your experience. The participatory appraisal that was conducted from the start allowed engaging a demand driven capacity development. Starting the planning process from the hills and going up to the communal level facilitated the assessment by all the stakeholders of their capacity building needs. To allow full ownership of the process, some funds were transferred to the communes and were jointly managed with the SDC implementing partner.

Petar Vasilev, SDC, Serbia

I am a newcomer to SDC and can talk about experience in Serbia only from a viewpoint with limited time span that I spent in SDC. I hope that this can be useful. Please find enclosed my answers

- From my limited experience, SDC undertook capacity building programmes at the same time linked with some "hard" activities (infrastructure, development). It proved much more effective to use "hard" leverage to implement soft components. Activities relate to working with local institutions/ local municipal structures, thus more chances to achieve sustainability.
- Currently we are engaged in capacity building of the advocacy unit of a local government association. They are involved in lobbying efforts on behalf of their member-municipalities. We

have positive experience so far. A representative of the Standing Conference of Towns and Municipalities will be present in Sarajevo to convey more experience about their project. Our case study tackles the issue of networks and capacity building.

- It is a common problem in Serbia; therefore it is difficult to work with top officials who are often party affiliated. It is good to have them on board for their political support to the projects; however, main capacity building initiatives focus on the middle management in the municipalities who have more chance to retain their positions after elections or other political restructuring.
- Due to the limited experience I cannot provide comments on this statement.

Ibrahim Mehmeti, SDC, Macedonia

- a) Prior to starting any capacity development activity in Macedonia, we have been conducting quite extensive assessments in order to identify needs for capacity development as well as to identify possibilities these activities to be compatible with the institutional setup.
- b) The Association of Local Self-government Units in Macedonia is very active in providing capacity development trainings for its members and this is very well received by them. However, the association needs development of the capacities of its own staff in order to be able to adequately address the needs of its members.
- c) So far there have been no problems of this nature in our context.
- d) We aim at engaging in capacity development support on demand driven basis as we consider this as crucial for the sustainability of the effects from this kind of support. In the case of Macedonia we provide capacity development through The Association of Local Self-government Units who is in close communication with the municipalities and is continuously assessing of their needs. In addition to this we also provide capacity development support to the Association itself in order to increase their ability to provide capacity development component for its members.

Snezana Mistic, MDP, Bosnia and Herzegovina

Please find below the input of the Municipal Development Project team which is based on our experience with capacity-building processes primarily related to project management, strategic planning and citizen participation issues, and not specifically to the municipal finances.

- a) In the 'pilot-then-scale-up' model, we contribute with innovative solutions, modern approaches, etc. These are institutionalized to a certain extent by local authorities, not always as much as we would like to. However, a contribution is made and it matters! Sometimes it is important just to put issues on the agenda and work on awareness-raising.
- b) In Bosnia and Herzegovina, we have two entity Associations of Towns and Municipalities, several informal municipal networks (such as the one created within MDP project), several regional development associations which are founded by municipalities, etc. All of them provide capacity-building on project basis, they do not follow regular and institutionalized curricula, and their capacities are very low.
- c) Political interference is a threat to effective capacity-development. Here are some examples:
 1. If political goals are pursued by municipal leaders instead of the good governance principles, the effects of capacity-building and the level of institutionalization is lower than planned. See footnote 10 in the Synthesis report.
 2. If election results are implemented with significant delays, as is now the case in BiH after the general elections that took place in October 2010, the budgets are not operational and transfers for capital investments cannot be made from higher levels to municipalities.

3. Change of councillors often takes place after local elections; it can cause political problems and delays in decision-making.
- d) MDP surveys showed that capacity-building needs are often classified among the 'unfelt needs' of municipal partners. The reason is that local partners have insufficient capacities, often mixed with political interference, to identify and prioritize capacity-building needs. Therefore, the capacity-building programs – although very much needed – turn to be non-demand-driven. The Synthesis report points out the importance of context factors and successful approaches.

Preeta Lall, SDC, India

Please find below inputs from India on the above referred discussion:

- a) In India the capacity development on local finances has been on a pilot basis. The projects that have been supported do try to align with the stated institutional intent but are not embedded in the institutional set up (owing to smallness of size, fear of cooption and risk of being threatened by systemic constraints that confront the mainstream institutional set up). The support has been mainly to (i) provide small untied grants to local governments in rural areas to build their capacities in planning, utilization, accounting and managing local finances and (ii) assisting local governments/municipalities in preparing better plans for attracting state financing from scheme based conditional grants.

In general, local governments rarely receive unconditional fiscal transfers (they are conditional grants linked to specific poverty alleviation schemes and projects each of which have their own sets of rules and conditions and hence capacity enhancement efforts equal efficient scheme implementation). The absence of sufficient instances and quantum of untied fiscal transfers to local governments results in investment in capacity building being kept minimal. In fact these pilots serve more as cases to demonstrate the 'how it can be done', advocate for greater devolution of funds and counter the argument often put forth of funds not being devolved owing to poor capacities in the field.

- b) Local Government Associations in India are rather few and very weak. They are evolving in some states and are in very early stages of being set up. Where they exist, they themselves need considerable investment in terms of visioning, medium term plan preparation, technical capacity enhancement and membership enhancement. Overall it can be said; even where they do exist they are still not seen as appropriate vehicles for capacity development.

In one district of the country (Kachch in Western India) local governments are competing with each other to receive untied funds and this effort is being overseen by the local association. In fact this effort at strengthening local capacities in managing funds and prioritizing investments has energized and capacitated the local association rather than it being the other way round.

There is a growing realization among civil society organizations that local government associations need to emerge and these associations need to advocate for a faster pace of devolution and create and organize a demand from below for a faster pace of reforms but so far investments by the state are not being directed in this direction and the poor financial health of local governments does now allow them to allocate resources for these institutions to emerge. Also the presence of numerous, well capacitated and well endowed nongovernmental organizations who are called to step in to support local governments sometimes serves as a disincentive for emergence of local government associations.

- c) Political and bureaucratic interference are cited as the main reasons for lack of devolution of funds, functions and functionaries to local governments. Overall it can be said that capacity building per se in terms of building the preparedness of people for better local governance is seen not seen as a threatening intervention and therefore is not hampered by political interference (but that is also because capacity development in India is still seen as the benign training given in a classroom environment as opposed to capacities being development through 'learning by doing

approach'). If capacity development was truly effective and led to the emergence of strong change agents it can be expected that political interference would become a significant consideration to factor in.

- d) I agree with this statement. . So far it has not been supported in India on a significant scale. In a few instances SDC had supported such pilots but there too the institutions providing services to the local governments were paid by SDC (because in India local governments cannot receive foreign funding). In one SDC and Intercooperation supported initiative a single local government mandated a local NGO for specific capacity enhancement services but this experiment was accompanied by a plethora of activities that preceded this process and required a significant investment of human and financial resources.

Barring a few states such as Kerala (with high literacy rates, better fiscal health) in most states of India the proposal would be too large a paradigm shift. Even if the idea is appealing, its workability will depend on the ground preparation that would need to be done (listing institutions, capacitating such institutions, preparing 'menus' of what different institutions offer, assisting the local governments to identify the area and nature of capacity development support they need etc.) Before anything else local governments in India are in dire need of support for short term and medium term visioning on (i) what they want to achieve (ii) the kind of transformation process that they need to undergo (iii) the kind of resources (human, technical, financial) they need to muster before they can emerge with well founded and clear demands. The transition from a top down capacity development programme to a truly demand driven one requires multiple strategies, a high quantum of financial resources and most importantly (and probably the most difficult to achieve) a concerted and well coordinated efforts across multiple agencies (central government, state governments, nongovernmental organizations, community based organizations, training institutions, local governments, donors, other oversight institutions) all of which have beyond the means of SDC in India .

A programme of UNDP in India is attempting this since the last year. They have tried to facilitate partnerships between local governments and training providers. The process is not firmed up enough as yet to learn on process or results.

Batbayar Gan, SDC, Mongolia

I'm a new member of Decentralization group from SCO in Mongolia. Currently we are in process of planning our Decentralization project and have not accumulated much experience in this field. However from the experience of other projects we implement in Mongolia as well as my experience of being former government officer, I would like to share my opinion on these questions.

- A) I don't agree. I think the pilot- based capacity building is more appropriate and cost-efficient approach for a country like Mongolia with large number of local governments and a huge territory. That is why our country strategy targets only western provinces of Mongolia. We favor the 'pilot and scale up' approach, which is proven to be effective. For example, we piloted One-Stop-Shops for public service delivery in a province and municipal district and then replicated successfully to all 21 provinces and 9 districts in cooperation with local and central governments. Here we shared costs of establishing OSSs with local governments. In another example of Sustainable Artisanal Mining Project, we have piloted community mining and capacity building of artisanal miners in three sites and mercury-free processing plant only in one site. The result of this piloting and advocacy for responsible artisanal mining led the Parliament and the Government of Mongolia to formalize ASM sector with legal amendments and regulations on ASM. Now the project works to implement them nationwide in cooperation with line ministries and local governments.
- B) In Mongolia, we have one NGO called "Mongolian Association of Local Authorities", which was formed by officials from local self-government bodies and supported by the SIDA Local Self-Government Capacity Building projects. The Association plays a very good facilitating role in organizing various capacity building activities for local governments, lobbying to protect their

interests and providing necessary information. Through SIDA project's cascading training system with consultants training master trainers, who trained local trainers who in the end trained the target population, they could reach 3,000 local officials. However, sustainable operation of this Association is limited by its financial and human resource capacity. Currently this Association employs three persons, self-financed by its revenue from paid training and sales of regular magazines.

- C) Political polarization and interference is a real threat to capacity development. Politicians tend to benefits of projects and capacity development through 'political lenses'. The threat is more evident during election years, when local government leaders and officers are divided into parties. However, recent change in Mongolian law on public service prohibited political party affiliation of all levels of public administration officers, which is a positive development. But appointments are still done through political filters especially at local government level. I also fully agree with other members that capacity development efforts lose their effectiveness due to frequent changes of government officers after elections.
- D) Here in Mongolia we plan capacity development activities through consultation with all possible stakeholders and beneficiaries. However, since we usually involve with central level stakeholders and capacity development suppliers, local governments have less space to make own decision how to use the grant. We try to reach agreement with local governments and take demand driven approach. Also local governments tend to lack competence/capacity to decide and organize such activities independently. Therefore, sometimes we involve civil society organizations to assess needs and implement capacity development activities for local governments.

Celestine Krösschell; Helvetas, Switzerland

An important point has been raised here, concerning the involvement of citizens."The involvement of the communities in the process showed that the capacity building programmes should not be limited to professionals but should rather be extended to citizens who have also an important role to play in terms of accountability." The whole discussion on demand-driven projects raises the question with me, whose demand? Apart from asking municipalities what their needs are, with all the dilemmas attached to this as mentioned by Oksana and others, should we also not be asking the citizens who local government is supposed to represent? Who determines where the weaknesses of municipalities lay? Should it not be foremost by those who local government is supposed to serve, i.e. citizens?

Cana Saranda, SDC; Limani Merita, SDC; and Norbert Pijls, Intercooperation

Here are some consolidated comments from Saranda, Norbert and Limani sharing some of the experiences from Kosovo.

Question 1:

Saranda,

The SDC support to local governance in Kosovo is composed of two main projects: 1) The Swiss Kosovo Local Governance Support Project LOGOS (implemented by Intercooperation) and the support to the Association of Kosovo Municipalities (AKM). The LOGOS project supports 8 municipalities (out of totally 37 mncps in Kosovo). Capacity building is provided through various channels: training events organized at municipal or regional level, study tours, on the job training, etc. The capacity building is not done via the Kosovo Institute for Public Administration (KIPA), which is institutionally quite weak and even its role unclear when it comes to capacity building for the local level. In this light it could be concluded that activities are not rooted deeply in the given institutional set up, but done on a pilot basis, as per agreement with partner municipalities.

Norbert and Merita,

In the local governance projects that SDC financed in Kosovo – LOGOS I and II – all project interventions are well rooted within the institutional set up of Kosovo. The reason for this is that Kosovo – being a new state – even today still has to implement quite some chapters of the post independence law on local government. Most donors, including SDC, contribute to that. LOGOS II was specifically designed to assist in this with its capacity development (strengthening newly established Kosovo Serbian municipalities, drafting legally required municipal strategic plans). The capacity development strategy in LOGOS II – as far as increasing own source revenues is concerned - builds on SDC experiences from Madagascar. The capacity building in the field of strategic planning builds on SDC experiences from Albania (including an expert that worked in that project).

Question 2:

Saranda,

SDC in Kosovo supports the AKM through core funding (Phase I July 2009 to June 2012). The core role of AKM is to advocate and lobby for municipal interests at the national level. However in Kosovo the AKM is also an important platform of exchange and mutual learning. The 11 collegia constitute the core professional bodies of AKM. Members are the respective directors and senior officers of municipal technical departments. The association provides specific capacity development to municipalities (mainly to new assembly members after elections). I think that AKM is very well placed to provide capacity building to mncps: as it can easily utilize the expertise from its membership. This is also foreseen in the AKM Strategy 2010 to 2015.

Norbert,

The role of the Association of Kosovo Municipalities (AKM) within local government in Kosovo is very important. Currently its main strength lies in lobbying the parliament and disseminating best practices from its members or international projects throughout Kosovo. This latter point is its contribution to capacity development. In that case its relevance lies in the umbrella function it has. The AKM – and quite some other associations in the Balkan but also elsewhere – does not have the resources to independently design staff, implement and monitor the quality of specialized trainings. Moreover the training market in developing countries and countries in transition is commercially not attractive because of the abundance of donor aid. Thirdly many countries have quite well established public or private training providers that can better provide such trainings. In such circumstances I consider it not wise for associations of local governments to try to get access to the training market without a good business plan. Their strength lies in the membership. Capacity development strategies should be built on that: exchange of best practices.

Question 3:

Norbert,

This is also a problem in Kosovo. In Kosovo elections also lead to a change of the heads of departments (directors) next to the municipal assembly and mayors. In the LOGOS project the directors are our direct counterparts in the municipalities. If they would leave our project would have quite some problems. Nevertheless, the risk will not appear during Phase II of LOGOS since that Phase runs parallel to the mandate of the current Assembly and mayors. This is probably the best way to prevent this risk in other countries too.

Merita,

Another example of political interference could be considered the decentralization process, especially in the municipalities where a part of their territory is to be split. If the mother municipality does not support the process, then the transfer of competencies etc can be very difficult and delays the proper institutional development of the new municipality.

Question 4:

Norbert,

I agree with this statement. SDC has not done such projects yet in Kosovo. Luckily, because in Kosovo

such an approach would require first certification of a number of training providers to assure that the funds are spend well. The post graduate and vocational training market has not yet developed sufficiently. The idea however is quite interesting and should be better analyzed. One option would be to allow access to international training providers (in other countries or from other countries).

In Romania the government forced local governments during EU accession to spend 1% of personnel costs to trainings. This has helped developing the national demand for training (and sufficient market for their national training institute for administration).

Merita,

Through our local governance project ``LOGOS`` we have developed an investment fund which supports the municipalities in different investment segments and uses the co-financing approach with municipalities. Here the municipalities develop the project proposals based on their priorities and needs. Furthermore, the project worked closely with each municipality to assess their needs, based on which the support packages for each partner municipality were developed, where several trainings and consultancy missions are overseen and currently being delivered with focus to capacity building.

Alma Zukorlic, SDC, Bosnia and Herzegovina

Please find below inputs from Bosnia on the above referred discussion. The reflections are based on experiences with capacity building processes in general as well as in relation to on-budget support.

- A. Municipal capacity development and training needs are identified through a demand-driven process taking into account the real needs of the municipalities in respective areas of local development linked to related project intervention lines. The pilot phase is often followed by up scaling interventions in order to enable institutionalization. The level and form of institutionalization differs according to processes/models/processes to be institutionalized.

As far as capacity development on municipal finances is concerned this has taken place on a pilot basis but mainly related to strengthening skills on applying for on-budget support. The earmarked on budget support provided by SDC to BiH municipalities represents an instrument for support and improvement of the processes directed towards local economic development, water and environmental municipal development, inter-municipal cooperation. On budget support is based on valid municipal strategic documents/plans developed in a previous phase with the support of SDC. The purpose of the on budget support is to improve the quality of planning system and development management in partner municipalities based on their enacted development visions. The process also aims at strengthening the role of local governance in managing donor funds, ownership, raising their responsibility and supporting adherence to certain procedures throughout the process. Indirectly, this approach is also meant to improve capacities in partner municipalities necessary for absorption of financial funds available through certain programs or grants.

- B. The Associations of cities and municipalities in BiH have limited capacities and resources in providing capacity development (in general). The provision of support is for the time being exclusively taking place on project level but even there within a limited frame. Although associations (two municipality associations on entity level) have being receiving support for quite many years in terms of strengthening their own capacities (managerial issues, advocacy, policy etc.), they still need further upgrading. SIDA started recently a broad support programme aiming at developing the capacities in a sustainable manner in relation to fiscal decentralization, devolution of responsibilities, better and effective management and opening to public participation. As long as these capacities are not available within the associations many programs have to substitute them with alternative channels in providing in a sustainable manner capacity development to municipalities.
- C. Risk factors mainly relate to delays in performing processes as well as level of institutionalization. Although, in general there is a strong dedication to project processes and ownership, which is not depending on acting political structures. Further, as described by MDP and GOWADE project.

- D. Although all trainings provided by SDC are based either on appraisals of municipality capacities, in-depth needs assessments and training formats and curricula developed in a participatory manner we in deed do not have experience in providing capacity development grants. We have also to take into consideration that provision of capacity building of municipal representatives in BiH which goes beyond project formats is supposed to be / being substantially covered by the Public Administration Reform training programs accessible for every local government unit/municipality.

[Annemarie Sancar](#), SDC HQ, Switzerland

I will read all the contributions until tomorrow noon and send a comments based on a gender specific perspective and analysis of decentralization processes in general and fiscal changes in particular. Even though the gender issue was underlined in the first mail where the questions are explained, it is quite difficult to find any responses in the texts so far. Evidence and theories about sustainable social development show that gender is one of the structuring criteria, therefore I think it is absolutely crucial to link the topic of gender power relations to your excellent inputs in the field of local governance and decentralization processes.

.....

I would like to share some impressions I had reading the synthesis paper as well as all your interesting contributions to the e-discussion launched by Bertha.

In the synthesis paper the need to consider gender and diversity issues in capacity building is reinforced and if we look at the tool published by SDC on gender and training (see pdf) several years ago we understand why gender is important and that the gender difference is a crucial category structuring knowledge, it is an important factor of the organization of access to knowledge, to training relevant resources etc. Gender is also an important category in developing training institutions, skills centers, curriculum etc.

Unfortunately the experiences of gender mainstreaming and women's empowerment activities in the field of fiscal decentralization and respective capacity building are not explicit. There is no documentation of the project specific activities in promoting gender equality in this domain. As far as I am informed there is quite some interesting practices worth to be shared.

Still I would like to mention some important issues / key questions:

- 1 Participation, participatory approaches, involving the citizens etc: (about the rooting of activities).

If there are possibilities to participate in budget processes, in training for auditing or training for budget process and performance...who women and men is admitted, who – women and men - participates, is it democratically organized? Who is NOT participating and why among women and men, do they have other options, for example the women, and who decides how...these are crucial baseline information in order to link administration and civil servant institutions with the people living in the municipalities, how can you otherwise judge how deeply activities are rooted or not (it is important to see the institutional set up as part of social organization and not as something different. That leads me to the next question/remark.

- 2 Role of local government associations and political interference

What is the relation between the people and the associations, or: who are the "associated"? Gender sensitive (or rights based) decentralization processes should include the different roles citizens play in structuring their institutional surroundings. I have the feeling that these associations are kind of structure apart, avoiding too much political interference...but political acting is important to create space for democracy, for learning about democracy and about citizenship (rights based), even though there are power relations which do not necessarily promote donors strategies to build up associations. New Public Management is seducing, but it is not necessarily democratic.

- 3 Gender issues can best be addressed in budget processes.

So if there is any initiative to teach and train civil servants in these domains, it is crucial to train in a gender responsive way, which means that the servants have to learn about needs based performance which takes into account all possible different categories of social groups relevant for the delivery of services (Gender, Age, Ethnic groups, migrants etc). Gender responsive Budgeting is more than about needs, it is also about incidence. So, each training on budget processes including the elaboration of tax systems, schemes etc, has to be taught in a gender sensitive way, which means there is a need for capacities and know how to do analysis, to collect and generate sex disaggregated statistics, to have space for impact assessment capacities etc. It is also about to learn how, as a civil servant, the voice of the community can be heard as an "audit" to improve accountability, and here again it is crucial to have NGOs, CBO, neighbourhood groups etc. on board (institutionalized). Are the trainings sensitive and trainers aware of this? Is it possible and planned to learn and teach about (gender and other) diversities in the civil society, in the municipality, community... and is it an issue how this diversity can be fed into what is called good local governance? From a gender perspective, it is extremely important to see how democratically the processes of fiscal decentralization, including capacity building (its curriculum and organization) are organized, and there is a risk to escape to a semi-private supplier (in the tradition of the European New Public Management, which is undermining public democratic control and reinforcing management units which are organized profit oriented and not democratically), when there are political interferences or any other complication. The decentralization processes are only gender sensitive if they are democratically supervised.

That is all for the moment.

I suggest that in a next round, our colleagues contribute with some gender specific experiences, which do exist because I know them, so we can compare and see why gender responsiveness of decentralization processes is more successful in building a strong community than gender neutral or blind approaches. This especially is true for budget processes!

Marc DeTollenaere, SDC, Mozambique

A short and late reply on the first round of questions:

- A) I do not consider this conclusion applicable to our experience. After more than 10 years support to municipalities we are certainly no longer in pilot mode. Our current programme is much more rooted in the country setup than our first programme, but we are also faced with a rather "shallow" institutional setup, so difficult to root deeply. Since a few years we also involve two ministries and the national association as partners in the programme and while this is more conform the country's setup it also carries the risk of central dominance.
 - B) In Mozambique the association is very weak and after the ample support that was offered to it (often inconclusive), we cannot but conclude that the powers that be do not want a strong association. Yet, our programme that serves 13 of the 43 municipalities in Mozambique has by itself become a little network where municipalities discuss their concerns among each other and with central government (and the association). The meetings have become increasingly interesting and relevant.
 - C) The most direct interference comes from the mayors who tend to select the wrong people to participate in capacity building initiatives. On-the-job training and exchanges between municipalities proved useful in circumventing political interference. Another impediment is an authoritarian administrative culture that does not allow people to apply acquired learning.
 - D) In a recent Steering Committee meeting the low demand for capacity development was raised and a mayor replied that if it is left up to him he would always opt for investment over capacity building, even though he is aware of capacity needs. Unless it was imposed he would not opt for it: too many material needs. We set targets for the use of grants for capacity building and every municipality could use it for their priorities, but in our case this approach proved by and large to be wishful thinking.
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Rudi von Planta, SDC, Central America

- A) In the case of Central America this is not completely the case. First of all the “Local Governance Programme (LGP)” has seen various phases with certain changes. Secondly, the programme is supporting existing institutions related to the strengthening of capacities: In Honduras, LGP works:
- with its main counterpart AMHON (Association of municipalities) who has its own respective agenda as well as
 - with mancomunidades (inter-municipal associations). In Nicaragua, PGL works with INIFOM (Nicaraguan governmental institute for the promotion of municipalities).
- B) In Honduras, the municipal associations (national and regional) play a crucial role in strengthening capacities considering the existing vacancy of the responsible public institution (the ministry for inner affairs is very weak in its functioning). In Nicaragua, the new governmental model of administration with a strong tendency of centralization has weakened the collaboration with municipal associations. INIFOM (Nicaraguan governmental institute for the promotion of municipalities) is now assuming the main part in the capacity building of municipal officials.
- C) In Honduras as well as Nicaragua, political interference implies a major threat to the capacity building process. In particular, the frequent changes of local governments (elections every 4 years, changes in administrations in between, political polarization) imply the restart of the capacity building cycle with the incorporation of new staff. Nevertheless, legal reforms to regulate local public functioning show progress: In Honduras, congress approved at the end of 2010 the new law regulating the municipal administrative career. Its implementation will pose a big challenge to the government.

In the Central American context, we consider it difficult to hand over “blank cheques” to local governments and let them decide unilaterally about the use. On the first hand, there is a strong tendency in investment in local infrastructure projects, on the other hand, there are still great challenges in topics such as transparency and accountability. An adequate option in this context is to impact and support local governments towards the participative formulation of their analysis and main commitment of capacity development.

Many thanks to all that have contributed to this online discussion!

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