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Commonwealth Local Government Conference

Developmental local government:
Putting local government at
the heart of development

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BACKGROUND
PAPER

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Foreword

The biennial Commonwealth Local Government Conference is an important date in the local government calendar, bringing together as it does senior local and central government policy makers, regional organisations that champion decentralisation, academic institutions, NGOs, the private sector, development partners and other stakeholders from across the 54 countries of the Commonwealth. The theme in 2013 is *Developmental Local Government: Putting Local Government at the Heart of Development.* It is the first time that East Africa, specifically Uganda, has hosted the conference and we look forward to welcoming stakeholders and partners from across the continent of Africa and of course from Asia, the Caribbean, Europe and the Pacific.

This paper provides some background on developmental local government – what it means in a Commonwealth context, what opportunities there are for local government at a time of economic crisis, the challenges which must be addressed in order to position local government in its rightful place at the heart of development and how best we can work together to achieve this objective.

The 2013 Conference will also link with the wider global debate on the post-2015 development agenda. We have a unique opportunity for local government to contribute to the global discourse looking at what the global community should put in place to follow the Millennium Development Goals (MDGs) which will come to an end in 2015. The session, organised in partnership with UNDP and addressed by the UNDP Administrator Rt Hon Helen Clark, will be the key opportunity for local government as a sector to feed in their views as to the future role of local government in the development agenda.

Kampala will present the platform for us to continue to define the developmental role of local government, to highlight the importance of local government not just as a critical champion but as an essential partner in promoting economic, social and cultural development in communities across the Commonwealth, and in future international development policy and targets.

Carl Wright
Secretary-General, CLGF

Executive summary

This paper is an introduction to the Commonwealth Local Government Conference 2013 whose theme is Developmental Local Government: Putting Local Government at the Heart of Development. The Conference takes place biennially and provides a unique platform for Ministers, elected local government leaders, local government officials, academics, representatives from NGOs, regional organisations, and development partners to come together from across the 54 nations of the Commonwealth to debate policy making and international learning with key practitioners and to shape the policy and direction of the organisation and to contribute to international efforts to improve and strengthen local government.

The Kampala Conference takes place at a time when many countries in the Commonwealth are experiencing a contraction of public funds due to a general global economic slump; while facing ongoing pressure to respond to long term challenges of poverty, unemployment, access to basic services, population expansion and environmental decline. Today's conditions require the collective effort of a broad range of actors - public and private, central and local – for the political, social and economic needs of citizens to be addressed. It calls for an innovative approach to the view and role of local authorities. Developmental local government can play a key role in addressing many of these challenges. In a developmental approach to local government, the state creates an environment that enables the mobilisation of local, national and global human, economic, socio-cultural, political and natural resources for the improvement and transformation of livelihoods, communities and territories at the local sphere or level.

The paper sets the context for developmental local government and reflects on what the term means in respect of the different systems of local government and approaches to local government across the Commonwealth.

Chapter 1 looks at the global environment and how global challenges are impacting on governance, service delivery and development at the local level.

Chapter 2 looks at how we define developmental local government in the different regions of the Commonwealth. It also sets out a case study on South Africa's experience of defining developmental local government within a system of cooperative governance, and how it has impacted on development at the local level to date.

Chapter 3 focuses on the fundamental enablers for developmental local government:

- The political framework
- Financing local government
- Human resource management and capacity
- Enabling citizen participation

Chapter 4 looks at key priorities for the post 2015 global development agenda and considers the role for local government in a post 2015 context as a key partner in development, providing a voice for local communities and implementing many of the key services essential to reducing poverty.

Chapter 5 reflects on practical approaches to developmental local government and looks at different ways in which local government is playing a central role in local development.

Chapter 6 reflects on the future and some of the key issues for discussion and debate at the conference

The conference seeks to build on the outcomes and recommendations of previous conferences and events. The outcomes of the conference will be discussed and agreed by conference and agreed by CLGF members at their General Meeting immediately after the conference. They will be circulated to all members, encouraging them to support the statement and to implement the recommendations. The outcomes will also be formally submitted to Commonwealth Heads of Government at their biennial meeting in Sri Lanka in November 2013. Furthermore, this event will also ensure that the recommendations made in the post-2015 development agenda consultation will be fed into the UN General Assembly.

1. Developmental local government: the context

1.1. Introduction

The 2013 Commonwealth Local Government Conference, taking place in Kampala, Uganda, addresses the theme *Developmental local government: putting local government at the heart of development.* Underpinning this theme is the importance of inclusive growth, which will ensure that the Millennium Development Goals (MDGs) now, global targets post 2015, and national development priorities are achieved, and that local government is at the centre of national developmental and poverty reduction processes, thereby promoting the notion and concept of a developmental local government. Foremost in this endeavour is the recognition of a resurgence of citizen assertiveness, in a context where resources available to governments are being eroded by ailing economic conditions, resulting in a pressing need for the manner in which development is occurring, to be reviewed.

1.2. Hunger, poverty, unemployment and poor access to basic services

As 2015 grows nearer, significant progress can be cited with regards to achieving the MDG commitments made by world leaders over a decade ago. The number of people in developing countries living on less than $1.25 a day has declined from about 1.8 billion in 1990 to 1.4 billion in 2005, whilst the poverty rate dropped from 46 per cent to 27 percent for the same period. (UNDP 2011:6). Africa, for example, has experienced a general improvement in standards of living due to consistent growth on the continent, which was 5% in 2012, despite the recession; greater political stability; better economic governance; and increased investments in infrastructure and human capital (World Bank 2012:2).

While the progress made, notwithstanding the very difficult circumstances governments find themselves in, are recognised, it is not enough. At a projected poverty reduction rate of 15 percent by 2015, levels of poverty are unacceptably high and well below the initial MDG target of a 23 percent reduction. The high levels of poverty are exacerbated by the continued rise in unemployment due to the past economic slowdown. The prolonged economic recession has resulted in significant job losses, for example almost 2.7 million people in the United Kingdom, alone, were made redundant between 2008 and 2012 (CIPD:2012). The impact of job losses is being felt most strongly at the local sphere as banks close down branches, manufacturing companies collapse and tourism declines. The recent contraction of economic activity resulted in a reduction in contributions to the national fiscus, thereby decreasing the amount of revenue available for transfers to sub-national and local spheres of government.

Local governments have also become very important because of globalisation and urbanisation, which have raised the importance of 'place' in development. As populations move and concentrate in cities and urban centres, the role of urban local governments has become amplified and highly significant. The proportion of the world's population living in cities is growing and this trend entails serious demographic, economic and social challenges. Infrastructure and service delivery for poverty reduction is no more an abstract concept, but one that refers to places and people, and managed by municipal and city organizations. In most cases, cities and municipalities are facing huge challenges due to their inability to cope with increasing demand for infrastructure and services, especially among the urban poor.

Given the new challenges such as climate change and its adversarial impact on, for example, household level food security, growth and unemployment, inequalities, fragility etc, the role of local governments has become more pronounced and urgent within the contexts of the Paris Declaration[1] and the post-2015 Development Agenda which emphasizes inclusive and sustainable growth.

Rapid urbanisation and climate change are straining natural resources. South Asia, for example is experiencing high rates of urbanisation, with urban populations increasing by 15.1 percent in Sri Lanka, 28.4 percent in Bangladesh, 31.16 percent in India and 36.2 percent in Pakistan (WDI 2012 and Census of India 2011). It is estimated that by 2040 the South Asia region will have achieved an urbanisation level of 50 percent (ADB). Many citizens however still lack access to basic services such as potable water, sanitation, electricity, health care and public transport. The UN 2012 MDG report projects that more than 700 million people will still be using unimproved sources of water and that 2.5 billion people will lack access to improved sanitation facilities by 2015.

Food security is also seriously threatened and it is anticipated that food prices will double in the next 20 years, pushing millions further into poverty in a world where already one in seven people go hungry (Herman 2012:1). The on-going hunger, poverty, and unemployment, which occur in a context where inequality continues to expand, frustrate the populace at large, and more and more, citizens are voicing their frustrations.

1.3. Increase in citizen demands

Governments have a responsibility to tangibly improve the quality of life of their citizens, in a manner that involves their citizens. In many countries of the Commonwealth, commitment to consultation and partnership with the community is set out in legislation. Attachments to historical liberators in former colonised states and/or traditional voting patterns in more established democracies, are fast fading; and where dictatorships existed, even when such benevolent dictators ensured that development occurred, they are challenged and removed. Citizens are demanding healthy economies, quality jobs and good social and economic infrastructure, in a context of clean, competent, people-centred governance.

This increasing citizen determination to shape public governance, policies and programmes, and the positive impact thereof is confirmed by the increase in civic protests, across the globe over the past five years. While a number of examples can be cited ranging from protests in North Africa and the Middle East to European countries such as Greece and Spain, the spirit of civic activism is encapsulated by the 15 October 2012 protest for global change in which people in more than 1000 cities in 82 countries took to the streets to claim their rights and demand broad-based democracy (http://15october.net/).

The heightened levels of consciousness amongst citizens and resurgence and spread of civic activism can be attributed in part to easier access to information, including through social media. As at March 2013, Badoo had 172 million users, Facebook had 1.06 billion monthly active users and Twitter had a total of 500 million users (Smith 2013). Citizens rise in solidarity with those who have the courage to challenge the status quo, as well as in response to exposure to examples of the positive impacts of good governance. Peace, stability and prosperity at

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1. Paris Declaration's six principles underscore local ownership, policy coherence, and alignment, among others.

national and international levels necessitate that governments provide greater outputs with the resources at their disposal, in a manner that is accountable, transparent, participatory and transformational and inclusive.

1.4. A new approach to development required

Not all countries have the resources and capacity to meet the needs of their citizens at the scale and pace expected. Though the need for donor aid is declining according to the OECD (2013), 35 countries (11 of which belong to the Commonwealth) are listed as qualifying for debt relief under the Heavily Indebted Poor Country (HIPC) Initiative. Countries will only be able to meet their development priorities and service delivery commitments within this context of constrained resources, through a differentiated approach to economic development that is tailored to maximise the specific economic potential of a geographic area and that draws on resources and endogenous knowledge at a local level. Development, whilst located within a national framework, has to be informed by the unique conditions and comparative advantages at the local sphere. Development also has to be bottom-up, allowing for innovation by aspiring and established entrepreneurs; as well as sustainable, structured partnerships with a wide range of stakeholders, including citizens, the private sector and non-governmental organisations (NGOs).

Local government is the sphere of government that is most able to address the current challenges facing governments as it is the sphere closest to the people, and best placed to optimise civic participation in governance and economic development. Effective, transformative local government is a primary platform for accelerating service delivery and development in a broad and participatory manner.

1.5. Increasing recognition of the importance of local government to accelerate development

Discourse on empowering local government to leverage economic development is not new. Many countries have well-established mechanisms for facilitating local economic development. Local governments have been acknowledged as critical interlocutors for attaining national developmental aspirations in platforms and declarations such as the Local Agenda 21, Rio de Janeiro (1992), the World Summit for Social Development Declaration, Copenhagen (1994), the Declaration on Human Settlements, Istanbul (1996), and the World Summit on Sustainable Development Declaration, Johannesburg (2002). More recently Commonwealth Heads of Government and their biennial meetings (Malta 2005, Kampala, 2007, Port of Spain, 2009 and Perth, 2011), the UN Global Forum on Local Development, Kampala, 2010, the Rio+20 Summit, and the 2011 Busan Declaration have emphasised the importance of local government in delivering essential services, and promoting local democracy and good governance. Furthermore, having assessed the challenges with regards to achieving the MDGs, the importance of localising efforts towards their attainment, has become a serious consideration in setting the post-2015 development agenda.

In giving credence to the importance of local government, the African continent has witnessed the establishment of the Africa arm of the United Cities and Local Governments Africa (UCLGA) and the All African Ministerial Conference on Decentralisation and Local Development (AMCOD). The gravity of the recognition of the need to strengthen local government is demonstrated by current discussions within the African Union Commission around the formation of a High Council of Local Authorities. Similarly local government is starting to engage more strategically at a regional level in the Caribbean and in the Pacific. In the Caribbean for example, Ministers have come together to form the Caribbean Forum of Local Government Ministers to advocate for more effective decentralisation and local government in the region, including via the Caribbean Community (CARICOM) and the Organisation of Eastern Caribbean States (OECS). There is coordination with CALGA, the regional local government association in this regard.

The 2013 Commonwealth Local Government Conference expands the emphasis of local government as a critical champion for accelerated social and economic development at a local level, and elevates it as an essential partner for development. The local sphere is where farms, cooperatives, micro and small enterprises, and industrial and commercial conglomerates are located. Investment decisions are determined by the availability of locally provided services such as electricity, water and sanitation, the provision of which is best done by local government; and the capacity of the local government to provide for the social comfort and safety of their families through good schools, reliable health care services and clean, safe parks. Local government must work, for countries to work.

1.6. Overview

The theme, *Developmental Local Government: putting local government at the heart of development* arises from an appreciation of the increasing frustrations of citizens with high levels of hunger, poverty, unemployment and poor access to quality economic and social infrastructure and services, and a recognition of the difficulties being experienced by most governments to meet these demands due to the scarcity of resources. Putting local government at the heart of development is being championed as the most effective approach to address these challenges and put in place improved governance frameworks which support local development. This entails a differentiated approach to economic development that draws on resources and social capital based at local level.

This paper, having outlined the context in which governments are operating and the imperative to improve service delivery at the local level, provides a platform from which to debate the definition of the term 'developmental local government', so that it may be conceptualised in a manner that is broad enough to embrace the complexity and diversity of the material realities of the various countries that comprise the Commonwealth. Recognising the significance of interplay between theory and practice, the paper highlights some of the fundamental enablers required for developmental local government to succeed, and introduces key priorities for developmental local government. Selected country case studies are presented to illustrate the practical manifestation of developmental local government.

The paper concludes with thematic areas which need to be deliberated on during this conference, to assist in making developmental local governance a reality.

2. Developmental local government: a definition

Defining the terms 'development', 'local development' and 'developmental state' is core to conceptualising the concept 'developmental local government'.

2.1. Development

Two broad theoretical approaches to development exist. One school of thought views development as a vehicle to fight poverty, improve livelihoods and drive progress. Another school views development as only promoting economic growth with a focus on building the drivers of production. (Kuye 2011:171-172). Our perspective of development is located within the first school. Based on this perspective, local development is defined as "the mobilisation of local, national and global human, economic, socio-cultural, political, and natural resources for the improvement and transformation of livelihoods, communities and territories at the local sphere." (AUC 2013:4).

2.2. The developmental state

The notion of a developmental state has been widely debated over the past decade. The idea of the developmental state can be traced back to Friedrich List in 1885 when he contended that less advanced nations required artificial means to catch up with more advanced nations, and that this economic development had to be championed by the state (Kuye 2011:173).

Post war economists, and development administrators and theorists promoted market-led economic growth, with minimal state intervention and supervision in the economy. A developmental state however actively seeks to facilitate sustainable development, with the intent to stimulate steady, high rates of economic growth and structural change in the domestic productive systems and its relations with the international economy. It is a development conscious state, in which economic development is enhanced through political commitment and a competent bureaucracy driven by state political and economic structures. A developmental state does not only seek to transform its economic base by promoting productive, income generating economic activities, but channels development with the objective of improving the living conditions of the majority of its population. This includes reducing poverty and inequality; providing for personal safety and security; and addressing broader issues such as climate change. (Edigheji 2005:6, Kuye 2011:174, Mkandawire 2001:290).

The developmental state model is premised on two assumptions. Firstly that most developing countries are at such a disadvantage in the world economy, that a reliance on market forces alone will not enable the levels of growth needed to meet their national developmental priorities. Secondly, that it is possible for developing countries to overcome their challenges. Empirical evidence shows that effective developmental states have accounted for some of the most successful rates of economic development in the world. In the early eighties to late nineties, developing countries like the East Asian tigers (Hong Kong, Singapore, South Korea and Taiwan), Southeast Asian tigers like Indonesia, Thailand and Malaysia, and other countries such as China and Botswana achieved noteworthy degrees of development, despite their differences in forms of governance. (Kuye 2011:173-174).

The initial conception of the developmental state did not emphasise governance practices. Robinson and White (1998) came up with the notion of the democratic developmental state to capture the need for the practices of the developmental state to occur within the context of multi-party, participatory democracy. The conceptualisation of the democratic developmental state retained the autonomous institutional attributes of the democratic state, but expanded representative democracy to incorporate an inclusive approach to public policy-making and the need to create channels for multiple stakeholder participation in development and governance processes. The democratic developmental state is not dominated by particularistic interest groups, but engenders coherent networks within the state, thereby enhancing its capability to identify and implement independent goals. (Edigheji 2005:8-10).

2.3. Developmental local government

The term developmental local government, whilst not in common usage in every country, reflects the vision for local government espoused by many governments in the Commonwealth. In developmental local government, the state creates an environment that enables the mobilisation of local, national and global human, economic, socio-cultural, political, and natural resources for the improvement and transformation of livelihoods, communities and territories at the local sphere. Developmental local government has two primary elements. The first entails providing local government with the environment and capacity to drive social and economic development within a given community. The second entails state-led empowerment of ordinary citizens to be directly involved in the problem-solving arenas in which public policy is made.

> *Developmental local government: the state creates an environment that enables the mobilisation of local, national and global human, economic, socio-cultural, political, and natural resources for the improvement and transformation of livelihoods, communities and territories at the local sphere.*

In stressing local government's role in promoting the "social, economic and material needs" of its citizens "and improving their quality of life",[2] developmental local government stands as an effective critique of the new public management approach which has been largely prevalent across many Commonwealth countries and which sees local government as concerned simply with the efficient delivery of public services. Developmental accounts of local government replace an emphasis on the means - management, measurement and markets - with a focus on the ends to which local government pertains, i.e. the sustainable well-being of the communities it represents and the citizens within them.

A pressing reason for a more developmental approach to local government includes the current economic challenges experienced by many countries, particularly affecting some of the developed countries of the Commonwealth - whether this is a full blown crisis as in Cyprus, a persistent recession as in the United Kingdom, or the more stable picture of Canada or Australia. In every case there is a long term contraction of public funds and local government consequently has to

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2. http://www.info.gov.za/view/DownloadFileAction?id=108131

adapt to a combination of rising demand and shrinking resources. At the same time, and more significantly, local government in each country is responding to long term challenges such as caring for an older population, local economic renewal, skills/employment, education, geo-economic change and technological development.

These changes are complex, rapid and permanent; they make a real difference to the issues people care about: jobs, health, education, community but they also demand:

■ new ways of thinking and doing
■ innovation and inspiration
■ an evolving relationship between citizen and state and
■ fresh ways of thinking about what a local authority does and is

Local authorities will have to think both about how they engage communities in the design and delivery of public services and about the relative role and responsibility of citizens and the (local) state. All this is needed at a time when immediate resource pressures make it difficult or impossible for local authorities in many places to invest in future transformation. Inevitably this will involve a re-localisation of politics and a debate about the powers and responsibilities entailed.

Responses to these challenges have two core characteristics:

i. They cannot be solved by institutions (of state or market), or communities, or by citizens working alone but require a collaborative engagement of all parts of the public and private realm.

ii. They cannot be solved by exclusively centralised, one size fits all solutions. Innovation must be local, responsive to local contexts and must draw on the creativity and civic capacity of local people.

A developmental approach to local government speaks to both these priorities.

As the branch of government closest to the people, or perhaps as the branch of the people closest to government, local government is crucial to stimulate innovation, to aggregate and connect local innovations, to provide democratic legitimacy and to manage local decision making about how and what services are delivered. To do this we need growth, but that growth must be a multifaceted growth in resources: we need economic growth of course, but also a growth in civic capacity, social capital, collaborative creativity, community energy and collective resilience. In the process of building the economy, governments have to champion socio-economic transformation that has a locally sensitised approach to meeting basic needs, democratises the state and society, and develops human resources, while maintaining national cohesion.

A developmental perspective provides a useful lens through which to understand the role of local government in working with communities to respond to complex social challenges and ensure future well-being. Moreover, a developmental approach forces us to recognise that local government is crucial to driving growth but that this is not a separate agenda from the overall national socio-economic developmental agenda, nor from the engagement of citizens in the design and delivery of services. They must be part of the same project. For growth to be real and sustainable it needs to be rooted in the aspirations and priorities of local communities, it needs to draw upon their creativity and civic energy and it needs to be sufficiently broadly conceived to

look different in different places and to be responsive to local conditions.

Strategies for growth need to be developmental in nature and need to have local government and local people at their heart. In summary, systems of developmental local government should:

■ Practice local democratic governance that is inclusive, transparent and participatory;

■ Facilitate democratic development and public participation, serving as a vehicle for citizens to realise their visions for their community;

■ Exercise powers and functions in a manner that maximises innovative, sustainable, people-sensitive economic growth and social development;

■ Integrate and coordinate developmental activities of public and non-state agents within a given municipal area;

■ Promote human rights, gender equality, cultural diversity and oppose any discrimination; and

■ Provide leadership and contribute to the building of social capital, peace and stability and dialogue. (South African White Paper on Local Government 1998; Global Taskforce 2013).

Having considered what we mean by developmental local government and the context for this approach, attention is now directed towards its practical manifestation.

2.4. Developmental local government in the Commonwealth

The term developmental local government has been coined in South Africa. The practice and vision associated with the concept, is however, widespread in countries across the Commonwealth, and is often linked to national policies on decentralisation. Below is an overview of decentralisation in the different regions of the Commonwealth and some examples of how developmental local government is practically manifested at country level.

2.4.1. The Caribbean

In the Commonwealth Caribbean, local government systems exist in most countries, some of which date back to the 1960s and the independence movement. According to the *Regional Policy Framework on Local Governance and Local Democracy in the Caribbean* (2008), local government is defined as "a sub-national level of government which has jurisdiction over the administration of a limited range of public or state functions, within a specified geographical area, as part of a larger territory or as part of a state". This reflects the range of elected and nominated systems of local government, as well as special considerations within sister-island arrangements in nation states. A number of countries in the region, including Trinidad and Tobago, St Lucia, and Jamaica are actively reviewing and reforming their local government systems to strengthen local government's role as a partner in governance and development at the local level

Within the region, local governments currently provide a range of services in the area of community infrastructure and public/environmental health, as well as, regulatory functions related to land and building plans and the granting of licenses with public/environmental health implications. Increasingly local authorities are playing greater roles in local area planning, sustainable

development planning, and local economic development (LED). Already, sustainable development planning has been conducted by about 50% of the local authorities in Jamaica; and all municipal corporations in Trinidad have developed Investment Plans which are currently being implemented.

The comprehensive Caribbean Local Economic Development (CARILED) programme has been embraced by national governments in the region and is currently being implemented by the Federation of Canadian Municipalities, in partnership with the Caribbean Association of Local Government Authorities (CALGA), the Caribbean Forum of Local Government Ministers (CFLGM) and CLGF with CIDA funding. This six-year CARILED Project (2012-2018) can be seen as a concerted region-wide project aimed at promoting developmental local government, and may become the point of reference in assessing progress in the Caribbean.

In the context of developmental local government, Local governments actively involve citizens and local stakeholders in the process of governance. Different mechanisms exist to enable this. For example in Jamaica, Parish Development Committees allow stakeholders to participate in decision-making at the local level. Legislative provisions for consultations with citizens on local matters exist in the Bahamas, Belize, and Guyana, whilst in St Vincent (where in spite of the absence of representation, there being no elected local Councils) it is the policy of the Local Government Department to consult with communities.

There are challenges impacting on the successful implementation of decentralisation in the Caribbean, many of which relate to the size and

Box 1. Case study: Jamaica

Jamaica represents the case of a small developing country that has fully embraced the concept of developmental local government and is far advanced in the full implementation of this concept. In 1993 The Government issued a paper on Local Government Reform (LGR) which outlined the principal policy objectives and main features of a LGR programme that it would be undertaking to fundamentally transform the country's 350 years old local government system. This was against the background that LGR had been on the national agenda since 1943, but despite several studies being commissioned on the subject and an equal number of reports being submitted, very little had been done to officially adopt or to implement recommendations emanating from them.

A major objective of LGR was "to change the mandate of local government from having an exclusive focus on social issues and service provision to one in which local authorities also assume responsibility for the sustainable development of their local jurisdictions". Another key principle of the new LGR paradigm, which is closely related to the new developmental mandate of local government, is the tenet of participation, through which civil society, the private sector and other local stakeholders are made partners in the processes of local governance and local sustainable development.

Phased adoption and implementation of the concept

The process began by creating a development planning capacity in local authorities. This took the form of establishing a new planning unit, headed by a Director of Planning, as part of a new organisational structure approved for these bodies in 1996. It was then necessary to formulate the concept of Local Sustainable Development as a key responsibility of local governments. This was undertaken with strong collaboration between local and external partners and with broad participation of a wide range of agencies, representing policy-makers, practitioners and technical officials from local government, relevant central government agencies, and civil society. This ensured that the conceptual framework that emerged was relevant to the Jamaican context and enjoyed the buy-in of all relevant groups.

Parallel to this was the consolidation of Parish Development Committees (PDCs), as vehicles for broad-based civil society and local stakeholder participation with Local Authorities in the processes of local governance and local development. PDCs represent a re-branding of Parish Advisory Committees (PACs) which had been established at the start of the Reform process to facilitate a robust participation of civil society, the private sector and all local stakeholder groups, in the management of local affairs and in helping to shape/steer the reform process at the local level. The re-branding reflected the new emphasis on local leadership and initiative in spearheading the process of local development.

Two local authorities were identified to pilot the preparation of Local Sustainable Development Plans (LSDPs) for their respective jurisdictions, in partnership with their PDCs. The process of preparing LSDPs is initiated by the forging of a collective local vision for the development of the Parish. This is accomplished by parish-wide consultations with local communities, interest groups and other stakeholders. This vision helps to guide the preparation of the Plan, in terms of the goals to be achieved and strategies to be employed. Preparation of LSDPs is also undertaken in close collaboration with relevant national Ministries and Agencies and is in alignment with the National Development Plan.

Successful completion by the pilot parishes of their LSDPs have now paved the way for the model to be replicated in all local government jurisdictions. Several other local authorities are already in the process of preparing their plans and it is now expected that all Local Authorities will have a current LSDP in place by 2015.

Emphasis is now focused on implementation of the plans and the achievement of the developmental goals and objectives that have been identified and established as outputs in the Plans. Special emphasis is being placed on local economic development as a critical intervention through which local authorities and their local partners are able to identify and mobilise local resources, opportunities and assets that can form the basis of viable and sustainable economic enterprises that can generate jobs, create wealth and alleviate poverty.

The developmental role and responsibilities of local government is being fully embraced at all levels and in all major national policy instruments, including the National Development Plan, and is being reflected in the national laws as the opportunities arise.

Source: Government of Jamaica

vulnerability of countries. In some cases the political will to implement decentralisation remains weak, in part linked to finding the most appropriate size of government for the country concerned to ensure appropriate levels of local representation whilst at the same time optimising economies of scale in terms of service delivery. Some of these issues are compounded due to limited staff and management capacity. Indeed a study in Local Democracy and Good Governance in the Caribbean (2004) established that there was a failure in public management in local authorities, and that there was need to employ more modern managerial practises. The situation still prevails as evidenced by the statement in the Trinidad *Policy on Local Government Transformation and Modernisation* (2012): "The inadequacy of the human resource base and the accompanying issue of low productivity have been two of the most burning concerns of Local Government".

2.4.2.   Africa

Decentralisation within post-colonial Africa has been primarily driven by two factors; the first being structural adjustment reforms imposed on the continent in the early 1980s and the second being internal transitions toward more democratic and competitive politics in the 1990s. Structures for local administration exist in all Commonwealth countries on the continent, many dating back to the colonial era. In most countries, these structures have moved beyond being an administrative arm of the central government, enjoying a relative degree of independence from their national governments. This independence is supported by a growing appreciation for the valuable contribution that can be made by local authorities in promoting good governance and effective service delivery. However in spite of the long-standing commitments to local government and decentralisation on the continent, there is some evidence of moves towards

recentralisation. This underlines the importance of maintaining strong political will across government for the decentralisation process.

In virtually all countries in Commonwealth Africa, local governments are elected by the citizens in the municipality. Most countries also have clear legal frameworks in place that delineate the various spheres of government and designate the powers and functions aligned to them. In some countries, including Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, South Africa, Swaziland and Zambia, for example, the bases for establishing local governments are enshrined in the national constitution.

Financing local government remains a challenge. There are many different models and formulas in operation. All countries however have arrangements for a combination of fiscal transfers from the central government to localities and agreed sources of local revenue which they have the power to collect themselves. Transfers, however, are not always timely, consistent, or predictable, and the funding managed by local authorities is often not commensurate with the responsibilities assigned to them.

A further major challenge facing the continent of Africa in respect of decentralisation is that of capacity. Gaps are evident in areas such as planning, financial management, project management, infrastructural roll-out and service delivery. Gaps also exist in relation to developing and implementing sustainable mechanisms for stakeholder engagement. There are many initiatives underway at local and national level to try to address the capacity gaps which exist. Inter-regional collaboration, facilitated by structures such as AMCOD are also looking to identify a continental approach to addressing these challenges.

Box 2. Case study: South Africa

Policy framework

South Africa is probably the country most associated with the concept of developmental local government. The South African Government is one of the few governments in the world that has expressly committed itself to the construction of a developmental state. Most developmental states were labelled as such after the fact, not by government officials but by scholars (Edigheji, 2010: 2). The Freedom Charter of 1955, a document developed under the leadership of the then banned ANC, had set out the vision for achieving a developmental state in South Africa, when it declared that "The People Shall Govern". The notion of transformation of the state and the building of democracy has been an integral part of the objective of establishing the developmental state.

The 1996 Constitution of South Africa reinforced the notion of a state that must take active action to promote the socio-economic well-being of its citizens. The Bill of Rights included in chapter 2 of the Constitution, includes socio-economic rights such as the right to adequate housing, access to health care services, sufficient food and water, social security, and education. The Constitution acknowledges, however, that the progressive realisation of these rights is subject to the availability of resources.

Furthermore, Chapter 3 of the Constitution provides for a

cooperative approach to governance, making allowance for three separate but interdependent spheres of government, with the mandate to, amongst others, secure the well-being of all the people and to provide effective, transparent, accountable and coherent government for the country as a whole. One of the basic values and principles governing public administration enshrined in section 195 of the Constitution is that public administration must be development-oriented.

Establishing the mandate of developmental local government

The 1996 Constitution gave local government a new development mandate. It provided that a municipality must "structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community" This was more clearly defined in the White Paper on Local Government, published in March 1998, which put forward a vision of developmental local government and outlined new structures, systems and approaches that would enable South African local government to be developmental. It proposed new institutional forms for metropolitan and rural local government; outlined new political decision making systems; defined principles for structuring

Box 2. Case study: South Africa

administrations; suggested new service delivery options; and sketched a framework for a more rational system of local government finance. To fulfil this vision of local government all municipalities must discharge two core mandates:

- They must provide representative and accountable government for their municipal areas, complemented by a duty to involve local communities in matters of local governance. National legislation prescribes a range of mechanisms for community participation in local affairs. Beyond involving the public in local governance, municipalities must function as facilitators of community self-empowerment.

- Municipalities must also lead the development of their areas by providing municipal services and investing in infrastructure. They must meet national policy objectives for poverty eradication and inclusive growth by providing free basic services, investing in economic infrastructure, and creating work opportunities through labour absorptive practices.

The developmental mandate of municipalities goes beyond service delivery and infrastructure. Municipalities must lead the creation of cohesive, integrated and sustainable human settlements in their local areas. They undertake this role in two ways: namely by developing a strategic plan to guide the long-term spatial development of its area, and by acting as the point of coordination for the investments and services that the other two spheres discharge in the local built environment.

Political guidance to strengthen the developmental state

The commitment by the government stems from the ruling party's recognition that "addressing the developmental challenges facing South Africa – including growing the economy and reducing the high rates of poverty, inequality and unemployment, as well as improving livelihoods of South Africans – requires a developmental state that is democratic and socially inclusive; a developmental state with the capacity to intervene to achieve the aforementioned goals." This commitment was repeated in various documents of the ANC. [3]; [4]; [5], [6]. In 2007. Four key attributes for a developmental state were defined: Its strategic orientation: an approach premised on people-centered and people-driven change, and sustained development based on high growth rates, restructuring of the economy and socio-economic inclusion.

- Its **capacity to lead** in the definition of a common national agenda and in mobilising all of society to take part in its implementation.

- The **state's organisational capacity**: ensuring that its structures and systems facilitate realisation of a set agenda.

- Its **technical capacity**: the ability to translate broad objectives

into programmes and projects and to ensure their implementation.

The need to build the strategic, organisational and technical capacities of government to achieve a democratic developmental state, through: [7]

- A strengthened role for the central organs of state, including the creation of an institutional centre for government-wide economic planning with the necessary resources and authority to prepare and implement long and medium term economic and development planning.

- The integration, harmonisation and alignment of planning and implementation across all three spheres of government, and with the development finance institutions and state-owned enterprises, including through the development of coherent inter-sectoral plans at national level and the alignment of local implementation in terms of the Integrated Development Plans (IDPs) of municipalities.

- Building the human capacity of the state by establishing uniform and high entrance requirements and standards of employment in the public service, emphasising professionalism, discipline and a commitment to serve and adequate numbers of personnel to ensure delivery.[8]

Economic drivers for establishing the developmental state

The Constitution of South Africa, with its progressive realisation of justicable socio-economic rights, is fundamentally transformative, and places a number of stringent requirements on the public finance management system to support that agenda. At the same time, the Constitution precipitated a fundamental transformation of the fiscal landscape to a more decentralised intergovernmental fiscal system. This was given operational substance by the Intergovernmental Fiscal Relations Act of 1997. Cumulatively, these constitutional provisions place pressure on the fiscus to support the developmental outcomes and socio-economic transformation envisaged by the Constitution. There are certain key economic drivers that are crucial for the realisation of a developmental state in South Africa. These include mineral and energy, national transport and logistics, as well as national resources. The ANC recognised that the developmental state:

- Should maintain its strategic role in shaping the key sectors of the economy, including the mineral and energy complex and the national transport and logistics system. Whilst the forms of state interventions would differ, the over-riding objective would be to intervene strategically in these sectors to drive the growth, development and transformation of the structure of our economy.

3. ANC, 2005: Consolidated Report on sectoral strategies. Report of the ANC's 2nd National General Council (29 June - 3 July).
4. ANC (2007a) ANC Policy conference report: Economic transformation. Accessed March 2013, .; ANC, 2007b: ANC 52nd National Conference 2007: Resolutions, Polokwane, Limpopo Province (16-20 December).
5. ANC, 2009: Election manifesto: Working together we can do more. Accessed March 2013.
6. ANC, 2012: ANC 53rd National Conference of the African National Congress, Resolutions arising out of the ANC 53rd National Conference in Mangaung, Free State, 16-20 December. Edigheji, O, et al: 2010: Constructing a democratic developmental state in South Africa, HSRC Press.
7. Ibid.
8. ANC, 2010: Legislature and Governance NEC Subcommittee: Provincial and Local Government Review Discussion Paper presented to the Summit on Provincial and Local Government, 2 – 4 December 2010

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■ Must ensure that South Africa's national resource endowments, including land, water, minerals and marine resources are exploited to effectively maximize the growth, development and employment potential embedded in such national assets, and not purely profit maximisation.

The ANC pledged "to build a developmental state that will play a central and strategic role by 'directly investing in underdeveloped areas and directing private sector investment', and will play a critical role in addressing the problems of high 'unemployment, poverty and inequality',[9] as well as 'accelerate economic growth' and address 'the skewed patterns of ownership and production'.

Given the realities of South Africa, the Government opted for a mixed economy where public, private, cooperative and other forms of social ownership complement each other in an integrated way. Within this mixed economy, the active and interventionist role of the state in ensuring economic development is affirmed. It must be a state that has the capacity to intervene in the economy to lead development.

Developmental progress and achievements

Since 1994, South Africa has made significant progress in building the structures of a democratic state. The fragmented, racially based, governance structures have been consolidated into an integrated, non-racial, non-sexist system designed to serve developmental objectives. The composition of the public service and local government has been transformed to better represent the entire population. Democracy has laid the basis for greater accountability of the state to its citizens, and there is a crucial role for Parliament and state institutions supporting constitutional democracy in exercising oversight, holding government to account and enabling public participation.

As a result South Africa has made noteworthy progress in the provision of basic services such as housing, water and electricity. Census 2011[10] has shown that access to piped water in a dwelling or yard has increased since 1996 from 60.7% of households to 73.4% in 2011. During the same time, the percentage of households with no access to piped water decreased from 19.7% in 1996 to 8.8% in 2011. Households with flush toilets connected to the sewage system increased persistently to 57.0% in Census 2011 from 50%. The percentage of households that were without toilets declined significantly to 5.2% in Census 2011 from 13.3% reported in Census 2001. Census data shows that electricity is generally used as a source of energy for lighting since 1996. Households using electricity for lighting increased from 58.2% in 1996 to 84.7% in 2011.

In the context of reducing poverty and achieving the Millennium Development Goals:

■ Absolute poverty has declined, based on a period of economic growth combined with a series of redistributive measures. There was a five-fold increase in the number of people benefiting from social grants and a variety of pro-poor investments in services such as sanitation, housing and others.

■ South Africa has in effect achieved the goal of universal primary education before the year 2015, and its education system can now be recognised as having attained near universal access.

■ In terms of gender equality, the ratio of girls to boys enrolled in education shows that on balance the country is quite close to gender parity. Progress has also been achieved in the share of women in wage employment in the non-agricultural sector and representation of women at all levels of government above 40%.

■ From a policy perspective South Africa has been proactive in ensuring that the necessary policies and implementation strategies are in place to reduce under-five mortality in the form of prevention of malnutrition and intensification of immunisation coverage, as well as access to free health care facilities.

■ There has been considerable investment in public health care and the prevalence of HIV has stabilised in the country. Government has intensified the implementation of policies, strategies and programmes aimed at combating HIV and AIDS.[11]

■ South Africa does have significant environmental challenges, specifically its dependence on coal based energy production, but there have been significant improvements in basic services.

■ South Africa has rapidly opened up trade, especially to Least Developed Countries (LDC) and developing countries. South Africa is seen as a country characterised by a remarkably stable macro-economic framework.

Local economic development (LED): an important accelerator of a developmental state

LED is the key expression of economic development and refers to outcome based local initiatives driven by local stakeholders. The aim of LED is to create jobs, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents. Municipalities plan, staff and budget for local economic development. They derive this mandate from the constitutional objects for local government, government policy and municipal legislation, all of which confer a duty on municipalities to "promote local economic development".

Important elements of LED are:

■ The growth of local businesses cooperatives and SMMEs;

■ Empowerment of local community members with the necessary skills to participate in the economy; and

■ To contribute to building the capacity of municipalities to provide quality services.

The SMME sector, emerging farmers and cooperatives have a

9. StatsSA, 2012, Key results.
10. StatsSA, 2012, Key results.
11. State of the nation Address, 2013.

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critical role to play in job creation and should benefit directly from the value chain and other beneficiation and downstream activities. For LED to be effective, it must be linked to national and provincial economic policies, strategies, plans and programmes. Effective LED programmes are making a significant contribution to the national economy. SMMEs contribute 35% to South Africa's gross domestic product (GDP), and together with the informal sector, 50%. The challenge is for municipalities, in cooperation with national and provincial government, to create more space for the development of SMMEs and informal businesses.

The South African government is promoting local economic development to support job creation through the Community Work Programme, the support of Cooperatives and Business Development Forums in Municipalities; the support of the development and signing of Memoranda of Understanding between businesses and municipalities in terms of the Business-Adopt-a-Municipality Programme; and to support municipalities to implement the Clean Cities and Towns Programme.

Community Works Programme (CWP) as vehicle for Public Job Creation

Closely linked to LED is the Community Works Programme (CWP), a component of the Expanded Public Works Programme (EPWP). The Community Work Programme provides access to a minimum level of regular work – i.e. 2 days a week = 100 days a year. The CWP allows for the targeting of the poorest areas where market-based jobs are unlikely. The CWP uses community participation to identify 'useful work' and priorities which is decided in Ward Committees. The programme is multi-sectoral and seeks to provide an employment safety net for those without access to opportunities to lift them out of poverty. In the 12 months to March 2011, 89 689 people participated in the programme putting in 5 449 376 workdays. The work opportunities were created in 480 wards in 63 municipalities.

The short-term (2014/2015) objective is to increase the participation rate to 332 500 in 228 sites of which 253 360 are work opportunities at 100 days per year. Furthermore to ensure that CWP is implemented in all 23 District municipalities and in 64 of 108 LGTAS (Local Government Turnaround Strategy) municipalities. The CWP aims to avoid placing further burdens on local government whilst delivering more jobs locally. Implementation of the CWP is managed by Implementing Agencies - appointed centrally. By the end of the 2013/2014 financial year the CWP will be up-scaled to a million work opportunities and the extension of the CWP to more wards. Qualitative research conducted in 2012 looked at how poor communities are building their own futures. Through the study, CWP experiences came out strongly even though there was not a single question that was asked about the programme. The study revealed that CWP, like social grants, is the safety net against misery and hunger for the participants and their families. The Programme helps with the purchase of necessities (food, water, electricity), as well as investment in savings products and services (funeral and stokvel,

paying fees for crèche and transport fares to school). It also enables participants to continue to seek work.[12]

Examples of the responses of participants:

- *"We are able to get money at the end, about R500. We then buy Maize-meal, rice and oil then we are happy. The government helped us by giving us these jobs. Thank you."* (uMthwalume);

- *"I'm fine with my job and it's better than being at home because you don't get anything at the end of the day and it helps, you can support the family, the children grow and you are able to pay for their crèche as well, even your mind as well you don't even get tempted to do crime because you spend a lot of your time working and not thinking other things."* (Bushbuckridge);

- *"You can even participate in stokvel, so that you can buy big things that you need and even in December, you know you have money that you have saved for grocery and money. So you know you will get grocery and after that you are able to buy your children clothes."* (Randfontein).

The goal set by Cabinet to increase participation in the CWP to 1million jobs for 100 days will result in **930 thousand** people moving above the lower poverty line, and extending this to 2 million people pushes that number up to 1.95 million.

South Africa's Challenge: Building Capacity for a Developmental State

The transformation process towards ensuring that every South African, especially the poor, experiences an improved quality of life, is on-going and steps are set out in the National Development Plan to realise an effective developmental state in South Africa. These include prioritising actions that lift key constraints to economic expansion.

In the first phase of the NDP, Government commits to:

- Doubling the annual expansion in high-skills supply and improving education at primary and secondary levels;
- Improving the labour relations environment;
- Ensuring that the supply of energy and water is reliable and sufficient for a growing economy, and the responsibilities of municipal maintenance of distribution systems are appropriately allocated and funded;
- Implementing its commitment to promote industrial diversification through its procurement programme;
- Simplifying the governance structures for state-owned enterprises (SOEs) to ensure clear lines of accountability and stable leadership;
- Changing the approach to land tenure systems to stimulate production and economic opportunity; and
- Expanding public employment programmes.[13]

The second phase spans the years 2018 to 2023 and will focus on

12. Development Policy Research Unit, University of Cape Town, 2013: *Predicted Poverty Impacts of Expanding the Community Work Program in South Africa*.
13. NPC, 2012: National Development Plan 2030, http://www.info.gov.za/. Accessed March 2013.

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diversifying the economic base. This will include building the capacities required to produce capital and intermediary goods for the infrastructure programme. According to the plan "in this (second) phase, the country should lay the foundations for more intensive improvements in productivity. Innovation across state, business and social sectors should start to become pervasive."

Thus, a guiding principle of the NDP's is that South Africa needs to build a state that is capable of playing a developmental and transformative role. To realise this course of action it emphasises that the public service needs to be immersed in the development agenda, but insulated from undue political interference. Furthermore public service staff at all levels must have the authority, experience and support they require to do their jobs. This presupposes a long-term approach to skills development.

Priority areas for developmental local government

There are a number of priority areas which require attention to ensure that local government in South Africa can fulfil its developmental mandate in the years ahead. The LGTAS (Local Government Turnaround Strategy) is an initiative aimed at improving the capacity of, and delivery by municipalities. Another means to accelerate service delivery is the establishment of a Municipal Infrastructure Support Agency (MISA). This agency is a special purpose vehicle which will provide specialised and targeted technical and financial support to municipalities in the development of infrastructure.

A better correlation between a specific municipality's capacity and the powers and functions it exercises, is required. This necessitates refining the model for local government. Such a refinement will result in a differentiated model of local government in which powers and functions are linked to capacity. Metropolitan municipalities and other stronger secondary cities are being targeted for the devolution of greater responsibilities. This approach will assist metros and stronger municipalities to better integrate their planning and use their resources more productively.

There needs to be a review of the current Intergovernmental fiscal system. Some municipalities, especially in the rural areas do not have a minimal economic, financial or revenue base. The majority of the people living in these municipalities are indigent. These municipalities depend substantially on intergovernmental transfers to survive. The financial capacity of municipalities is also hindered by a lack of financial management skills. To improve the financial situation of municipalities more effective billing systems are required, as well as optimal debt collection and revenue enhancement.

There is a need to ensure a more integrated cooperative governance system as national and provincial government have not monitored and supported municipalities adequately, as required in terms of the Constitution, and this too has impaired the capacity of municipalities.

Concluding remarks

South Africa has been committed to building a democracy where the political trajectory of the government is consistent with the attributes of the developmental state, which frames the agenda for governance and the approach to economic policies with a central role for the state in addressing socio-economic challenges. It aims to enhance economic growth and reduce unemployment.

Indeed, empowerment, is essential to transform the lives of the poor majority of South Africans living and working largely in what has been referred to as the "second or non-formal economy", the majority of whom are women and the youth engaged in small scale businesses/petty trade to eke out a living. Most of the special interventions are seen, in the main, as temporary phenomena. The complexity of the issues that South Africa has to grapple with, as it seeks to address the legacy of apartheid, underlines the fact that there is no silver bullet for dealing with poverty and inequality.

Source: The Department of Cooperative Governance, South Africa, 2013

2.4.3.   Asia

The South Asian region has undergone a transition from a predominantly rural to semi-urban and majority urban society. The urbanisation process in south Asia is associated with structural readjustment and rapid economic growth significantly increasing the share of non-agricultural industry. The structural readjustment has resulted in economic gains. At the same time, it has also created surplus labour in rural areas and under employment in urban areas combined with inadequate access to shelter and services in the urban and rural areas in the region. These are putting local governments at the centre of development process to ensure that structural readjustment is productive, pro-poor, sustainable, and smooth and environmentally friendly.

The South Asian region has, since the early 1990s, increasingly recognised the value of, and moved towards decentralisation. These moves were informed by an acute awareness of the linkages between economic growth, social development and the adequacy of services and

infrastructure provided by local governments.

The first phase of empowerment of local governments entailed the introduction of enabling legislation and its follow up in terms of assignment of powers and functions at local level. By the beginning of this century, countries across the region had either initiated or implemented reforms towards political, functional and fiscal empowerment of local authorities. Examples of such initiatives include the 74th Constitution Amendment Act of 1993 in India, the Local Government Ordinance, 2001 in Pakistan, and the Local Government Ordinance for Pourashava in Bangladesh 2008. In some countries, notably Pakistan and Bangladesh however, the systems remain fragile.

The second phase of local government empowerment in the South Asian region has been to build on and further consolidate best practises and lessons learnt from the local actions taken to address gaps in the socio-economic indicators on productivity, equity, health and quality of life.

Despite the rapid pace of economic growth in the region South Asia has 24% of the global population whereas the share of global GDP in South Asia is only 2.9% (Mathur 2011). As part of the transition towards improving economic development and social and economic inclusion local government has emerged as a focal point to consolidate strategies and actions at grass-root level. The empowerment of local governments achieved in the individual countries during last two decades has provided a basis for further consolidation of local government abilities to more effectively carry out local action for inclusive and faster growth as per socio-economic objectives of national governments in the region. This has resulted in a groundswell of local leaders, and in India particularly, much better representation of women and disadvantaged groups (30-50%) thanks to a rotational quota system. There is a focus on building capacity to ensure that local governments continue to deliver on their mandate.

Capacity development at the local level remains a challenge and efforts to build the management and technical capacity have been on-going. The primary challenge within the region however is fiscal self-sufficiency at municipal level, particularly in the context of upgrading local infrastructure. In India alone the required funds for municipal infrastructure are projected to be as high as US$56-90bn at 2010 prices. Empirical studies suggest that urban local governments in South Asia do not adequately mobilise their own resources. Policy recommendations that are currently being considered include:

(i)   Development of a data base on municipal land, properties, and house ownership in the town using GIS application etc. so that property tax and other land based tools are applied and requisite resources are mobilised from municipal land and properties;

(ii)   The replication of financial management reforms covering auditing, accounting, asset management and budgeting;

(iii)   Community awareness and participation at grass-root to reduce arrears and build a sense of ownership and belongingness on municipal assets.

Box 3. Kudumbashree – state poverty eradication mission for slum improvement

In the Kerala State in India, under the Integrated Housing and Slum Development programme (IHSDP) of the Jawaharlal Nehru National Urban Renewal Mission JNNURM), 45 Urban Local Bodies are engaged in works including infrastructure up-grading pertaining to housing, sewerage, road, sanitation and drinking water. The Kudumbashree is the State Level Nodal Agency for anchoring all the centrally sponsored schemes for the up-liftment of the urban poor in the State. Kudumbashree was launched in 1998 for wiping out absolute poverty from the State through concerted community action under the leadership of Local Self Governments (LSGs). It is built around three critical components: micro credit, entrepreneurship and empowerment. Kudumbashree has a three tier framework:

a) Neighbourhood Group (NHG) - the lowest tier constitutes the NHGs consisting of 10-20 women members from economically backward families.

b) Area Development Society (ADS) - ADS is formed at ward level by federating all the NHGs in the ward.

c) Community Development Society (CDS) - CDS is a registered body, constituted at Local Self Government (LSG) level, federating all the ADS in the Panchavath/Town/City level.

Status prior to Implementation of the programme

Due to lack of regular income and poor living conditions, slums emerged in the town of Chavakkad. Out of the 27 notified slums in the town, seven most vulnerable colonies with a total population of 821 were identified under the IHSDP, based on a survey conducted by the Community Development Societies in 2006-07. The inhabitants of these colonies were mainly casual labourers. The situation prior to the intervention is summarised in the table below:

S.No.	Name of the slum cluster	Population	Area (acres)	Sex Ratio	Literacy Rate (%)	Housing	Drinking Water	Sanitation
1	Pallithakazam	174	2.9	1941	82	49 units (85%kutcha)	community tube wells	Poor toilet facilities, no sewerage network
2	Vanchikadavu	84	0.45	1000	100	16 units (95%kutcha)	community well	Toilet available, No sewerage net work
3	Thiruvatra	106	0.80	1320	93	17 units (75%kutcha)	community tube well	Community toilet, No sewerage net work
4	Gramakulam	82	0.93	886	96	17 units (75%kutcha)	community tap	Poor toilet facilities, No sewerage net work
5	Edapully Laksham Veedu	98	1.43	1040	92	24 units (30%kutcha)	community well	Toilet available, No sewerage net work
6	4 cent Colony	79	0.63	1174	94	15 units (40%kutcha)	community well & tap	Toilet available, No sewerage net work
7	Pazhayam Palam	119	1.1	1222	95	20 units (60%kutcha)	community well	Poor toilet facilities, No sewerage net work

Box 3. Kudumbashree – state poverty eradication mission for slum improvement

Project aim and cost

The aim of the project was to improve the quality of life of the urban poor through improving the condition of housing stock, provision of efficient services to each household, ensuring equal access to social and community facilities and economic empowerment of the community through effective use of untapped literate female workforce.

The total project cost was around Rs 167 lakhs, where Govt. of India contributed 136 lakhs, Govt. of Kerala's share was 16.73 lakhs, Rs 4.31 lakhs was contributed by the Municipality and the remaining came from the beneficiaries. The general category beneficiaries were required to contribute Rs 7.24 lakhs for housing, Scheduled Castes and Scheduled Tribes category had to put in Rs 1.22 lakhs and other reserved categories contributed Rs 1.45 lakhs.

Participatory planning was the key tool adopted to identify the critical problems and the priorities for adoption of socio-economic strategies for development of the clusters. Participatory approach was adopted for appraisal, needs identification, planning, implementation, organisation and evaluation. The primary task was to identify the Key Non-Governmental Organisation/ Community Building Organisation to intervene in the community. Kudumbashree networks were already present in all the clusters. In the beginning of the programme there was no grass root team to take the programme forward. Lack of community resources was a major drawback and a focussed intervention in this regard was essential. A special drive was initiated to form NHGs as a basic requisite for the advancement of the programme in the project clusters. The CDS was vested with the responsibility of mobilising the community to form NHGs and 12 new NHGs were formed during the project period.

After project approvals were obtained CDC was formed in all the clusters. The CDS gradually took the role of a 'contractor'. They pooled in antique woodwork and other raw materials for construction from demolished structures for building cost effective houses in the clusters. The ADS took an active role in arranging bulk purchase of materials for beneficiaries, thereby facilitating early completion while bringing down individual costs. Accessibility to a local planner to draw up a structural design with basic functionalities was facilitated by the CDS with minor fees of Rs 300 per plan. 87 destitute families were given lay out plans for free as part of the Ashraya programme of the Kudambashree. Women of the network offered labour and support for these families to complete their houses. CDs took the initiative to arrange loans of Rs 10,000/- each from the Indian Overseas Bank for the beneficiary towards their contribution. In case of budget overrun, the CDS was again instrumental in getting sanctioned additional bank loan of Rs 25,000 to each beneficiary. Every stage of house construction was monitored by the CDS which ensured that proper kitchen and toilet were there in each house. Smokeless chullahs were organised by the CDS with help of the NGO COSTFORD.

The impact of the project

A total of 79 new houses were constructed under the project. Each cluster was upgraded with physical infrastructure such as efficient drinking water supply, rainwater harvesting structures, covered sewerage network, sewage treatment plant and biogas plants, legal electric connections, tarred approach roads with street lighting and fencing; as well as social infrastructure such as libraries, anganwadis, study centres for girl children, community halls, health clinics etc. With the help of CDS, individual and group micro enterprises have mushroomed in many parts of the clusters. Small manufacturing units which make face wash, thirst quenchers, incense sticks, fritters etc. have been established. The financial empowerment and increased coping strategies are visible in the loans that have been raised by way of linkage banking. The entire CDS raised Rs 1.5 crores as loan. The collectivism has brought in a sense of ownership for sustaining local development activities. The women structures are now able to implement and monitor the whole process and are able to exercise their right for entitlements instead of remaining at the fringes. The NHGs have been increased from 12 to 40. Destitute and mentally ill are taken care of through the collective community process. The Kudumbashree network supported in building not only a quality living environment but also provide a platform for access to a menu of services such Public Distribution System (PDS) health care, widow pension etc. for a sustained quality of life.

Conclusion

Slum upgrading through Community Participation ensures successful planning, implementation and sustainability with short term and long term positive impacts. The whole experience of the Kudumbashree has been documented and disseminated for replication in other towns of the State. Decentralisation and participatory planning by women network is very effective method for adoption in slum improvement programmes which strengthens local self-help capacities and improves the status of women and disadvantaged groups among the Economically Weaker Sections. This approach encourages accountability and transparency in governance, local empowerment, people's participation and integration of local knowledge.

2.4.4 The Pacific

The Commonwealth Pacific countries are primarily small or indeed very small island states spread over a vast geographic area. As such they are vulnerable to isolation and remoteness, have generally small dispersed populations, poor infrastructure and lack of access to government services, population growth, are vulnerable to the impact of climate change and fuel and food prices, have limited natural resources, low levels of economic growth, limited human resource capacity, rural urban drift and poverty. The majority of countries are primarily agrarian; however urbanisation is changing this pattern profoundly.

Almost all countries have adopted decentralisation policies to strengthen local development capacity, predicated on commitment to encouraging citizen participation in decision making and improving the efficiency of service delivery. Success of decentralisation has been variable, and the current focus is on improving local governance which is seen to dovetail more with the strong traditional governance systems which prevail in the Pacific, placing emphasis on communal rather than individual rights.

Although developmental local government is not explicitly referred to in constitutional or legislative frameworks in the region, it is nevertheless implied in most of the member states' legislations and policies. Local government plays a developmental role and has at its heart the aim of improving the livelihoods of the people it serves. Papua New Guinea, Solomon Islands, Vanuatu, and Kiribati all have constitutional provisions for local government. Cook Islands, Samoa, Tonga and Tuvalu have legislative arrangements supporting local government.

Kiribati, Tuvalu and the Cook Islands have embarked on ambitious programmes of decentralisation, which to varying degrees integrate elements of traditional governance and leadership into their local government systems. Tuvalu has gone further and blended traditional institutions of leadership with their democratic local government system.

In the Pacific countries of the Commonwealth, an emphasis is being placed on local governance as a strategy for delivering and promoting sustainable development. The challenge of limited natural resources, widely dispersed geography, low economic growth, acute shortage of financial and human resource capacity are significant, especially in the smaller island states. These challenges are being addressed with the support of a range of development partners, including CLGF's regional project which aims to build capacity at local and national level to strengthen local democracy and improve service delivery. There are also positive examples of local government's role as an implementing partner of key services such as in water management programmes, eg in Samoa.

2.4.5 Europe, Canada, Australia and New Zealand

The European member states of the Commonwealth (UK, Cyprus and Malta), Canada, Australia and New Zealand are also taking a developmental approach to local government. The global financial crisis has led to major economic challenges, compounded by the general, if not exclusive, contraction of public funds and the need for local government to adapt to a combination of rising demand and shrinking resources. Local authorities are seeking to reinforce their position in the inter-governmental framework to be seen as a partner in development. They are also addressing how they involve local people in the design and delivery of public services and more effective commissioning of services. At the same time, particularly in the UK efforts are being made to look at how to build and sustain capacity within communities to require fewer services from the state whilst supporting the most vulnerable.

The challenges for local government are familiar and reflect those in other parts of the Commonwealth. As has been highlighted above, partnership between the public, private and community sectors, which are responsive to local circumstances, are an essential component of developmental local government, with a strong emphasis on economic growth, but also growth in civic capacity, social capital, community energy and collective resilience. The case studies exemplify ways in which local government is positioning itself at the heart of development.

A general review of decentralisation in Commonwealth countries confirms that there a growing trend towards developmental local governance. Consistently, the common factors emerging as cornerstones to this new form of local governance are the policy framework, financing, human resource capacity and public participation. The fundamental enablers for developmental local government are further explored in the next section.

3. Developmental local government: fundamental enablers

Despite commitment by countries in the Commonwealth at the highest level of government to decentralisation, much opportunity exists for further devolution of powers and responsibilities. The essential requirements for democratic local government are succinctly captured in the *Aberdeen Agenda: Commonwealth principles on good practice for local democracy and good governance.* The Aberdeen Agenda was adopted by Commonwealth Heads of Government in Malta 2005 and reaffirmed in 2007, as part of the Commonwealth's commitment to fundamental political freedoms. It has recently been endorsed in the new Commonwealth Charter, signed in March 2013. The twelve principles are listed below:

i.   Constitutional and legal recognition for local democracy: local democracy should enjoy constitutional and legal recognition.

ii.   The ability to elect local representatives: citizens should be able to elect their local representatives in conditions of political freedom.

iii. Partnerships between spheres of government: there should be cooperation and partnership among local, regional/provincial and national spheres of government.

iv.   Defined legislative framework: local democracy should ensure local government has appropriate powers in accordance with the principles of subsidiarity.

v.   Opportunity to participate in local decision-making: all citizens should be able to participate actively in the local democratic process.

vi.   Open local government – accountability: local government should be accountable to the community it serves.

vii. Open local government – transparency: the local decision making process should be open and transparent.

viii. Openness and scrutiny: the work of the executive should be subject to scrutiny

ix.   Inclusiveness: the process of local decision-making must reflect the social, economic, environmental and cultural needs of the entire community.

x.   Adequate and equitable resource allocation: in order to respond to the needs of the local community.

xi.   Equitable service delivery: the distribution of services should reflect the diverse needs of the local community.

xii. Building strong local democracy and good governance: commitment to continuous capacity development of democratic local government.

Countries that have institutionalised public policy approaches aligned to the Aberdeen Agenda have demonstrated marked improvements in economic growth, service delivery, and quality of life. Conversely, countries that assigned relatively little importance to local development and local governments within the public policy process, though having achieved development at an aggregate level, this had been accompanied by widening individual and territorial disparities. Economic growth and activity remained primarily concentrated in a few urban centres and characterised by a narrow base (Crosta, 2010:7).

The effectiveness of developmental local government is therefore dependent on the extent to which central governments accept it as an integral part of successful governance and accordingly creates the necessary political, administrative and fiscal environment. Drawing from the Aberdeen Agenda and based on the positive experiences of countries that have applied it, the fundamental enablers for effective developmental local government can be grouped into four categories, namely the political framework, financing local government, human resource capacity and management and citizen participation.

3.1.   The political framework

Four key aspects of a country's political framework affect the functionality of developmental local government. These are the nature of the state, the role of central government, the Constitution and legal framework, and the political and electoral system. Firstly, a strong centre that takes responsibility for leading and shaping social and economic development is required from national governments. This entails setting a national vision for the economy, maintaining macro-economic stability and creating a predictable policy and regulatory environment. In so doing, central government further has to display a willingness to create the space for robust and innovative decentralised local government. This willingness must be captured in sustained political will, country policies and legislation. Ideally, local governments or local authorities should be identified and legally defined as distinct spheres of government operating within an intergovernmental relations framework in which powers and responsibilities are clearly articulated in a manner that promotes partnerships and cooperation between the various spheres of government.

A differentiated approach to policy making and the principle of subsidiarity should be applied. Public policies, while recognising the need for national policy coherence and programmatic alignment, must allow for development to be tailored according to the unique conditions at local level. Decision-making and policy and programme initiation, adoption and implementation should be located at the local sphere of government, where local governments and local authorities offer a better guarantee of pertinence and efficacy. Furthermore, national legislation should provide for participatory and representative forms of local democracy, with multi-party democracy forming the foundation of local government within countries. Accordingly, the election of local governments, local authorities, leaders and councillors should be integrated into country constitutions and supported with regulations that clearly define the modalities and timeframes for such elections. (AUC 2013:8-13). Indeed, moves towards entrenching local government in national constitutions is happening across the regions of the Commonwealth.

Box 4. Comparison of intergovernmental relations models

Internationally central-local government engagement is a very diverse territory reflecting the unique constitutional arrangements of each country, particularly their federal or unitary status. While some systems provide local government with constitutional recognition, the nature of the provisions vary with regard to how engagement is approached ranging from prescriptive to silent. Engagement is also influenced by the structure of sub-national government itself and their respective histories. There are three broad approaches - legal, political and mixed:

- The *legal approach* provides a legislative context for engagement, such as a parliamentary or constitutional duty to consult with local government which may go as far as to explicitly name the relevant local government association as the agency responsible for representing local government's view.

- The *political approach* involves mutual agreement between representatives of the higher level government and local government with regard to the rules and processes for on-going engagement. The most common appear to be negotiated agreements and memoranda of understanding.

- *Engagement approaches* do not need to be mutually exclusive and an ideal approach might very well be a mixed one, with both a legislative and political aspect, in which status is established by legislation or the constitution while practice is determined by agreement negotiated bilaterally.

A number of jurisdictions have established permanent commissions or committees for managing the local central relationship. For example:

Australia   No constitutional recognition of local government but provides a seat for the president of the Local Government Association (ALGA) on the Council of Australian Governments (COAG) which meets to coordinate federal governance.

Switzerland   Established a 'tripartite agglomeration' consisting of the federal government, the Conference of Cantons and other peak organisations for local government to coordinate governance.

Spain   Established a Commission of Local Governments which acts as catalyst for identifying municipal problems and communicating them to the government.

Wales   The Welsh Parliament is required to consider local government's interests in its actions. It is also required to sustain and promote local government in Wales as well as to establish a Partnership Council consisting of members of the Assembly and local authorities.

Formal entities, such as those identified above, appear to be most common in federal jurisdictions where the challenge of coordination is that much greater and engagement is multi-level, involving federal, provincial and local authorities. More common are mutually negotiated protocols and guidelines or partnership agreements. In addition to the use of formal entities the last decade has seen an increase in the use of protocols or broad ranging agreements that set out expectations of local and central governments towards each other. For example, Blom-Hansen (1999) notes that all three Scandinavian countries use agreements between central authorities and local government associations as an alternative to legal regulation; he also notes that associations in the different countries have considerably different levels of influence.

Agreements take a variety of forms. In the UK, the Central-Local Concordat signed between the Local Government Association (LGA) and British Government in December 2007 included a joint commitment by both spheres of government in England to work for better outcomes for citizens and communities as well as stating each party's rights and responsibilities in general terms. The Concordat has been replicated in both Scotland and Wales. The first step in Scotland was the formation of a Partnership Framework, agreed between the Council of Scottish Local Authorities (COSLA) and the Scottish Executive in 2001 - the Framework is a non-legally binding agreement which set out principles for the purpose of forming a partnership. This has now been superseded by the Scottish Concordat, an agreement between the Scottish Executive and COSLA which focuses on commitments entered into during the life of the agreement; commitments include:

- The Government commits not to undertake any structural reform of local government;

- Local government agrees that councils will report to the Scottish Government annually on achievement of Scottish outcomes;

- The Government commits to a specific level of funding

- Councils agree to reduce bureaucracy.

Source: "Managing Central-Local Government Relationships: The case of New Zealand", Reid 2012:16-17, published in the Commonwealth Journal of Local Governance, Issue 11: December 2012

3.2. Financing local government

Developmental local government requires adequate financing. The state must be able to harness substantial state and private finances, which could be used as concessional capital for social and economic investment at a local level. The devolution of powers and responsibilities has to be accompanied by the necessary resources and appropriate fiscal decentralisation measures to enable the allocation of revenue generation and distribution capabilities to local government. There is also a responsibility on local government to collect the local revenue which is due to it to support its developmental mandate. This will help remove the burden of unfunded mandates and enable local governments to shift from being recipients of central government contributions, to being dynamic contributors to the national fiscus.

Fiscally decentralised systems also allow for community participation and reflection of the local community's preferences in planning and budget determination.

It is particularly important that expenditure authority be devolved, alongside the practice of discretionary transfers from the central fiscus to complement the resource needs of local government. Municipalities must lead the development of their areas by providing municipal services, investing in social and economic infrastructure and stimulating development, without being hindered by cumbersome and onerous bureaucratic processes set by central government. It remains important however that relative fiscal decentralisation is supported by measures that ensure transparent, efficient and accountable financial management and that combat corruption.

Box 5. Financing local government: Canada's gas tax fund

Canada's Gas Tax Fund was set up in 2005 to provide predictable, long-term funding for Canadian municipalities to help them build and revitalise public infrastructure that achieves positive environmental results. The fund is provided by a portion of the moneys levied by the Federal Government in vehicle fuel duties. It supports municipal infrastructure projects that contribute to cleaner air, water and reducing greenhouse gas emissions, and fall into the following categories:

- Drinking water
- Wastewater infrastructure
- Public transit
- Community energy systems
- Solid waste management
- Local roads

How the Fund Works

The Gas Tax Fund represents a $13 billion investment from 2005 to 2014. Every municipality in Canada receives a portion of the Fund. The funding allocation is determined at the provincial or territorial level based on population. Funding is provided up front, twice a year to provincial and territorial governments or to the municipal associations which deliver this funding within a province, as well as to Toronto. Projects are chosen locally and prioritised according to the infrastructure needs of each community. Municipalities can pool, bank and borrow against this funding, providing significant financial flexibility. As examples, the City of Toronto receives $1.024 billion from the Gas Tax Fund each year and municipalities in Ontario around $746 million.

On April 1, 2009, Gas Tax Fund payments doubled to $2 billion annually. Agreements for this funding are in place until 2014. In 2011, legislation was passed to make the Gas Tax Fund permanent at $2 billion per year. Municipalities across the country will continue to receive stable, annual funding for their long-term infrastructure priorities. In the 2013 Federal Budget indexed the fund by 2% per year thus increasing its value by 8% over five years.

The Gas Tax Fund can be seen as an example of developmental local government in its emphasis on sustainable transit, energy and water sanitation projects all of which speak directly to the economic, environmental and social well-being of the community and in the local prioritisation of how the money is spent.

Sources: *http://www.infrastructure.gc.ca/prog/gtf-fte-eng.html; http://www.toronto.ca/gastaxworks*

Box 6. PPP in the delivery of Infrastructure and services in India

The requirements of funds in South Asia are high compared to availability of public funds. In India alone the funding requirements for municipal infrastructure are projected to be as high as US$56bn-90bn per annum at 2010 prices (HPEC, 2010 and MGI, 2010). The technical capabilities and efficiency of implementing agencies are also limited. This has paved the way for partnerships with the private sector in the delivery of services and infrastructure.

PPPs are gradually emerging across a number of cities: In Bangalore and Chennai treatment of water supply is financed through an OM (operate and maintain) contract, with the same system funding water trucking in many cities, sewage treatment in Ahmedabad, public transport and rapid transport in Delhi, Ahmedabad, Jaipur, Kolkata and Bangalore. Street lighting in Karnataka towns, social forestry and community toilets have been developed using the BOT (Build Operate Transfer) model, resulting in improved access and better service and infrastructure provision.

Source: Dr K K Pandey, 2013

3.3.   Human resources management

A key factor affecting the success of developmental local government is its capacity to manage the powers and functions devolved to it. Local governments need to be adequately resourced with competent, skilled staff who are able to efficiently discharge their responsibilities without political interference. There have been challenges in a number of countries in securing skilled staff to work in local government, particularly in rural areas, in retaining skilled staff, and in ensuring that they are remunerated at an appropriate level. This highlights the importance of structured programmes to build local technical expertise and on-going capacity development programmes for representatives and officials at local level as well as for communities, civil society and citizens. Incentives to attract qualified staff, and creative staff retention strategies should also be in place.

Professionalising local government requires the transformation of its administrative system. Local government has to be empowered to determine and manage the organisation of local public administration within a common national framework of standards, to ensure effective and enhanced delivery of quality and affordable services to communities. This includes a reorientation of local government institutional capacity to enable a people-centred approach to development.

Box 7. Village-level participatory planning in Kabarole District, Uganda

The poor often face problems in participating effectively in local development planning due to lack of self-esteem and confidence, and also due to inadequate guidance and support. Kabarole district in Uganda, Western Uganda has addressed this problem using facilitators that have been trained in participatory planning and socio-economic and gender analysis (SEAGA) methodologies. SEAGA assists in the understanding of how development policies and programmes are likely to affect the economic activities and socio-cultural relationships among different local community groups.

In 2004 in Karambi sub-country, participatory planning tools were used during community meetings which allowed deeper analysis of the needs that had to be prioritised for support from the non-sector capacity grant (NSCG) and other programmes. A facilitator who was well schooled in participatory and SEAGA methodologies was appointed the planning local person (PLP) to help the citizens respond to the multiple problems facing the sub-county, including malnutrition, unsafe drinking water and food insecurity. The PFP involved the whole community at village level in identifying solutions to these problems as well as the resources available

to address them. He separated the men, women and youth into distinct groups after realising that not all members would participate fully if they remained as one group.

Each group was guided in drawing a 'village resource map' indicating important resources in the village such as water sources, forests, grazing areas, schools, Churches, clinics, farms, good planting materials, markets and trading centres. Participants agreed

on the symbols to be used to represent the different resources on the maps. They were also asked to identify what was required to improve the situation and indicate it on the map, which enabled them to identify their own resources and priority development areas. Finally the groups were brought together, the maps were integrated and village resource and needs assessment maps were drawn.

The maps were forwarded to the parish and sub-county for integration into the sub-county's three-year development plan. The resource maps provided important information about local perceptions on how to solve local development problems, and provided the basis for demanding services from the sub-county local government. The community resolved to carry out this exercise on an annual basis on the first Sunday of April.

Three important lessons were learnt from this exercise. First, participatory planning encourages effective community participation and appreciation of local development challenges and opportunities. Second, village resource maps prepared by the local people themselves generate local ownership, alert local communities to local features and resources, and make development planning more precise and relevant to the community. Finally, planning that takes account of gender issues and the needs and interests of all members promotes community cohesion, empathy and shared vision.

Source: *Ministry of Local government (ASPS/MOLG in Collaboration with the PMA Secretariat), Handbook on PMA/Non-Sectoral Conditional Grant Good Practices (February 2007)*

3.4. Enabling citizen participation

Citizens have an important role to play in shaping decision-making at local level, contributing to the implementation of such decisions, and in holding government accountable. The more people participate in their own development and governance, the better the quality of their participation will become. The quality of the participatory democracy is a measure of the co-responsibility of people for their own development.

Professionalising local government and transforming it to be developmental, includes the institutionalisation of mechanisms to enable citizen participation and oversight in local government planning, budgeting and implementation, with particular attention being paid to the mainstreaming of gender, youth and persons with disabilities. These include tools that can creatively dispel citizen apathy and encourage participatory, inclusive and equitable planning and budgeting eg participatory budgeting, strategic planning processes such as the Integrated Development Planning process in South Africa, the use of ward committees as in Sierra Leone and Papua New Guinea, as well as structures that facilitate the participation of public

Box 8. Public participation in development in Bangladesh

Besides formal local government structures, the Pourashavas and Parishads and the decentralised public offices, the Commissioners and Deputy Commissioners, Bangladesh has a long tradition in promoting civic involvement in development, notably through the rural cooperatives and other institutions associated with BARD, Comilla. More recently Bangladesh is known for a very innovative and extensive set of civil society organisations, responsible for the development and spread of microfinance institutions worldwide and for the development of educational, health and other social services that serve the disadvantaged in society.

These social initiatives are the outcome of the creativity and vision of individuals, notably Akhtar Hameed Khan (Camilla) Yunus of the Grameen Bank and Fazle Hasan Abed (BRAC) who in turn drew upon an historic reliance upon civil society in different aspects of local governance, for instance in the building of dykes for impound of flood waters for rice cultivation, as well as in maintaining drainage, village ponds, communal foot bridges and other village facilities.

How extensive is non-formal local governance in such areas today is a question. The recent government initiative to revive local institutions for dispute resolution, the shalish, to support law and order, recognises that such institutions are more accessible, less costly, and often more acceptable, for the citizen than the formal legal system. In present day Bangladesh good local governance will be the outcome of what is provided by the state, what civil society generates through its diverse institutions and through the interactions between government and non-government activists and officials as well as members of the public.

Source: Managing Change in Local Governance and Rural Development , (BARD 2010:4)

Box 9. Melbourne City Council plan 2013-2017

Melbourne's Council plan for 2013-17, which is currently out for consultation, has a distinctly developmental tone. The plan is described as "a statement of what the City of Melbourne will do to help achieve the community's vision of Melbourne as a bold, inspirational and sustainable city". The developmental tone is reflected in the six goals set for the city:

■ *A city for people*
We plan and design for the growth of the city, including the provision of high quality public spaces. We provide health and wellbeing services, and we support our citizens – whatever their age, physical condition or cultural background – to feel like they can be an active, valued part of this community.

■ *A creative city*
We value creativity and artistic expression and we are prepared to take risks and experiment to inspire innovation and a sense of wonder. We affirm our cultural diversity and celebrate our rich Indigenous history and culture and we protect and respond to our city's heritage.

■ *A prosperous city*
When business is strong, Melbourne is strong. We will support and foster entrepreneurs and enterprises, both small and large, helping them compete in local, national and global markets. We will ensure the right infrastructure and programs are in place to support their success.

■ *A knowledge city*
Melbourne's ability to remain a vibrant player in an ideas economy depends on its capacity to innovate. We will continue to develop new ways of gathering and sharing information to support and foster those whose innovations and developments underpin the growth of the city. We will work to broaden understanding and respect for Melbourne's diverse knowledge sector.

■ *An eco-city*
We provide solid foundations for the future sustainability of Melbourne's communities. We are prepared to embrace the unfamiliar if it helps us achieve our ambitions. We will continue to encourage our community to take positive actions – to be part of the solution at a local, national and global level.

■ *A connected city*
We will manage access to help people to trade, to meet, to participate and to move in a growing city.

These are measured through quantitative measures such as "the proportional change in trade connections made through business matching/information sessions with in-bound business delegations, per year", but also experiential measures such as "the proportion of service users who feel more a part of their community through participation in selected City of Melbourne programs per year."

Source:
http://www.melbourne.vic.gov.au/ABOUTCOUNCIL/PLANSAND-PUBLICATIONS/Pages/CouncilCorporateplans.aspx

and private actors, development institutions, civil society and citizens at large in public policy management processes such as the development of Local Economic Partnerships in the UK, and the development of sustainable development plans in Jamaica.

While citizen and public awareness of local government activities is important, it is equally important that local government politicians and officials are aware of the needs and preferences of the population within their jurisdiction of governance. Platforms for purposeful citizen expression must be consciously created and regular communication as to the influence of community views on local policy making. There are a raft of different approaches in use ranging from simple surveys, and conducting regular public meetings to the bottom-up participatory planning processes that is used in Uganda to ensure that communities at every level can influence local priority setting and planning.

Transparency and accountability are central to good developmental local government. In order to strengthen the ability of citizens to monitor the performance of local government, laws and regulations have to be designed in a manner that promotes freedom of information to ensure high levels of public awareness of available government services, its beneficiaries and the cost of the services. Mechanisms for enhanced transparency and accountability include regular provision of information eg on notice-boards and in the press, citizen contracts, hotlines, channels for legal recourse, and instituting Ombudsperson offices at the sphere of local government.

4. Developmental local government : key priorities towards the post-2015 development agenda

Having defined developmental local government, and demonstrated how best to ensure its functionality, the role of developmental local government in addressing the needs of the people is now explored. The importance of development agendas being set at local level, and in particular, being informed by the citizens, who are most likely to benefit from them has been emphasised. Coordinated initiatives, such the MDGs, have assisted in maximising the impact of interventions by countries and international bodies towards qualitatively improving the lives of citizens, particularly the poor. As countries review MDG progress and prepare to expand the momentum generated, beyond 2015, it is important that the role of local governments is not neglected in this process. A major consultation process is currently underway to consider what should follow on from the MDGs. Interested stakeholders across the globe are contributing to a global dialogue on the post 2015 development agenda and local government is understandably keen to be a part of that process. At a strategic level, the Secretary General of the UN has appointed a High Level Panel (HLP) to advise on the global development framework beyond 2015. UNDP is also organising many national level consultations to gather a cross-section of views.

At the conference CLGF is facilitating a special consultation, organised in partnership with UNDP. It will be designed to ensure that the views of CLGF members and other local government stakeholders on the post-2015 Development Agenda are taken into account, with a view to ensuring that local government has a place in the setting and implementation of development goals and targets, expected to replace the current Millennium Development Goals (MDG). The original MDG goals and targets did not specifically address the role of local government, although the latter generally has the main responsibility for the provision of most, of the MDG-associated services at community level eg primary healthcare, basic education, water and sanitation. Since 2000 local government's role in delivering the MDGs services has increasingly been recognised, including by many development partners (notably those represented in the DeLog network (of development partners supporting local government) chaired by Germany), and was formally acknowledged at the 2010 UN Local Development Summit held in Kampala.

CLGF, working with other partners such as UNDP, UNCDF, United Cities and Local Governments (UCLG), and PLATFORMA has been actively involved in the efforts to secure greater recognition for local government's role in development and in the Post-2015 Development Agenda. Following a consideration of the Post-2015 Development Agenda by the EC in London, October 2012, CLGF presented a statement to the first meeting of the UN High Level Panel of Eminent Person on the Post-2015 Development Agenda, London November 2012. The UN High Level Panel is being co-chaired by the Presidents of Indonesia and Liberia and the Prime Minister of the UK and also includes the UCLG President, the Mayor of Istanbul; is expected to present its report to the UN Secretary-General in June 2013, prior to discussions at the UN General Assembly in September.

The CLGF Chairperson is also taking part in a Global Taskforce of Local and Regional Government for Post 2015 and the Habitat III, which met in Istanbul in March 2013 and agreed recommendations to be made to the UN. This Task Force brings together key local governments networks and development partners; it also has a mandate to formulate a position on Habitat III, due in 2016. The consultation in Kampala should seek to build on the key recommendations made by the taskforce:

"The following key areas will be included in the *Local and Regional Governments Development Agenda* which aims at contributing and becoming an integral part of the Global Agenda.

- Democratic self-governing, participative, efficient, accountable and resourced Local & Regional Government. All within the framework of a better intergovernmental coordination, harmonization processes and effective decentralization.
- Food security and nutrition as basis for poverty eradication.
- Quality universal basic service provision geared towards reducing inequalities and improving the lives of slum dwellers, including a sensitive gender approach. These services should foster inclusive societies that are mindful of providing opportunities for youth.
- Local economic development, with a focus on pro-poor policies and decent job creation in a green urban economy which promotes sustainable consumption and production.
- Sustainable urbanisation as source of development: well-planned designed and governed cities can generate economic growth and means of livelihood. It will include a territorial approach and cohesion, with special attention to climate change mitigation and adaptation, risk prevention and safe cities.
- Culture as driver and enabler of development and people-centered societies.
- Protection and sustainable management of the environment biodiversity and natural resources
- Local Government Development Cooperation (Decentralized Cooperation) as instrument to promote solidarity and peer learning."

(Recommendations of the Global Taskforce of Local and Regional Government for Post 2015 and the Habitat III, after its meeting in Istanbul in March 2013)

Discussions on the post-2015 development agenda are expected to continue into 2015 and it will be important for delegates at the conference to continue to advocate with their national governments in the run-up to 2015 as the final shape of the post-2015 agenda will be agreed by UN Member states.

In this regard, seven broad focus areas for localisation in the context of the post-2015 agenda have been identified. These are democratic governance, basic service delivery, growth and employment creation, addressing inequalities, ensuring environmental sustainability and managing climate change, promoting food security and managing fragile, conflict and post conflict environments.

4.1 Democratic governance

Development strategies are more effective if they have the support and active engagement of individual citizens and local communities. Democratic local governments and their elected leaders, reaching right down to the village or township levels, are in a unique position to articulate on behalf of, and give a voice to the concerns of the

communities that they represent. Local government, working with civil society is a powerful means to ensure local accountability, transparency and scrutiny, as recognised in the 2005 *Aberdeen Agenda: Commonwealth Principles on Local Democracy and Good Governance*.

As UNDP has observed and CLGF and others have found in their own work, while it is not easy to measure democracy and democratic governance, it is both possible and desirable to develop the necessary indicators and targets at global, regional or national level.

4.2 Basic service delivery

Access to reliable, quality, affordable basic infrastructure and social amenities is the primary requirement of all citizens and the basis for increasing economic activity. An assessment of performance related to the MDGs indicates that the pace of delivery of basic services is not adequate. In general the demand for basic services exceed the financial resources available, particularly as the poor and indigent, which constitute the majority of beneficiaries in developing countries, are unable to pay for it. This is exacerbated by a rate of urbanisation that exceeds the rates at which governments are able to supply basic services. On the other hand, rural areas are often neglected due to their lack of a critical mass. Integrated efforts are therefore required if the demands for basic services are to be met. These efforts have to be directed towards the sphere of local government if this sphere is to effectively play its developmental role.

In Africa, Latin America, Asia and Eastern Europe, national governments have, through decentralisation policies, increasingly shared the responsibility for providing basic services with sub-national governments. In so doing they were able to increase the quality, efficiency, effectiveness, accountability and responsiveness of service provision. This had allowed for innovation as local governments gained experience in exploring different public-private and community partnerships (PPPs). (DeLoG 2013:14). PPPs assist in harnessing important resources and capabilities within communities and the private sector for the provision of critical infrastructure and services in a manner that allows for the sharing of investments, risks responsibilities and rewards.

4.3 Promotion of growth and employment creation

Effective developmental local government requires the eradication of poverty, as participation in governance will be low for as long as the poor are preoccupied with issues of survival. Poverty eradication and improved quality of life require inclusive economic growth and the creation of quality employment opportunities. But job creation does not occur in a vacuum. Job creation has to be located within an analysis of local conditions. Local information on the presence of various raw materials and the capacity of industrial hubs is critical for charting national integrated manufacturing strategies and economic development plans. And while local resources input into national objectives, local authorities are also best placed to care for the needs of survivalist, micro, cooperative and small enterprise, thereby empowering people to take charge of the economy, to be self-reliant and to be creators of jobs.

Within the framework of decentralisation, local authorities can therefore play an important role in unleashing untapped economic potential and contributing to national economic growth and employment creation targets. Local services have high externalities in

Box 10. Bangladesh Municipal Development Fund

To address the financial constraints of local bodies in the country, Bangladesh created a fund called the Bangladesh Municipal Development Fund (BMDF), which is a government owned company established under the Companies Act 1994 to provide support to urban local government for urban infrastructure development. BMDF was created in 1998 with seed funding of US$70m from World Bank and US$8m from the Government of Bangladesh. It s open to finance municipal governments for all kinds of urban infrastructure and services. The fund expects participation of the recipient's urban local government in the project cost. Participation levels are higher among richer urban local governments. The rate of interest is 9% and it supports loans from 50-90% of the total project cost, depending on the projected revenue generating capacity.

Conditions to access funds include:

- Holding tax collection is more than 50% of estimated revenue
- Accounting system is double entry
- A realistic budget is prepared
- An asset register is in place
- Tax defaulters are being tracked
- Office accounts and management are computerised and staff trained
- Stakeholders can participate in the projects

Financing policy: Assistance from BMDF is made up of grants and loans with a municipal contribution determined by the nature of the project for which funds are sought

- Non-revenue generating projects – maximum 90% grant from BMDF and minimum 10% contribution by the ULB
- For revenue generating projects – at least 50% loan and up to 40% grant from BMDF, and a minimum 10% contribution from the ULB
- Percentage of grant to total BMDF to any ULB will not exceed 85%
- Loan from BMDF is to be repaid over 20 years
- Eligible sectors include water supply, sanitation, urban roads, drainage, solid waste management, kitchen markets, bus/truck terminals, municipal office buildings, community centres, parks and street lighting.

Benefits: BMDF is raining considerable finances for the debt-stricken municipalities in Bangladesh. Despite having to cost-share and repay a portion of the funding, almost 150 local bodies have already benefitted from it. Indeed further flood damage rehabilitation works have also been undertaken in 52 municipalities with funds reallocated for this purpose.

Source: Municipal Finance for Inclusive Development, GHK consulting for CLGF, 2011.

terms of productivity, quality of life and safe environments. Municipal infrastructure is an enabler of productivity through services and manufacturing. The economic rate of return on investment on infrastructure is as high as 21 to 30 percent (WDR-1993). Similarly, adequacy of water, sanitation and solid waste management determines productivity of national economies (Pandey -2012). A recent estimate suggests that 5 percent of GDP is lost in South Asia due to defective delivery of sanitation and related services (UNICEF, 2013). It was also noted in a study by World Bank in 2010 that poor water and sanitation provision in India caused a loss of 6.4 percent of GDP.

Cities and towns are therefore crucial for triggering economic growth, expanding manufacturing and services. Local authorities contribute to local and national economic development through the provision of quality infrastructure and services. Critical infrastructure includes roads and transport networks; access to reliable, affordable water, electricity and telecommunications; as well as social infrastructure such as educational, health and recreational facilities. Services include incentives and capacity building programmes for entrepreneurship; as well as introducing regulations that are sensitive to the needs of micro, small and collective enterprises, while at the same time remaining attractive to large scale investors. Recognising the financial constraints affecting many local authorities, partnerships with key actors through public-private partnerships (PPPs) to access capital and the reduce risks inherent in the construction of critical social and economic infrastructure; or with communities, are invaluable. Local authorities are further the interface between the state and citizens and play an important role in managing the prioritisation of development choices.

Box 11. The United Kingdom: LEPs, city deals and local growth

The policy context

The October 2010 Local Growth White Paper set out the Government's strategy for local growth: shifting power away from central government to local communities, citizens and local providers. The White Paper set out how this approach would enable communities and local business to tailor their approaches to promote dynamic markets and provide incentives for growth. Whilst some of the recommendations have been enacted already, further legislative developments are anticipated in the Growth and Infrastructure Bill 2013, which is currently passing through parliament. The Bill aims to reduce confusing and overlapping red tape that delays and discourages business investment.

Local Enterprise Partnerships (LEPs)

Alongside the abolition of Regional Development Agencies, a key measure in this strategy was the creation of LEPs. In June 2010 the Government invited local authorities and businesses to come together to form LEPs – in geographies that reflected economic areas in England. LEPs were designed to improve coordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development. By the end of 2011, 39 LEP areas had been approved by the Department for Business, Innovation and Skills (BIS).

In September 2012 the All Party Parliamentary Group on local growth launched the report of its first inquiry, into the effectiveness of LEPs to date, based on evidence from over 70 participants including LEP board members, businesses and business bodies, local authorities and professional and interest groups. Secretary of State for Communities and Local Government, Eric Pickles MP, spoke highly of the report, entitled Where next for LEPs?

The report made four recommendations to LEPs and local authorities:

- LEPs need to strike the right balance between strategy and project delivery
- LEPs should widen and deepen engagement with local business, particularly small business, and the wider community – many businesses had not heard of LEPs
- LEPs should collaborate across boundaries on strategic issues and be supported to do so
- Local authorities should show leadership in promoting growth across the whole LEP area and use LEPs as a vehicle for cross-authority collaboration

While LEPs have been developing and maturing since their creation, the Government's focus in recent months on economic growth has led to a renewed interest in LEPs' role in driving growth locally.

City deals

On 5 July 2012, the Deputy Prime Minister and Greg Clark, Minister of State for Cities, announced the conclusion of what they termed Wave 1 of city deals with the eight English 'Core Cities' and their wider economic areas. This marked the conclusion of a process that was launched in December 2011 with the publication of Unlocking Growth in Cities, which invited those eight cities to come forward with proposals of the powers and resources they might need from government in order to unlock private sector growth locally.

Although each deal was different, they broadly covered key growth drivers such as transport and infrastructure, jobs and skills, economic development and business support, and funding. They introduced considerable new innovations in approaches to local economic growth. These include Greater Manchester's 'Earn Back' mechanism for forward-funding infrastructure investment, a number of 'Tax Increment Financing' (TIF)/'Accelerated Development Zone' (ADZ) schemes, pooled Economic Investment Funds and potential for pooled business rates, devolved skills and rail franchise arrangements, localised apprenticeship hubs and youth contracts.

City deals – wave two

On 29 October 2012, twenty 'cities and their wider areas' were invited to 'compete for devolved powers in exchange for responsibilities to deliver growth locally'. On 18 February 2013, Nick Clegg, Deputy Prime Minister, announced that all twenty cities had been given the green light to move forward with their proposals. The Government will now work closely with these

Box 11. The United Kingdom: LEPs, city deals and local growth

cities to develop their proposals into a final deal with the aim of all deals being completed by the end of 2013.

The Heseltine Report

In December 2012 Lord Heseltine has published his report on creating growth ("No Stone Unturned in pursuit of Growth") which was commissioned by the Prime Minister. In this report he sets out what he sees as the structural flaws with the country's governance, which weaken the potential for growth in both its relationship with local areas, local economies and the business sector.

He advocates passing more initiative for deciding how funding is spent from central government to a local level enabling LEPs (and chambers of commerce) to take a holistic view of the challenges they face and develop local growth strategies grounded in the economic reality of their areas. Heseltine sees the LEPs as ideally placed to "lead the development of a long term strategy and business plan for their local area" but at present he recognises that LEPs "do not, though, have the authority or resource to transform their locality in the way our economy needs". He also recognises that a number have deficiencies that need to be addressed:

- Not all areas have a robust local growth plan – recommending that this be addressed by making such plans as the means to bid for economic growth funding from the single funding pot.

- He also highlights anomalies in the LEP believing that overlaps need to be removed so that there is a single vision and clear ownership for economic development which "must be achieved as a matter of urgency".

- While welcoming the Government's recent decision to provide all LEPs with core funding Heseltine does not believe this is enough, recommending that an additional £250,000 is provided for the next two years and subsequently.

- He also sees that while public sector employees are often represented what is missing "is the experience of those from the shop floor of industry" on LEP Boards.

How can local authorities take advantage of the current policy framework?

This policy framework provides a number of opportunities and tools to local authorities. But how are they working in practice? In January 2013 the Local Government Information Unit held round tables with local government practitioners to investigate how the challenges and opportunities presented by LEPs and City Deals.

Until now, LEPs have in some areas been somewhat marginal to the local growth debate; for example, LEPs were barely mentioned in the Government's Plan for Growth. To an extent there is a limit to how far policy and funding changes alone will alter this state of affairs, and there is a clear signal in much of the emerging thinking that there is a need for fundamental

improvement in LEPs' engagement with business. This was reinforced through the discussions in the roundtable where delegates expressed a series of emerging challenges in engaging with their LEPs, business and other local authorities within the LEP area. Yet, whilst a number of obstacles were highlighted, the potential of LEPs and City Deals to empower local economies was also widely recognised; particularly as LEPs are likely to play a more central role in driving growth in future.

Concerns around LEP boundaries and how they deal with issues of geography highlight the importance of LEPs having more flexibility to work across boundaries with other LEPs. Where they have not yet done so, LEPs need to begin reaching out to their neighbouring LEPs – as LEPs acquire more powers and functions, cross-boundary relationships (such as that between the South East Midlands LEP and the Northamptonshire Enterprise Partnership, which is aided by their overlapping boundaries) are likely to become increasingly important. f they are to gain in influence and be seen increasingly as the economic voice of localities, it is essential that LEPs should engage with a broader section of businesses in their locality, and this should be a key application of the newly announced core funding. The same applies, to some extent, to engagement with the wider community and stakeholder groups.

Local authorities are also reacting, and will need to react, to the likelihood of an enhanced role for LEPs:

- All tiers of local government need to be engaged with LEPs; where district councils have been excluded, this needs to be rectified.

- Where relationships between local authorities within LEP areas are poor, work should be done on directly improving these relationships, in addition to partnership work undertaken through the LEP, in order that authorities are in position to work together to take advantage of new opportunities which may arise relatively abruptly after a period of Government deliberation.

- Local authorities should consider how far it is feasible to combine economic development and economic intelligence functions along the lines of LEP areas in order to align their core work fully with LEPs as a crucial unit of economic development.

In terms of City Deals, for the local government sector and LEPs as a whole, the deals mark a major milestone and present all LEPs and Local Authorities with new opportunities and challenges. There is a new menu of economic development powers, flexibilities and resources potentially 'on the table' for ambitious areas who can agree them both locally and with government. The key point emerging from the roundtable was that local growth does not look the same in all areas. Different local areas will have different priorities and abilities locally and these should be reflected in any plans that are put forward.

Local Authorities need to determine and agree their own agenda;

Box 11. The United Kingdom: LEPs, city deals and local growth

which may be on a LEP, other sub-regional geography, or perhaps as part of an economic 'chapter' of Whole Place Community-based Budgets. There are also questions about what happens in areas that are left out of City Deals; how can they plan for growth without the extra packages offered by government?

A number of opportunities and challenges are presented by the local growth agenda. Whilst some significant obstacles can be identified, the new tools, including LEPs and City Deals, combined with the more traditional levers available to local authorities, such as education and training, provide important opportunities for developing and driving the growth agenda locally. The challenge for local authorities is to use these opportunities effectively and ensure that they are shaped with local communities in mind. If this can be achieved, LEPs present a great opportunity to embed a developmental approach at the heart of UK growth policy.

Source: Jonathon Carr-West, LGIU, 2013

4.4 Addressing inequalities

Inequalities between rich and poor and urban and rural, as well as the poor social integration of women, youth and persons with disabilities remain prevalent. sFor example, South Asia constitutes nearly 24 per cent of the global population, but is home to 40 percent of the poor in the world and contributes only 2.9 per cent of the global GDP (Mathur, 2010). The high levels of inequalities can be attributed to a number of structural and policy impediments to inclusive economic development and poverty eradication. Decentralisation provides a framework to reduce structural and geographic disparities in resource availability, through formula-based inter-governmental transfer systems from central government (DeLoG 2013:14). Balancing centrally-driven and bottom up development also provides for the initiation of community-based empowerment programmes that allow for sustainable livelihoods.

Inequality is also manifested in age and gender relations. Gender equality and youth participation contribute substantially to development and social stability. Local authorities have an important role to play in unleashing the full potential of women, youth and persons with disabilities and facilitating their successful integration into the formal economy.

4.5 Ensuring environmental sustainability and climate change

Developing countries face 75-80 percent of the potential damage from climate change (Crosta, 2010:10). Given the significance of climate change impacts, urgent and decisive action is required to reduce greenhouse gases in the atmosphere and limit further future damage. At the same time, steps have to be taken by governments to improve the resilience and responsiveness of communities and cities to current experiences of droughts, floods, wild fires and rising sea levels. Local government is the sphere of government best positioned to significantly contribute to initiatives to manage the adverse effects of climate change.

Disaster management is yet another area for future municipal/ local government action. Local authorities should form an integral part of national and sub-national initiatives to manage disasters. These include strengthening legislative and institutional frameworks to reduce disaster risks; the creation of partnerships to strengthen risk planning and management; and the formulation of enhanced awareness and early warning systems. Local authorities can specifically contribute by ensuring, amongst others, adequate circulation and road network among human settlements to manage fire and floods; safe collection of hazardous waste and local awareness and preparedness on disaster.

Box 12. Statement by mayors at the conclusion of COP 17, December 2011

Mayors who have joined the World Mayors Council on Climate Change have committed themselves to advocating for bold climate change action and to participating in multilateral efforts addressing climate change and related issues of global sustainability. Their duties and objectives include strengthening political leadership on global sustainability by building a group of committed local sustainability leaders and being the prime political advocacy force of cities and local governments on global sustainability matters.

In order to implement these objectives, the Council through its members

i.   showcases local leaders' climate and sustainability actions that contribute to policy change at local and global levels;

ii. supports its members to enhance their climate and sustainability leadership capacities;

iii. addresses global climate and sustainability policy makers as a global body of leaders from diverse local governments; and

iv. politically steers the development and implementation of mechanisms that support local climate and sustainability action.

In order to reach these objectives and implement actions, the Council receives a technical and strategic support from ICLEI – Local Governments for Sustainability, since its foundation. Thus, synergies between technical expertise and political leadership are leveraging local climate action.

As members of this Council, the Mayors who have joined, meet to discuss common challenges and solutions with other local government leaders, exchange insights as well as set global agendas for local climate change mitigation and adaptation. The Council has positioned itself as a major convener of local leaders taking action on climate change mitigation and adaptation (eg the Mayors Adaptation Forum in Bonn, Germany and the World Mayors Summit on Climate in Mexico City, participate in Local Government Convention in Durban). The Council also strongly supports the carbon Cities Climate Registry as the global initiative to centralise and harmonise local climate data (actions, commitments, targets) while encouraging sustainable leadership.

Box 13. The district performance contracts (Imihigo) Randa

The Genesis of Performance Contract (Imihigo) is a cultural practice of the past, where an individual would set himself/herself targets to be achieved within a specific period of time, guided by principles and determination to overcome any possible challenge. Six years back, the Imihigo practise was adopted as a planning, implementation and monitoring tool to accelerate the progress towards economic development and poverty reduction in Rwanda. Imihigo has a strong focus on results which makes it an invaluable tool in the planning, accountability, monitoring and evaluation processes. (Rwanda Governance Board, 2012).

The approach was initiated by the top leadership concerned with the quality of execution of government programs and how to make public agencies more effective. Its objective is to improve the speed and quality at which government programmes are implemented, hence making public agencies more effective. The performance indicators provide a clear framework to establish accountability at the local government levels, which are closer and directly serve the citizens. In 2006, the Districts were guided into the preparation of a modernised type of this cultural practice that is the equivalent to modern performance contracts. The first performance contracts of this nature were publicly signed between His Excellency the President and District Mayors on 4 April 2006.

Today, the approach has become a regular practice used by Local Government authorities at all levels (Village, Cell, Sector, and District) for setting local priorities and annual performance targets with clear measurable performance indicators in economic development , social welfare and good governance including justice.

Identification of priorities

When preparing Imihigo, each district department determines its own annual targets with measurable indicators, while taking into consideration national priorities provided in the major national strategic and policy documents, namely, Vision 2020, the Economic Development and Poverty Reduction Strategy (EDPRS). The Millennium Development Goals (MDGs) and sector development plans and the District Development Plans (DDPs) are also considered in Imihigo preparation together with the Presidential promises, Seven year government programme; National Dialogue Council recommendations, National Leadership Retreat recommendations and recommendations from various reviews (sector, district level). The preparation of Imihigo is part and parcel of the district planning process.

Participation, monitoring and evaluation of performance contracts

At the district level, monitoring and evaluation of Imihigo is the responsibility of community development committees, the district executive committee and the Provincial Governor. Whereas the community development committees and district committees perform day to day monitoring of district performance contracts, the provincial governor performs an oversight role to ensure that performance contract reach the set targets. At the end of each semester, a high level national evaluation team with representatives from the office of the President of the Republic, office of the Prime Minister, Ministry of Local Government, Ministry of Finance and Economic Planning, other ministries and representatives from the Rwandese Association of Local Government Authorities, using a similar evaluation methodology with common established standards and criteria of judgment, divide themselves into different teams that go to different districts.

Achievements

Local government performance contracts-based approach aims at, among other things, speeding up implementation of the local and national development agenda, ensuring stakeholder ownership of the development programmes, promoting accountability and transparency, result oriented performance; instilling innovation and encouraging competitiveness, and engaging stakeholders such as citizens, civil society, donors, and private sector in policy formulation and evaluation. Imihigo promotes zeal and determination to achieve set goals, and instills the culture of regular performance evaluation.

Since 2006 in general, performance of the Districts with respect to voluntarily bottom–up set objectives under Imihigo program has greatly improved and a number of benefits have accrued from simple household led initiatives such as nutritional garden (*akarima k'Igikoni*) to huge-impact projects such as the construction of schools (a particular example is the construction of classrooms for the 9 and 12 Year Basic Education programs). The Imihigo have also contributed to the upgrading of the population's social development.

Rwanda has made tangible progress in increasing the number of pupils going to school at the right age, provision of safe drinking water, distribution of electricity and access to telecommunication especially the mobile phones. These indicators help to determine the level of welfare of an individual or a household. Thus, over 45.2% (over 4 million) of the Rwandan population has mobile phones while over 300,000 households have access to electricity.

Also, the number of married women using various forms of modern contraceptive measures has been increasing, drastically reducing fertility rates, an indication that Rwanda's rapid population growth, which is a threat to development, could finally reduce. In 2005, a Rwandan woman could give birth to 6.4 children in her entire life but in 2010, the number had gone down to 4.6 indicating the increased use of family planning techniques. This achievement can be attributed to Imihigo commitments of using and empowering community health facilitators living in every area of the country.

Source: Local democracy and Local Governance: Rwanda's case benchmarked against the Aberdeen principles, Kigali January 2013

4.6   Promoting food security

Food security exists when all people have sustainable physical, social and economic access to sufficient, safe food that meets their dietary needs and preferences for an active and healthy life (Crosta, 2010:11). This requires access to productive assets for the poor, principally land and capital, in order to help create economic opportunities and strengthen livelihood activities. Land access is considered as an important condition for supplementing the livelihood of the rural poor, especially women. Currently smallholder farmers produce 80 percent of the food consumed in the developing world (DeLoG 2013:16). Structures to ensure access to land through tenure reforms have to be established at sub-national level. Local authorities are able to provide the integrated support services necessary for the production and distribution of food crops such as feeder roads, water supplies and markets; can manage trade-offs between agricultural productivity and environmental sustainability; and are more likely to understand the conditions affecting food security, such as weather and crop planting patterns (Crosta, 2010:11, DeLoG 2013:16). These structures have to be supported by policy and institutional mechanisms that strengthen coordination between central and sub-national governments around land reform.

4.7 Managing fragility, conflict and post-conflict environment

Every country has a territorial conflict dimension, as citizens compete for state power and access to and control of scarce economic resources. In most instances the management and redistribution of these resources are concentrated within central government. The existence of a centre dialectically implies the existence of a periphery. Centre-periphery relations become vital aspects of the political, administrative, social (class) and economic structures of a country. Unequal exchanges between the centre and periphery, as well as unfair distribution of state resources between the regions (whether perceived or real), create conflict. In order to mobilise support in a peripheral part of the territory, political actors contesting for state power link the struggle for power and resources to people's identities, generating a sense of ethnic exclusion. Decentralisation allows the state to restructure the centre-periphery, or central-local, relations as has been the case in Sierra Leone and Uganda. The challenge is to grasp the multiple dimensions of the processes, and to manage the dynamics of how the dimensions are socially constructed and interconnected. Critical factors for consideration include the effect on power relations between groups and classes at the sub-national and local levels; the extent to which it will address perceived horizontal inequalities and group domination; and the correlation between the policy commitment to decentralise and the reality of its implementation.

Box 14. Decentralised governance and food security: Bulacan province, The Phillipines

Decentralised governance was one of the Government of the Philippines' legislative initiatives in 1991. In one big stroke, the government bestowed on the local governments the empowerment they had long needed to spur development in the countryside. Devolution was an appropriate institutional response to the evolving risk of human insecurity. It also took away the long circuitous route that had prevented the swift flow of authority from the bureaucratic offices of the central government to the LGUs, NGOs, and community-based organisations tasked to implement programmes.

A specific beneficiary of devolution in Bulacan Province was its food security programme which is aimed at improving the farmers' productivity to increase the supply level of basic food items and their continued availability. The programme likewise seeks to improve the people's livelihood opportunities so that they could be equipped with purchasing power that would enable them to freely access food that they could afford. In a parallel manner, the programme aims to broaden the people's understanding of what food items they should consume to sustain their nourishment and satisfy their nutritional requirements.

The farm-level productivity of the rice-croppers was very much improved compared to the national standards. More than half (51 per cent) had yields that were far superior to the national harvest level. Devolution has empowered the local communities to address their own basic needs. A good 80 per cent of the village families had income levels that put them above the poverty line of US$2 a day. The diversity of their income sources has reduced their dependency on a single resource (farming) and vulnerability to natural hazards and uncertain returns in volatile markets. This lends support to the assumption that they had the purchasing power to procure food items to complement what they produced on their own. This was made possible by the large percentage of those whose households had three or more family members with earning capacity. Another factor to consider is that many beneficiaries had the capability to engage in self-employment, which could thrive only under a favourable socioeconomic environment.

Bulacan experience, coupled with a situational assessment of the interrelationship between decentralised governance and food security efforts, provides a microcosm of the shifting dynamics that must be always put into focus and continually addressed to ensure that the social and economic order will prevail. It serves as a reminder that the beneficial aspects of devolution should be preserved but at the same time, be improved and enhanced particularly in the area of implementation.

Source: Decentralised Governance And Food Security: Perceptions from Rural Local Governments and Communities in Bulacan Province, the Philippines (Ms. Josefa S. Edralin and Mr. Cristino M. Collado 2005:26-28)

Box 15. Fiscal autonomy in Tuvalu

In Tuvalu, the Falekaupule Act (FA) provides for the election of six councillors to each island Kaupule (council), which also has an administrative arm. The Kaupule is in turn accountable in various respects to the island Falekaupule – a body of traditional leaders who hold ultimate decision-making powers over local affairs. The FA also requires Falekaupules to facilitate community participation in local governance processes such as planning and budgeting. The Falekaupule Trust Fund (FTF) was established in 1999 based on contributions from the islands, central government and donors. It is administered independently of central government and is designed to provide greater self-reliance for island communities.

The FTF has provided Tuvalu's local governments with an enviable mechanism for establishing fiscal autonomy from central government. Investment in local governance in Tuvalu averages more than AU$400 per capita (Hassall and Tipu 2008). As Hassall and Tipu point out: per capita expenditure by local government in Tuvalu is higher than in Kiribati, the closest neighbouring state with a somewhat comparable economic environment... it could be surmised that Tuvalu's trust fund is contributing significantly to the wellbeing of communities at the local level.

Source: Phil Richardson, UNDP, Fiji, 'Governing the outer islands: decentralisation in Kiribati and Tuvalu', Commonwealth Journal of Local Governance.

5. 2013 Commonwealth Local Government Conference: issues for discussion and implementation

The conference aims to build on the recommendation of previous CLGF events and conferences. Developmental local government is evident in practice in many countries across the Commonwealth and there is a general move towards a more developmental approach for local government borne out by the increased evidence of local government playing a more strategic role in local economic development and strategic planning.

The discussions during the event will need to take account of the diversity and complexity of local government systems and communities in the Commonwealth, including the particular needs of small states. Countries are not starting from the same level of development and one size does not fit all. Rather it is important that the Commonwealth coalesces around key principles such as the Aberdeen Principles, which have been endorsed by Commonwealth Heads of Government and been incorporated into the new Commonwealth Charter.

Below are some of the issues which the Conference will address and debate – it is by no means an exhaustive list, but it will provide a framework for discussion.

5.1 The policy, institutional and implementation challenges of ensuring that local government effectively meets the needs of local communities.

The paper identifies fundamental enablers for developmental local government. Are they appropriate, and how can each be applied and progress with regard to each be measured, considering the diverse conditions of countries?

i.   The political framework - establishing political support and setting the institutional framework for decentralisation and effective local democracy

ii.   The political framework - improving intergovernmental relations and cooperative governance for better local development

iii. Financing local development - harnessing state, private and social capital for economic investment at local level

iv.   Human resources management - creating a responsive, people-centred, effective and efficient public service at local level

v.   Enabling citizen participation - creating platforms for purposeful citizen expression

vi.   Enabling citizen participation - putting development in the hands of the local people

5.2 The importance of establishing political support and setting the institutional framework for decentralisation and effective local democracy

Ensuring that political will for decentralisation is maintained and that decentralisation enables local people to play an active role in local governance, decision-making, planning and service delivery in their communities is central to developmental local government. What steps can be taken to enable local governments to play this role more effectively?

5.3 The role of local government in tackling poverty and inequality

Local government is playing a key role in tackling poverty and inequality. How can local government as a community leader be supported to strengthen their ability to build the necessary partnerships to achieve sustainable economic growth and social development? What is the role of councillors and MPs in representing and speaking up for their communities locally and with other spheres of government?

The consultation session will provide an opportunity for CLGF members and conference delegates to feed their views into the dialogue on the global development agenda post 2015. What should follow the MDGs? How should local government position itself as a key partner in the agenda setting and delivery of global targets for sustainable development post 2015? What is the role of democratic local governance in the post 2015 agenda?

5.4 The role of CLGF in taking this agenda forward

There is an important role for CLGF and other regional and international partners to continue work with the local government community to support and strengthen local government's role as a development partner both in the context of the global debate on the post 2015 global agenda. The recommendations of the consultation session on post-2015 will be fed into the General Assembly process.

CLGF is a membership organisation and provides a platform for members to come together to learn from each other. Policy-making, capacity building and providing a voice for members at the Commonwealth level means that members can work together towards achieving these objectives, and putting into practice any recommendations which emerge from the conference. As an associated Commonwealth organisation, CLGF will submit the outcomes of the conference to the next Commonwealth Heads of Government Meeting, November 2013 in Sri Lanka for endorsement and looks forward to working with its members and other partners, including the Commonwealth Secretariat in putting them into practice.

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