

“EVERY DEVELOPMENT IS LOCAL”: why local public governance is key to achieving human development results.

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[Protocol and introduction to be added]

Introduction

I have been asked to reflect on the importance of Local Public Governance in achieving sustainable human development results.

Local governance and local development comprise the combined set of institutions, systems and processes, at the local level, through which local authorities interact with and provide services to citizens, groups and local communities and through which the latter articulate their interests and needs, mediate their differences and exercise their rights and obligations. Therefore, local development is an essential condition to ensure the geographical spread of human development; effective local governance complements that process in support of inclusive and rights-compliant societies.

The blocks that make up effective, democratic local governance such as transparent and robust central-local relationships, citizen participation, including the equal participation of women, partnerships among key stakeholders at the local level, capacity of local actors, multiple flows of information, gender sensitive institutions of accountability, and an inclusive and pro-poor orientation, in many instances serve as guidelines to how governments have formulated their response to the increased demand for engagement by communities in the governance and management of their affairs at the local level.

Within my allotted time slot, I will like to look at the capacity challenged areas of the public service in its role as a facilitator of local-level development and what UNDP has done over the years and continue to do in support of Government partners and counterparts in this area.

Context:

Although governments have a crucial role in achieving sustainable human development and reducing poverty, a recurring lesson of experience with economic and social development over the past half century is that centrally driven governance and administration alone cannot achieve this outcome. Effective public administration in society implies cooperation or partnerships in which national governments work collaboratively with lower levels of public administration, the private sector, organizations of civil society, and international organizations through democratic, transparent, and participative processes.

The decentralisation of political, administrative and financial, material and human resources, as well as efforts to increase popular participation, are posited as logical alternatives to older centralist state conceptions. Local governments are thus the appropriate platform to anchor co-operation and partnership between national governments and lower levels of public governance and administration in driving the localisation and acceleration of public sector capacity to support **sustainable local development**.

In addition to the facilitative role of decentralisation, Rondinelli (2007)¹ observes that there are other roles through which the partnership of national government and **local public governance and administration** can contribute to achieving sustainable economic and social development, most crucial of which are:-

- The development of institutional capacity without which neither government nor the private sector can have the context or foundational base to stimulate economic growth and social progress;
- The enacting and implementation of policies that create an enabling environment for effective participation in sustainable local economic development;
- Focusing on pro-poor policies that combat poverty and enhance the capacities of people who are normally bypassed in the distribution of the benefits of economic growth to participate more effectively in productive activities on which their livelihoods depend;
- Strengthening the capacity of public local public administration to promote socially equitable economic growth and combat poverty in a climate change compliant manner.

There are lessons that can be learned from decentralisation experiences where **local public governance and administration** capacity has been enhanced, inter alia, through vertical decentralization of authority, responsibility, and resources to sub-national administrative units, local governments, and other organizations working at the local level. The horizontal decentralization has also empowered local communities and created space for non-state actor participation including the private sector in engendering **local-level development**.

One of the key recommendations of the UNDP (2010)² evaluation is the imperative to develop a shared understanding of a coherent institutional architecture to anchor a cross-practice that recognizes and re-enforces the conceptual and operational interconnections between **local governance and administration** as generative force on one hand and **sustainable local development** as an outcome on the other.

A common understanding of the nature and scope of **local public governance and administration** and **local-level development** would be critical in illuminating not only the interconnections between them but also in configuring their essential elements and the cause and effect interactions between them. This would also permit the crafting of pointed responses to the following key questions:-

- What are the key elements of a **local-level development** intervention?
- What are the essential elements **local public service and administration**?
- What are the critical building blocks of a **capacity development intervention** that would significantly enhance local public governance and administration and similarly significantly improve the prospects for sustainable local economic development?

¹ Dennis A. Rondinelli (2007) “Governments Serving People: The Changing Roles of Public Administration in Democratic Governance” in **Public Administration and Democratic Governance: Governments Serving Citizens**; Proceedings of 7th Global Forum on Reinventing Government: Building Trust in Government, 26-29 June 2007, Vienna, Austria

² UNDP (2010) Evaluation of UNDP contribution to strengthening local governance: UNDP Evaluation office, New York.

Essential Building Blocks for Local-Level Development

In respect of the new development demands necessitated by the new political, economic and environmental trend, I will have hazard to focus on five major elements which would serve as the key **building blocks for sustainable local-level development** in many developing countries. I share these five elements with Boex (2010)³ and Mensah-Abrampa (2012)⁴.

1. The first is the creation of effective **economic governance**. This includes the development of statutes, processes and regulations for guiding local economic relationships. It also defines functions roles and relationships, a system of redress and accountability. It creates a secured environment, stable and predictable which are necessary to attract investment and induce risk taking. A robust local-level development would require these ingredients.
2. The second element for local-level development is a targeted **locality development** trend. This has to do with the provision of the necessary infrastructure, social services and amenities to meet the individual, household and community service needs. Access to infrastructure, and readily and reliable access to services establishes the fundamental base for improving assets and improving quality of life and business. The maintenance of such services falls within the responsibility span of the public service.
3. Local level development requires facilitated **enterprise development** necessary to explore and utilize available resources to satisfy local needs. Creating the environment for enterprise development requires facilitating local access to capital, the development of value adding chains, acquisition of new knowledge and reduction of business risk. The provision and access to information in this light is expected to be facilitated by the public service.
4. For sustainable local-level development, **focused skill development** becomes a necessary element for ensuring that local production opportunities are matched by the needed skills. A focused skill development to respond to the development of local resources is essential to creating jobs and sustaining local income levels.
5. Local-level development hinges primarily on human development and therefore a key input necessary for local development is the acceleration of alternative and varied **livelihood opportunities**. Creating and sustaining livelihood is not only a means to ensure household income but also to provide reliable sources of revenue for sustainable local development.

Characteristics of the Public Service

A response to the provision on these building elements for local-level development requires a managerial platform that regularly interacts with residents, communities, civil society and the private sector. This managerial platform is indeed the local public sector, which is run by the public service. The local public sector is where residents and businesses receive services from the public service and where residents interact with government officials.

³ *Jamie Boex* (2010) Localizing the MDGs: Unlocking the potential of the local public sector to engage in development and poverty reduction. IDG Working Paper No. 20120-04

⁴ *Mensah-Abrampa* (ed)(2012) The state of local economic development in Southern and Eastern Africa, Processes Approaches and methods from Malawi, Mozambique , Tanzania and Uganda. UNCDF, New York.

It is expected that the public service should have the capacity then to facilitate local-level development through the establishment of effective economic governance, sustainable locality development, promotion of enterprise development, creation of livelihood opportunities and development of relevant local skills.

The public service in many developing countries is however besieged with capacity challenges in the face of increasing local development demands. The public service is very centralized, focused on policy and strategy development with less attention to implementation, very process driven and the achievement of results often inadvertent, innovation is considered a deviation and accountability is only vertical with public involvement often becoming mere placation. Local-level development in many countries has thus been relegated to the periphery and handled by non-governmental organizations (NGOs) and directly by some donor institutions without any defined framework for conditions, results assessment and accountability by the public service.

The Capacity Challenge of the Public Service

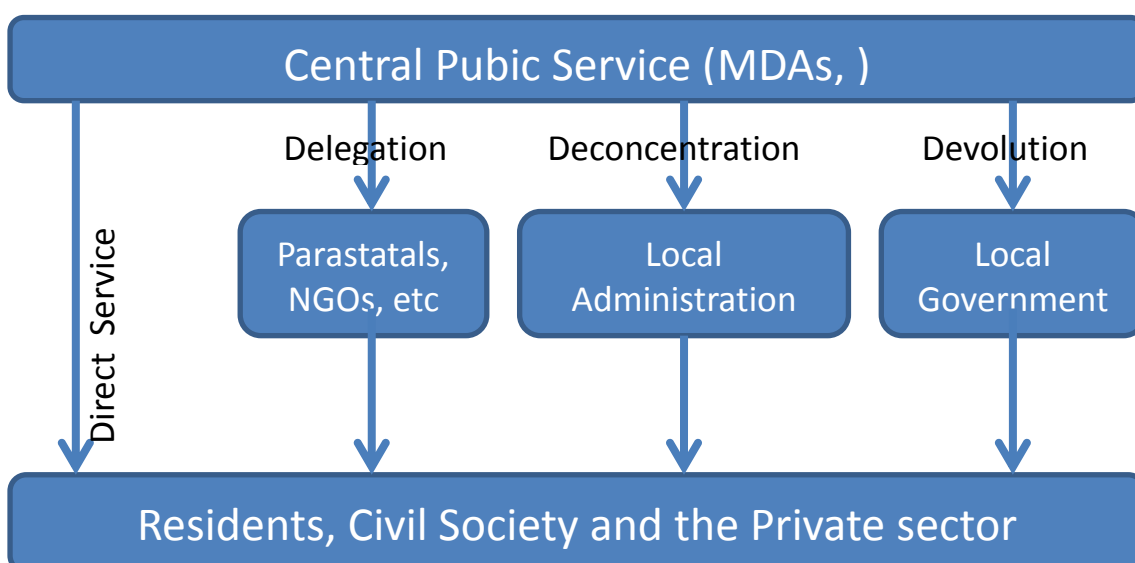
The capacity requirements by the public service to respond to local-level development needs may be numerous and varied but can generally be categorized into five major areas:

- Structure of the public service
- Defined roles and responsibilities
- Systems and procedures
- Human Resource
- Financial Resources

1. Structure of the Public Service

There are four major institutional structures that have been adopted for managing local development in many countries, both developed and developing. These are direct service delivery, delegation, deconcentration and devolution.

Figure 1: Alternative Structures for Managing Local-level Development by the Public Service



The direct service delivery provided by the central administration is opposed to what is generally referred to as decentralised public administration. The decentralised public administration is in three forms; delegation, deconcentration and devolution. In very simple non-technical parlance, **Delegation** is the transfer of administrative responsibility for a specifically defined function outside the usual central government administrative structure. **Deconcentration** is the transfer of power to an administrative unit of the central government, usually a field or regional office. With deconcentration, local officials are not elected. **Devolution** is the creation or increased reliance upon sub-national levels of government, with some degree of political autonomy, that are substantially outside direct central government control yet subject to general policies and laws, such as those regarding civil rights and rule of law. Local representatives are elected.

I would not like to go into the details of these institutional structure types nor pronounce on the efficacy of any of the arrangements but want to ensure that we have a common appreciation of the institutional types for managing local-level development. It is however expedient to note that, whichever type of structure is adopted to manage local-level development, certain key principles must be adhered to enhance the capacity of the public service to deliver. The first is that the structure must facilitate the **principle of subsidiarity**. The principle states that government structure closest to where an action is must be responsible and accountable. This implies that a sub-national government with a local public service will be in a better capacity to respond to the local-level development requirements than a central public service or its agent.

The obvious lesson is that a sub-national public institution has a better appreciation of the local development issues, able to facilitate decision-making capitalizing on local knowledge, utilize local potential in responding to local actions thus resulting in quicker and more relevant results at the local level.

The second capacity enhancing principle for the public service is to **reduce the gestation gap between decision and action**. This principle to a large extent depends on the institutional structure for managing local-level development. "Every development is Local" and therefore if decisions are taken at the central level it inevitably creates a gap between decision and action; it reduces the level of accuracy of problem perception and analysis, increases the time lapse for action and reduces the level of practical reality of responses. On the other hand if decisions are taken by the local public service, it increases the probability of accuracy of problem perception, reduces the real time gap between decision and action and increases the level of reality of response.

A final principle is that the institutional structure must facilitate the ability of the public service to attract and sustain **effective local participation** and engagement in local development initiatives. The development of informal institutions in urban centres and the new expectation from the public sector demands that the public service must be able to carve innovative institutional arrangements to galvanize this new energy, engage and sustain local participation for decision-making, validation and sustainability of initiated development actions.

It cannot be overemphasized that our effort at capacity enhancement of the public service for local-level development must begin with the development of a responsive institutional structure of the public service. UNDP in Northern Somalia, Mozambique, Timor-Leste and

Cambodia in response to post-conflict development requirements focused on establishing responsive institutional structures for the public service and this has gone a long way in accelerating local-level development and achieving the basic stability for sustainable development.

2. Defined roles and responsibilities

An appropriate institutional structure is necessary for delivery by the public service but this must be complimented by **well defined roles and responsibilities**. The definition of roles and responsibilities facilitates the determination of results necessary to propel local-level development. The ambiguity of roles and responsibilities in the public service leads to serious cases of overlaps and gaps, which adversely affects local-level development as it is often seen as peripheral.

A clear demarcation of responsibilities among sector ministries and defined roles for the respective levels of public administration is a requirement in positioning for effective development management. Defined responsibility can then be expressed into definite actions and most importantly matched with the required resources. The matching of responsibilities to resources and to results is the best means to capacitate the public service to respond to its local development mandate. In many developing countries, while sub-national governments are inundated with responsibilities they are deprived of the necessary resources to perform. This is a noted capacity restriction for the public service in responding to development demands and especially in the big effort to move from routine to innovative responses. UNDP supported Rwanda, Solomon's Island and Lesotho in undertaking the responsibility assignment for the public service in 2010 and 2011 and this led to increase in resources for sub-national governments and consequently for local-level investment.

3. Systems and procedures

I should indicate that with a well defined institutional structure and an unambiguous responsibility and role assignment, the public service would require **a clear system of procedures, regulations and coordination to facilitate local-level development**. The new development challenges require innovation and a new administrative dynamism to respond. This to a large extent depends on the institution of robust, timely and effective systems. For many developing countries many of these administrative systems, procedures and regulations have been institutionalised for control and compliance purposes and targets are sets on incremental bases without any defined analysis. In many cases it has been to maintain the status quo than to propel the public service to respond to the imminent local-level development challenges.

One of the key indicators in accessing public service capacity in terms of system of procedures, regulations and coordination is the "Doing business" index of days taken for business registration. This result has seen much improvement in Eastern Europe and Asia but continue to be dismal in Africa and Arab Regions an epitome of the standing of the public service with respect to capacity in systems and procedures management. The challenge of the capacity of the public service to facilitate local-level development was explicitly established

by the USAID (2010)⁵ decentralization studies on Africa indicated coordination of development initiatives at the local level remains the biggest capacity challenge to sub-national governments in Africa.

The Busan Presentation by the DeLoG (2011)⁶ highlighted the need to focus on improving the public service development coordination capacity through the development of more effective and efficient tools and methods. UNDP's capacity development for the public service in Ghana, Mali and Bangladesh focused on improving procedures and development coordination. The result has shown in the performance of sub-national governments and the resultant significant improvement in local-level development.

4. Human Resource

Human capacity is acknowledged to be very importance in any development management process. Indeed many developing countries have invested in the **development of skills, knowledge and competencies**. Public services have been the biggest promoters and sponsors of training through participation in academic programmes and frequent workshops often financed by donors and development partners.

Many developing countries have been able to generally build a professional base relevant to support the public service and provide the needed human capacity, the challenge however, has to do with **retaining the personnel** in the public service and provide the **necessary motivation and support systems** for them to give out their best. In many of these countries the condition of service of the public service can be describe as discouraging relative to what is offered by the private sector and indeed non-governmental organization. The public service is again deprived of the necessary resources and inputs to function as expected further. The combination of these factors has resulted in a very high attrition rate in the public service and in many cases a demoralized staff.

A public service that is capable of responding to the current local-level development demands require more than just skills and knowledge but the necessary motivation for staff to go beyond core routine functions to innovative developmental initiatives. In the difficulty of **providing the necessary motivation and retaining public servants to perform**, the concentration is then placed on public servants performing central government functions on policy and strategy development with very minimal attention to implementation, which is necessary for local-level development. UNDP in its pilot a post-conflict case on Northern Somalia concentrated on building human capacity of the public service at the sub-national level for development management. The result has been the public servants preference for the district including even those from Diaspora. Consequently there is a resultant big surge in stability and implementation of development initiatives in Northern Somalia⁷. A similar situation is being carried out in Southern Sudan and Congo by UNDP.

It is conclusive from the UNDP experience that although building the human resource capacity of the public service for delivery would require new skills, new knowledge and new

⁵ USAID (2010) Comparative assessment of decentralization in Africa: Final report and summary of findings USAID

⁶ DeLoG (2011) Donor Programme Harmonization, Aid Effectiveness and decentralized Governance

⁷ Refer to UN Joint Programme on Local Governance and Decentralized Service Delivery (JPLG) 3rd Quarterly Report 2011. UNDP, Nairobi 2011

values, to accomplish local-level development, it would also require a great deal to motivate and retain the public services to respond to local level development demands.

5. Financial Resources

A public service with appropriate institutional structure, defined roles and responsibilities, unambiguous systems of processes, regulations and coordination, well motivated human resource with required skills, knowledge and ability would still require a reliable and predictable source for financing for effective local level development. In many practical ways public servant have been trained and provided with necessary tools for local public expenditure management and have been supported by NGOs to craft appropriate local development plans. However, financial resources made available to sub-national governments only cover routine functions, popularly referred to as “*items 1-3*”. In a very frustrating manner public servants are deprived of any resources for investment and development promotion. In situations where investment resource are made available through a central government transfer system it is earmarked thus depriving the local administration of any appropriate discretion or decision on the funds.

There is no doubt that a well defined local public expenditure management system with explicit accountability systems and an appropriate local discretionary budget will not only be a motivation for public servants but would go a long way to facilitate local revenue mobilization and citizen’s engagement. These are indeed necessary precepts for local-level development which have been piloted and up-scaled by UNDP and UNCDF in Uganda, Ethiopia, Bangladesh, Bhutan and most recently Northern Somalia through the local governance and local development fund programmes.⁸ The sub-national governments were provided with skills and tools for local public expenditure management system and participatory accountability processes. A predictable local development fund was established to respond to the local development plans and managed at their discretion. The result has been the establishment of national local development funds which has directed between 10-36 percent of national income directly to local administration for local development.

My presentation has so far established that the public service has a pivotal role in local-level development. There are however a number of key capacity challenges it faces in the light of the new dimensions of local development demands and also with respect to the existing structure, systems, responsibilities, personnel motivation and funding mechanism of the public service. There is however a number of opportunities and lead interventions by UNDP and other development partners that enhance the public service to accomplish its role in facilitating a result based local-level development.

Lessons of experience on local public service for sustainable local-level development

There are four countries in Africa UNDP and UNCDF have systematically played key roles in building the capacity of the public service to respond to local level development. In Uganda from 1996 to present, UNDP and UNCDF have pursued this process through the implementation of *District Development Programmes I, II and III* and were up-scaled with funds from the World Bank and sustained by Government. In Tanzania from 1996 to present,

⁸ UNCDF (2011) Performance –Based Grant System: Concepts and international experience. UNCDF New York

again UNDP and UNCDF have jointly implemented *Support to Local Development Programme I, II and the Local Economic Development Programme*. While in Rwanda UNDP and UNCDF implemented “*Programme d’Appui au Développement Communautaire de Gicumbi au Rulindo*” from 2005 to present, it was up-scaled and sustained by the World Bank and Government. Finally in Ghana UNDP since 1989 has been supporting the National Decentralization Programme as a means to facilitate local-level development. There are also some post-conflict countries such as Burundi and Somalia where UNDP and UNCDF joint-programmes have employed similar processes to build the capacity of the local public service to facilitate the management of local-level development.

In these programmes the public service is supported to decentralise following a similar process on decentralizing the political and fiscal management system. A decentralised public service is then equipped with the necessary skills, knowledge and ability to respond to the administrative demands of a local governance and local development process. The public service is also supported to review its systems, procedures and necessary regulations to make it more responsive. The respective programmes also supported the local public service to facilitate participatory planning and budgetary systems at the local level and build the capacity of local community leaders to plan, manage resources, participate in public decision making and ensure accountability. All the programmes also incorporated the development of systems for channeling investment capital to respond to local development plans through a local development fund. The capacity of the local public service is also enhanced to manage these development funds.

The revealing trend is that these countries, Ghana, Rwanda, Tanzania, Uganda and Burundi are noted countries in Africa that have made impressive local public service delivery systems. From factual sources UNDP (2011)⁹, Doing Business (2011)¹⁰ and USAID (2010),¹¹ these countries have fared inspiringly well in terms of local development and local business promotion. These are a few cases of the UNDP experience with respect to public service capacity and generating the expected result from local-level development. Notwithstanding the challenge with respect to up-scaling these programmes, the story remain good lessons and countries have been able to influence public administration systems in their respective continental regions.

Emerging lessons for Programming and Practice

My final discourse will focus on presenting a summary of some key lessons on building the capacity of the public service in responding to its primary responsibility of facilitating local-level development.

1. **The structure of the public service does not easily lend itself to support the facilitation of local-level development.** The structure of the public service in many respects is a default of the political and administrative system moulded by a state. The response by many development facilitators has been to propose and facilitate the adoption of a devolved system given its strong inclination towards promoting

⁹ UNDP (2011) Human Development report 2011; Sustainability and Equity, UNDP New York.

¹⁰ *Doing Business* (2011) Doing Business in a More Transparent World. The World Bank Group USA.

¹¹ USAID (2010) Comparative assessment of decentralization in Africa: Final report and summary of findings USAID.

citizen's engagement. The pursuit of a **devolved public service structure** has always not been productive as the consonance with the national political structure may be difficult to obtain. UNDP's experience in Malawi, Nepal and Eastern Europe remain key lessons for this.

I would thus propose that the choice and **determination of the structure of the public service for each country must be based on proficient analysis for a relevant and adaptive system to evolve**. The key criterion is for the system to enhance the capacity of the public service to facilitate local-level development: facilitate inclusive growth, provide political and social stability; reduce food insecurity; reduce occurrence of diseases and reduce ignorance.

2. **The roles and responsibilities of the actors in the public service are undefined leading to overlaps, gaps and eventual waste limiting its capacity to deliver**. The response to this challenge has been a perpetual review of public service acts and statutes leading to frequent shuffling of responsibilities resulting in the creation of "*dead desks*"; titles without roles. Public service reforms concentrating on only central ministries and agencies have become permanent features in many countries. Drawing on UNDP experience in Malawi, Cambodia and Ghana, this could be a half-hearted exercise and capacity of the public service compromised if it does not involve a review of entire the public administrative system; central, regional and local and focus on their agility to respond to the new development expectations of their respective population (youth, informal urban economic participants, landless farmers).

I should again fall on the UNDP experience in Rwanda, Bhutan and Lesotho where specific responsibility, assignments and expected results for each ministry, department and agency, and at all the levels of the public service; central, regional/provincial and district/countries/communes were analyzed and defined. The final responsibilities and expected results were assigned relevant expenditures **thus creating a match between institutions and responsibilities, responsibilities and results, and results and assigned expenditure or funds**. UNDP and UNCDF are following up this process in the Eastern and Southern African Region and liaising with the AU to possibly cover the entire Africa if adequate funds are mobilized¹².

3. **The systems, procedures, regulations and coordination mechanism of public service have been besieged with numerous and varied forms of ambiguity resulting in misinterpretations, delays and eventual frustration of clients**. The review and development of new regulations and procedures have been numerous following reform programmes initiated by development partners. The challenge is the implementation of these systems, procedures, regulations and coordination mechanism as expected. The simple processes for obtaining a business license extend electricity to ones house or register land are still nearly impossible task going by the required process in many developing countries.

¹² UNDP (2012) Strengthening Local Government Capacities in Eastern and Southern Africa; Study commissioned by UNDP, UNCDF and CLGF; UNDP – Regional Service Centre Johannesburg.

I will strongly advocate that the answer lies in the definition of clear result for respective actions which could be monitored and assessed for improvement over a period. In Rwanda UNDP has supported a locally initiated system for assessing the implementation and compliance throughout the entire public system -“*imihigo*”. This has facilitated the **regular assessment of procedures against result from the cell level to the national level. The institution of such regular measures of assessing public service delivery system will go a long way in making relevant reviews to procedures and regulations thus making it more responsive to local-level development.**¹³ It will be very expedient to support UNDP to validate and up-scale.

4. The human resource in the public service may have the required skill, knowledge and even ability to respond to the new challenges of local level development but has such **deplorable working conditions that it does not provide the least motivation to be innovative and facilitate development initiatives.** The challenge is that we have responded with more training and skill transfer without a definite consideration of the issues related to motivation and condition of service.

There is the need to assess **the public service conditions as related to the incentive system; remuneration, promotion and other benefits. A thorough study for respective countries may be required and a fair and just incentive system instituted.** In the process it is worth noting that special incentives should be provided for public servants in disadvantaged and unattractive areas. In Ghana a review of the Public service incentive system by UNDP and DfID since 2009 has led to a drastic change in the improvement in the caliber of staff at the sub-national government levels. The UNDP’s institution of special incentives for district staff in Northern Somalia has attracted good caliber staff including those from Diaspora to manage local development. Indeed a public service without the right incentive and motivation can never have the capacity to facilitate local-level development and there are many lessons from UNDP to confirm.

5. **Financing of the public service itself and availability of funding for local-level development have strong debilitating effect on the capacity of delivery of the public service.** Development plans without resources to implement become wishes and a public service that cannot meet its basic financial requirements can best be a docile entity. The response has often been the institution of parallel systems through NGO’s and others to finance local development. It has in some respects been through direct donor intervention on other agencies.

Counting again on the UNDP experience the best way of building the capacity of public service is making them **the prime facilitators of development initiatives by planning, budgeting, implementing, monitoring and accounting for results. The establishment of a predictable source of funding is a key capacity enhancing feature for the public service for facilitating local development.** The establishment of special local development funds by UNCDF and UNDP in Africa and Asia has many lessons to draw from in this respect. I will strongly support the up-scaling and replication of these funds in other countries.

Concluding Remarks

¹³ Daniel Sacher (2011) The Promise of Imihigo: Decentralized service delivery in Rwanda 2006-2010; Princeton 2011.

Chairperson, I have detailed these five key capacity challenged areas of the public service in its role as a facilitator of local-level development. I must indicate that there could be more factors but in the face of the new development demands; the fast growing private sector; the youth and their demand for jobs; the demand for effective citizen' engagement, and for sustainable and equitable development, I am comfortable that this could be sufficient to premise our discussion.

I conclude that UNDP and its associate funds have several interesting pilot programmes responding to many of the challenges presented and with several good lessons. The integrated local governance and local development approach muted in the UNDP Governance strategy is a clear response to some of the programming issues. The scaling-up of such recommendations is eminent but the constraint of resources has reduced the speed and indeed scope of response. Whatever the case, an incapacitated public service is inevitably a challenge for local-level development and an obvious deceleration for the achievement of the MDGs. We should always remember that "every development is local".