INTRODUCTION

Local authorities, their platforms and representative structures are increasingly being viewed as important and necessary actors in development policy. In many countries, local authorities fulfill key roles in local decision-making and service delivery, with significant autonomy from central government powers. In others, they contribute additional knowledge, resources and expertise to central governments’ activities. Local authorities can act as catalysts for change, conflict prevention, decentralization and confidence-building in the development process - a fact recognized most recently in the European Consensus on Development and in the communication “Local Authorities in Development”, and in a number of EU institutions' Conclusions, Resolutions, Opinions and Communications.

One of the principal means of empowering Local Authorities has been decentralization. The transfer of political, administrative and/or fiscal responsibility brought about by decentralization has impacted on communities around the world. It is believed that decentralization increases responsiveness and accountability in addressing local issues and in providing services that are fine-tuned to the demands of local populations. With increased democracy and local authorities “closer to the people” than central bodies, it is argued that pro-poor measures become more targeted and effective.

Since the mid 80’s, many countries in Asia have begun implementing important decentralization reforms in order to empower local authorities and strengthen cities and regions. This decentralization trend is also motivated by globalization, the growth of urbanization and the democratization process that took (and is still taking) place from the 70’s onwards across the continent.

Decentralization is considered as one of the most appropriate ways of reducing poverty, building sustainable development and implementing democracy in developing countries. Lobbying efforts pressure central states to start decentralization reforms by arguing that cities and local authorities are major actors in implementing international development goals at the local level. The international debate on aid effectiveness reflects this fact, and both the Paris

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1 Local Authority is understood in its widest sense to encompass the large variety of sub national levels and branches of government i.e. municipalities, communities, districts, counties, provinces, regions, etc.. Concerning development cooperation, there is substantial heterogeneity in the mandate, finance and functions at each level and within each level. EC COM (2008) 626.
2 “The European Consensus on Development”, Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: (2006/C 46/01)
4 http://dcp.unitar.org/IMG/pdf/The_process_of_decentralization_1_.pdf
Declaration\(^5\) and the Accra Agenda for Action\(^6\) refer to local governments’ place within the dialogue on how to make aid delivery more effective.

Although Asian countries have adopted their own particular decentralization model, the colonial past has strongly influenced the actual decentralization process. Each country has its own particularities due to its unique institutional heritage, economic development and political situation. Evidence also suggests that the more developed a country is, the faster the decentralization process occurs, which is also true for Asia.

The decentralization process that is taking place in Asia since the wave of independence has been mainly influenced either by the French or the Anglo-Saxon model. In the Anglo-Saxon model that influenced Northern Europe (Great-Britain and Scandinavia), decentralization is service-oriented and local authorities are in charge of implementing central government policies and are provided with the resources to allow their autonomy to work. Local authorities are hence considered as important actors in national governance besides national authorities. India provides a good example for countries that implemented decentralization reforms based on the Anglo-Saxon tradition, such as the 73\(^{rd}\) and 74\(^{th}\) amendments to India’s constitution which were added in 1992 and which recognize and protect local governments. In the Philippines, the 1987 Constitution enshrined the principle of popular participation and in 1991 the Congress passed the Local Governance Code devolving basic services (health, welfare, agriculture and environmental protection) to local governments and increased local governments’ financial support by raising their share of internal revenue collection\(^7\). Nepal’s decentralization showed an unprecedented policy shift from centrally-driven and non-effective delegation and deconcentration to local authorities (Panchayat) by legally endorsing the concept of self governance and devolution of authorities to local bodies with the promulgation of the Local Self-Governance Act and Local Self-Governance Regulation in 1999.\(^8\)

The French model (which could be also referred to as the West European model as it is applied also in countries such as Belgium and Italy), refers to the central state’s acknowledgement of autonomous local authorities with specific responsibilities and autonomous management. Decentralization is hence considered as a state reorganization and is directed mainly towards the public sector. The central paradigm is the “free administration of local authorities”, which means that local authorities are freely managed by elected councils under conditions regulated by democratic laws, but with a higher degree of control/dependency on the central government. The origin of decentralization in Cambodia, a former French colony, can be traced back to 1993 with the UN-organised elections. In 2002 the creation of directly elected Commune Councils/Sangkats marked a major reform and has initiated a process where local authorities are increasingly accepted as legitimate authorities, introducing a seed of democratic culture. The years 2008 and 2009 were marked by the adoption of the “organic law” on Administrative Management of sub-national levels and the (indirect) election of councils at provincial and district level pursuing further reorganization of the state and devolution to sub-national levels of government. Vietnam, also a former French colony,

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\(^5\) The Paris Declaration on Aid Effectiveness: http://www.oecd.org/dataoecd/30/63/43911948.pdf
\(^6\) Accra Agenda for Action (on aid effectiveness): http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html
\(^7\) “Expanding basic health service delivery through partnership with the people in the Philippines”, Decentralized Governance Program conducted for the UNDP Research Project on Decentralized government, Interim Case studies, July 1999
departed from this model yet has been developing since 1992 its own legal system for decentralization 

As a relatively recent phenomenon in many partner countries, and with measurable effects emerging only slowly, it is clear that continued efforts to understand and improve interventions in the field of decentralization and territorial development by donors, LAs and central governments are still needed. In this regard, the European Commission is committed to promote a dialogue with local authorities in partner countries with respect to its support tools in the framework of the aid effectiveness agenda and to enhance the dialogue with LAs in Asia, and other regions. As a result, the European Commission launched the "Structured dialogue on civil society & local authorities' involvement in EC development cooperation" in early 2010.

What is the Structured Dialogue (SD) \(^\text{10}\)?

The SD is an initiative launched by the EC to discuss the involvement of CSOs & LAs in EU external cooperation. Conceived as a confidence and consensus-building mechanism – and not a negotiation process – the initiative aims at increasing the effectiveness of all stakeholders involved in EU external cooperation by building on the momentum gained through international and European debates.

To this end, it is expected that participants in the Structured Dialogue will share information and knowledge, build mutual understanding, confidence and trust in order to advance and strengthen partnerships. The SD will also explore ways to improve EC working methods and the practices of its principal partners.

The Structured Dialogue is conceived as an international process, developed with “live” events and on-line debates. The process is composed by:

a) Five sessions in Brussels
b) Four regional seminars (Africa, Latin America, Asia and the EU neighborhood region)
c) Three thematic supporting initiatives (Human Rights and democracy, Education for development and Local Authorities)

The three broad themes to be tackled by the Structured Dialogue are:

1. The roles and added value of the OSCs and LAs in EC external cooperation
2. Complementarities and coherence with the Accra agenda for Action
3. EC aid mechanisms and instruments to enhance OSC and LA participation in development processes.

How do Local Authorities fit into the wider context of the Structured Dialogue?

Within the framework of the Structured Dialogue, the European Commission organizes a special consultation day specifically dedicated to Local Authorities as development actors at each of the four regional seminars (Africa, Latin America, Asia, and the region covered by the European Neighborhood Policy). This direct interaction has two main aims:

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\(^{10}\) https://webgate.ec.europa.eu/tpfis/mwikis/aidco/index.php/Main_Page
• To foster dialogue with local authorities
• To promote the exchange of information and experience between the EC, representatives of Member States and the European Parliament, local authorities and LA associations from partner countries and the EU.

The forthcoming New Delhi Seminar on “Local Authorities in Development” represents the European Commission’s recognition and acknowledgement of the growing role and increasing significance of LAs as development actors and partners in Asia. This seminar focuses on the critically important – and increasingly varied types of partnership instruments available to Asian LAs and platforms.

This direct interaction that the seminar will offer to representatives from both Asian and European LAs and LA platforms has two aims:

• **To foster dialogue among LAs by launching a participatory forum** offering a unique occasion for peer to peer exchanges and learning, where everyone will have a chance to openly express their views and experiences, and;

• **To promote exchanges of information and experience between LAs and LA Associations from partner countries and the EC**, representatives of the EU Parliament and of Member States and to advance a much needed process of continuing dialogue among the key stakeholders in LA/EC partnership.

The results of the Local Authorities discussions and recommendations will feed into the debates and conclusions of the Structured Dialogue. Representatives of LA in New Delhi will be invited to present the essence of discussions and recommendations to the Structured Dialogue sessions in Brussels with EU Local authorities, and this way contribute to the wealth of views on how to enhance effective partnerships in development..

**Who will participate in the Seminar in New Delhi?**

The purpose of the day dedicated to Local authorities in development during the four planned regional seminars is to bring together the following actors for a fruitful exchange:

• 30 Local authorities from fifteen partner Asian countries, ranging from elected representatives to technicians. The countries invited include: Bangladesh, Cambodia, India, Indonesia, Kazakhstan, Kirghizstan, Laos, Maldives, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.

• European Local Authorities and their Asian partners
• European Commission representatives from the European Commission and some EU Delegations in the region;
• Members of the European Parliament;
• Representatives of EU Member States Governments;
• A limited number of representatives of civil society organizations who previously attended the Structured Dialogue seminar.

**Structure of the seminar**

The regional seminar in New Delhi will address and debate subjects of interest for the EU institutions and for Local authorities in partner countries and in Europe on the role of local authorities in development processes, the mechanisms inherent to them, and European Commission support instruments and modalities.

In order to foster maximum opportunities of exchanges between participants, the seminar is
organized with a small number of plenary sessions, leaving ample time for panel and group discussions, particularly using the "World Café" methodology. At the beginning of the group discussions, two case-studies will be presented with the aim to illustrate different subjects that will be examined and debated. The World Café methodology will be presented and explained at the beginning of the session.

The Seminar will be structured as follows:

a) An introductory plenary session (including presentations on EU policy framework and EC programmes in support of local authorities);

b) Two simultaneous working groups (each with the presentation of a case study).

c) A conclusive plenary session to present the WG’s main conclusions and recommendations.

Content of the seminars "Local authorities in development" in New Delhi

The seminar in New Delhi will revolve around two broad topics and discussed in four sub-themes, namely:

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<tr>
<th>Working Group 1</th>
<th>Working Group 2</th>
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<tbody>
<tr>
<td>Local Authorities in Development: programming &amp; policy aspects and roles in programming European Commission aid</td>
<td>Local Authorities and EC Development Cooperation Implementation: financial instruments and aid implementation mechanisms for LA</td>
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<tr>
<td><strong>Sub-themes</strong></td>
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<td>1. LA participation in multi-actor dialogue and contribution to policy formulation</td>
<td>1. Financing mechanisms and modalities</td>
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<tr>
<td>2. EC contribution to strengthening the legitimacy and roles of LAs in development</td>
<td>2. Paris and Accra Aid Effectiveness Agendas: impact on LAs and LA’s role in their implementation</td>
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The panels will be further enriched by two presentations of case studies that will illustrate selected topics that will be debated in the course of the day. A case study from India will highlight the "State Partnership Programme in Rajasthan in Support of the Water Sector Reform" and more particularly its contribution towards developing the role of the sub-national level of governance (State) in policy formulation and implementation. A presentation on the project "Strengthening Democratic and Decentralized Local Governance in Cambodia" will illustrate building and strengthening local capacity through networking and cooperation among LA. They will summarize some of the key elements of their programmes, examine lessons learned from their implementation experience, review how they perceive future programme development, and comment on how project quality, impact and scale can be optimized in the future.

1). Working Group 1: Local Authorities and (EC) development cooperation – Programming and policy aspects

This group will debate on the decentralization policies and EC cooperation in Asia, and the local authorities’ participation in aid programming, by building on the existing political and regulatory framework of EC development cooperation in support of Local Authorities (such as...
the communication "Local Authorities: Actors for Development" (2008), as well as the
European Consensus for Development and the EC financing instruments (DCI, EIDHR, Stability,
etc.).

The key question for debate in this working group is “How can the European Commission
support local authorities of Asia in their development policies and how can Asian LAs
improve their participation and influence in EC cooperation programming targeting the Asian
continent?

Discussions will revolve around how to achieve increased effectiveness in distinct contexts
(state models), with the various forms of interventions and financial instruments. Participants
can consider the different contexts and processes in Federal models (ex. India, Pakistan), or in
Unitarian States (ex. Cambodia, Thailand) including some specificities of some countries where
local authorities have a special status or degree of autonomy (Indonesia).

In Cambodia for example, the project Strengthening Democratic and Decentralized Local
Governance done in partnership between the European Union and UNDP, supports
Cambodia’s decentralization process with a specific focus on strengthening good governance
at the lowest sub-national level (rural communes and urban sangkats). The project fosters
voice, accountability and local cooperation mechanisms for more effective and responsive
local governance policies, and for greater local participation and civic engagement.
It also contributes to the formulation of national policies, provides capacity development at
national and sub-national levels and supports Cambodia’s new association of local councils. It
also provides technical assistance and grants for inter-commune cooperation projects that
respond to local needs and contribute to strengthening the capacity of communes to plan and
implement local infrastructure and service delivery projects.

The following two sub-themes will be debated during the World Café workshops:

WG 1, workshop 1 – Local Authorities participation in the political dialogue with several
actors and LA involvement in EC aid programming

The EC policy framework calls for an effective involvement of local authorities in all phases of
the development process in complement to central role of the national government. This
workshop will seek to review the relevance of the EC mechanisms designed for participation of
Local Authorities in the formulation and implementation of national development policies,
their contribution to the EC programming and strategy and local authorities as federators of a
multi-actor dialogue. Two main aspects will be considered:

a) Differentiated dialogue based on roles and responsibilities between the central
government and sub-national levels of government/local authorities, and between
these and lower levels of governance, and;

b) The use of the dialogue mechanism and the participation of other stakeholders (CSOs,
private sector, thinktanks, etc.)

The workshop will further consider strategies and mechanisms for LA to be engaged beyond
the programming and policy formulation throughout the implementation, monitoring and
evaluation phases.
WG 1, Workshop 2 – EC aid to decentralization and territorial policies and strategies

The second working group will analyze the role of LA and its added value in development cooperation and decentralization processes as legitimate actors that are best-positioned to take decision-making closer to the population, and how this could feed into EC’s aid to decentralization in various Asian contexts.

The workshop will also discuss how and what could strengthen the position of LAs in the light of the lessons-learned as well as past and present experiences of LAs in decentralization in Asia and what and how can the EC contribute towards the consolidation of LA’s role.

2) Working Group 2: Local Authorities and (EC) development cooperation – Financial instruments and aid delivery mechanisms for LAs

This Working Group will examine the aid mechanisms available for Local Authorities, the accessibility to the European Commission programmes (geographical, regional, thematic) and the new aid delivery modalities (general budget support, sector approach). The impact and implications of the Aid Effectiveness commitments on decentralized cooperation and Local Authorities involvement will be also examined.

The key question for debate in this working group is “How to improve the effectiveness of the European Commission instruments and modalities with Local Authorities in Asia? How should aid be handled to better serve the actions of Local Authorities in Asia? And how can Local authorities contribute to increase the effectiveness of aid?”

The most frequently used aid delivery modality to Local Authorities is the project-based approach, though the support to sector programmes is rapidly gaining momentum as well.

The project-based approach entails a series of activities aimed at achieving specified goals (agreed upon and in-line with the programming framework of the EU) within a defined period of time and on a defined budget. Projects have a primary target group, final beneficiaries, and clearly defined coordination, management and financing arrangements. They are subject to a monitoring and evaluation system, and include financial and economic analysis showing that benefits will exceed costs.

Sector Support Programmes are governed by special guidelines\(^{11}\) and target an entire sector of a beneficiary country’s political, social or economic environment. It aims to support the formulation of sector policies and their implementation. A large and varied number of actors (national and sub-national authorities, donors, civil society, etc.) participate in the process and framework, led by beneficiary governments. Different financing modalities can intervene in a sector programme, i.e. budget support, project or pool funding, etc... Principles guiding sector programmes are, among others, the effectiveness of aid as sought in the Paris declaration and Accra aid effectiveness action plan.

In India, for example, the EC has entered into a partnership with the Government of Rajasthan, providing support in an amount of € 80 million. The partnership aims the reform of the water

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\(^{11}\) Support to Sector Programmes, Tools and Methods Series, Guidelines No. 2, European Commission.
sector leading to sustainable and integrated water resource management and, in selected
districts and blocks, will provide institutional & capacity development and investment to
Panchayat institutions and user groups for the provision of public services and sustainable
management of resources.

The sector policy support is executed through sector budget support, releasing financial
tranches linked to the annual Rajasthan state budget and conditioned to the achievement of
agreed criteria and milestones.

The main external aid financial instruments and financial modalities for LA cooperation in Asia
are:

1. Financial Instruments
   a. Development Cooperation Instrument (geographic, regional and thematic
      programmes)
   b. European Instrument for Democracy and Human Rights (EIDHR)

2. Aid delivery modalities
   a. General Budget Support
   b. Support to Sector Programmes
   c. Project approach

3. Financing Modalities
   a. Sector Budget Support
   b. Pool Funding (basket fund, common fund)
   c. EC project procedures

The following two sub-themes will be debated during the World Café workshops:

WG2, workshop 1 - Financing mechanisms and modalities (budget support, sector support,
pool funding)

With reference to the new aid delivery mechanisms, the workshop will examine the impact of
each mechanism on LAs access to funds, their management, impact on empowerment,
contribution in improving local governance and public service delivery, and in fostering local
development in Asia.

Risks of re-centralization with sector approaches will be analyzed and counter measures
identified and suggested. Recommendations will be presented to improve aid effectiveness
and quality and to identify the best suited LA support in public policy development and
implementation.

The workshop will look at types of support that could build LA (technical, administrative)
capacity to make best use of the new instruments at national level (LA associations,
federations) as intermediate level and al local/municipal level.

WG2, workshop 2 - Paris and Accra Declarations: LA impact and role in their implementation

The implementation of Paris Agenda for Action and Accra commitments will accelerate
changes in the relations between the national and local authorities, and highlights new
responsibilities and challenges as well. The workshop will highlight potential challenges for Aid
Effectiveness that LA are likely to face and will consider and suggest adequate mechanisms to facilitate the accommodation of and adaptation to the new aid efficiency paradigms.

In particular, with regard to the principles guiding the Accra Agenda for Action on the need for more participation of LAs and stronger coordination between LAs and national government in development policies, discussion should address issues such as a) ownership by LA of their own territorial development policies; b) the recognition of LA leadership in local policies and processes, and c) definition of sector policy coordination mechanisms best suited for this role and differentiated collaboration mechanisms between LA and local civil society.

In this context, the workshop will also tackle how LAs can have an input in avoiding duplication and fragmentation of aid delivered by donors and the types of institutional agreement that could be helpful for this.
### Annex I – Glossary

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<th>Term</th>
<th>Definition Overview</th>
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<tr>
<td><strong>Decentralization</strong></td>
<td>There is no universally agreed definition of this broad notion across regions, agencies and actors. Decentralization which occurs when the national authority transfers responsibilities and authority to sub-national levels is carried out to bring decision-making closer to citizens, to encourage social cohesion and anchor democracy. It is also promoted based on the principles of subsidiary and “who is best placed to do what”. Decentralization is therefore considered as an end in itself, as well as a means to an end. Answerability for the exercise of such powers is to the local community through the electoral process. Decentralization enhances local democracy and the participation of local people in their communities. To succeed, regional/local authorities also need the resources (financial, technical &amp; human) which will enable them to fulfill their mandate. The EC adopts a pragmatic look to Decentralization and focuses on functional dimensions of decentralization, ie political, administrative and fiscal decentralization. Political (democratic) decentralization normally refers to the partial power and authority is transferred to sub-national levels of government which are elected and empowered sub-national forms of government. Administrative decentralization refers to the transfer of decision-making authority, resources and responsibilities for the delivery of a selected number of public services or functions from central government to non-elected levels of government, agencies or field offices. It is associated with three variants a) deconcentration, b) delegation and c) divestment. Deconcentration (transfer of central administrative responsibilities to regional/local administrations) and delegation (commitment of authority or power to another body to enable that body to operate in the name of the delegating authority). The national authorities remain responsible overall politically for the exercise of the powers, although legal responsibility is transferred to the holders of the deconcentrated or delegated powers. The most radical form of administrative decentralization is divestment, where responsibility and autonomy over government issues are contracted out to private companies, hence often referred to as “privatization”.</td>
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Fiscal decentralization refers to resource reallocation and power to tax and generate revenues is dispersed to sub-national levels of government.

**Decentralized Cooperation**

Decentralized cooperation designates all forms of development cooperation put in place by a Local Authority or by a non-state actor, both North and South. The European Union supports decentralized cooperation initiatives with the particular aim of promoting: (i) a more participatory development policy, responding to the needs and initiatives of populations in developing countries; (ii) a contribution to diversification and reinforcement of civil society and basic democratization in these countries; (iii) the mobilization of European decentralized cooperation actors and of developing countries in favor of these goals.

In the framework of the European Commission’s Development Cooperation Instrument (DCI), the thematic programme “Non-state actors and Local Authorities in development” aimed at promoting a larger involvement of Local Authorities and CSOs. For the period 2007-2013, this programme has a total budget of 1.6 billion Euros, which represents an annual budget of 225 million Euros.

**Deconcentration (or “devolution”) of EU external aid management**

The deconcentration (or “devolution”) of the management of external aid towards the European Commission Delegations (now European Union Delegations) was a key element of the 2000 reform of the management of EU external assistance, under the external aid basic underlying principle that: "All that can better be managed and decided on the spot, close to what is happening on the ground, should not be managed or be decided in Brussels" (Source: Communication on the Reform of the Management of External Assistance, p.20).

Deconcentration applies to all phases of the project cycle, from programming to evaluation. In practice the reform implies that EU delegations are responsible for key operational tasks such as project identification and appraisal, contracting and disbursement of Community funds, and project monitoring and evaluation. The role of Headquarters has therefore evolved towards a role of coordination, quality control, management control, technical support and improvement of working practices.

**Good Practice vs Best Practice**

Best practice refers to the most efficient and/or effective method or practice for accomplishing a task. Best practice is based on experience and research, and on repeatable procedures. While there is no commonly agreed definition of best practice, in the field of development cooperation it is often linked to good governance, transparency and accountability.

As the term best practice suggests a certain finality and universality which is at odds with the diverse and varied experience of “what works best” in development cooperation,
'good practice' has emerged as an alternative or complementary terminology.

In the context of the current project, which deals with a large variety of regional contexts, actors and case studies, the term “good practice” will be adopted when referring to specific experiences in participant countries.

**Governance**

Governance refers to the rules, processes, and behavior by which interests are articulated, resources are managed, and power is exercised in society. The way public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issue to be addressed in this context.

In spite of its open and broad character, governance is a meaningful and practical concept relating to the basic aspects of the functioning of any society and political and social systems. It can be described as a basic measure of stability and performance.

Governance develops into good governance when concepts of human rights, democratization and democracy, rule of law, civil society, decentralized power sharing, and sound public administration gain acceptance and relevance in a country's political system.

In the realm of EU external cooperation, the fundamental objective of poverty reduction is closely associated with the complementary objectives of promotion of good governance and respect for human rights, these being shared values underpinning the EU.

**Local Authorities (incl. Local Regional Authorities)**

"Local Authority (LA)" is an umbrella term that encompasses many different actors at different levels. LAs in Europe include more than 91,000 authorities at local level (municipalities), 1,150 intermediary level organizations (districts, counties) and more than 100 regional bodies. Depending on the part of the world one is dealing with, local authority can mean county, municipality, city, township, a school district, regional or interstate government entities or any agency or instrumentality of a local government, etc. Despite the multiplicity of entities, it is useful to distinguish between two broad types of local authorities:

- Local state administrations, which manage and run local affairs on a day-to-day basis
- Local representative bodies, such a municipal councils (governance bodies that can either be directly or indirectly elected, or appointed by a higher level

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Since the 1990s LAs have increasingly been viewed as players in development policy (i.e. the UN conferences Rio de Janeiro 1992, and Istanbul, 1996, on Environment & Development and Human settlements, the 2000 Millennium Summit and the 2002 Johannesburg World Summit on Sustainable Development formally recognized their role). Most recently, the European Consensus on Development, the revised Cotonou Agreement and a number of EU institutions’ Conclusions, Resolutions and Opinions reiterate Local Authorities' significant expertise not only in terms of service delivery but also as catalysts for change, conflict prevention, decentralization and confidence-building in the development process.

While some LAs have attained a true devolution of central government's powers in development policy, the involvement of others comes as an additional effort to that of central governments. In some EU member states, LAs allocate considerable financial resources to international development (representing nearly 15% of national ODA in Spain for instance), and have developed specific instruments for aid delivery (programmes, co-financing instruments, city to city links, and direct cooperation agreements).

In 2008, to palliate the absence of a coherent strategic approach at the EU level and with a view to facilitate and recognise the various facets of this increased involvement of LAs in EU development policy, the EC issued a communication on the role of Local Authorities as actors for development (COM(2008) 626 final).

### Local Governance

Although the understanding of what local governance is varies among different stakeholders, two main axes stand central in the concept:

- a) Responsiveness and accountable local governments (as key development actors and a nodal point for the delivery of services to the poor and;
- b) A vibrant civil society (incl. the private sector), that plays its dual role as partner in development and as countervailing force with the capacity to demand rights, transparency and accountability.

### Public Administration Reform

Weak public administration leads to misguided resource allocation, excessive government intervention, arbitrariness and corruption which deter private investment and increase citizens’ mistrust.

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This results in policy reforms which are less likely to succeed, an expensive and under-performing government, and inadequate service delivery to the poor.

Public administration reform is the search for public service organizations that respond to the needs of citizens and deliver appropriate public goods and services efficiently and impartially, including macro-economic and public policy formulation, definition and implementation. Sufficient checks on these organizations make them accountable and more transparent to the public, thereby reducing possibilities of corruption and increasing trust in them and government at all levels.

### Rights-based development

A rights-based approach to development aims to transform the self-perpetuating vicious cycle of poverty, disempowerment and conflict into a virtuous cycle in which rights holders can demand accountability from states as duty bearers, and where duty bearers have both the willingness and capacity to fulfill, protect, and promote people’s human rights. A rights-based approach rejects the notion that people living in poverty can only meet their basic needs as passive recipients of charity. People are the active subjects of their own development, as they seek to claim and realize their rights.

Development actors, including the state, should seek to build people’s capabilities to do so by guaranteeing their rights to the essentials of a decent life.

### Territorial or Local (economic) development

Refers to a process by which a variety of local institutions and actors mobilize and work together to plan and implement sustainable local development strategies in a given territory. The overall aim is to build up the economic capacity and legal regulatory framework for a local area to improve its economic future and equity and quality of life for all. It is a process by which public, business and non-governmental sector partners interact through dialogue and joint activities.

### Thematic instruments

In addition to the geographic instruments, the EC has the opportunity of using its various thematic instruments or programmes to support particular areas of work which are not included in the Annual Action Programmes (AAP) and do not require the consent of the recipient government. These are mainly the European Instrument for Democracy and Human Rights (EIDHR) and the Non State Actors and Local Authorities thematic programme (NSA & LA).

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Annex II - List of documents and references

EC Documents

Changing the world locally. 25 success stories of development cooperation at local level, European Commission, 2008.
http://ec.europa.eu/development/icenter/repository/Success-Stories_EN_FIN.pdf


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EC Communications


Other books and documents


RPRLGSP Newsletter, Issue #4, April 2010

Websites

Local Governments in Asia and the Pacific, Human Settlements, UNESCAP http://www.unescap.org/huset/lgstudy/index.htm

United Cities and Local Governments Asia and the Pacific http://www.uclg-aspac.org/


