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Editorial:

Dear Development Partners,
as announced in our last Newsletter, we are pleased to inform you that the specific guidelines **Specific Guiding Principles.pdf** for the informal DPWG-LGD have now been successfully validated and adopted on December 17th 2009.

We are now hoping that the promising results from our desk study on *Fiscal Decentralisation and Options for Donor Harmonisation* **Fiscal Decentralisation.pdf** will lead to harmonised approaches and activities of the DPWG-LGD in the particular area of fiscal decentralisation in the future.

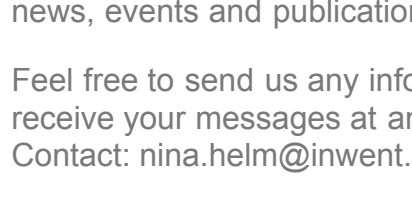
Our first Lead Donor Workshop successfully took place in Kampala from October 6th-8th 2009. Please take the opportunity to take a close look at our Ugandan Workshop Report on *Harmonisation, Decentralisation and Local Governance: Enhancing Aid Effectiveness* **Uganda_report.pdf** and to discuss the results and recommendations from our partners.

In this context we would like to announce that we are planning a regional workshop in Burkina Faso in the first semester of 2010 (instead of Senegal which was cancelled due to unacceptable conditions).

In order to share relevant information concerning the topic of local governance and decentralisation with other members of the DPWG-LGD and a broader general public, this newsletter again provides news, events and publications from our partners.

Feel free to send us any information you would like to share in our next newsletter. We are glad to receive your messages at any time.
Contact: nina.helm@inwent.org

Hope you have a nice day!



nina.helm@inwent.org

Activities - DPWG-LGD:

"Specific Guiding Principles for Enhancing Alignment and Harmonisation on Local Governance and Decentralisation that will apply to specific country contexts" For the Informal Development Partners Working Group on Local Governance and Decentralisation <http://www.dpwg-igd.org>, Adopted on December 17th of 2009 **Specific Guiding Principles.pdf**

The General Guidelines (GG) ([Adopted_General_Guiding_Principles.pdf](#)) propose guiding principles and fields of action in the context of Local Governance and Decentralisation (LGD) within the frame of the five principles set forth by the Paris Declaration: ownership, alignment, harmonisation, managing for results and mutual accountability. The Specific Guidelines (SG) focus on the operational manner steps should be taken in the central fields of action within the scope of LGD, both at headquarter and at country level, in order to apply these five principles. Thus the SG reflect a consensual approach on how the informal DPWG-LGD members can translate the adopted GG into joint action.

**Fiscal Decentralisation
Fiscal Decentralisation.pdf
Annex Sources of Information.pdf**

In the context of subsequent decentralisation in many developing countries, the Secretariat of DPWG-LGD has commissioned a desk study on Fiscal Decentralisation that covers various countries, where DPWG-LGD members are active. The desk study's main focus is on local taxation and other local revenue rather than other means of municipal finance and takes into account rural as well as urban settings.

Recommendations are produced on two levels: (i) Simplification and optimisation of fiscal systems and (ii) harmonisation of development partners' interventions.

Results of this desk study may in fact further support DPWG-LGD's work on donor harmonisation in the particular area of this study.

**Enhancing Aid Effectiveness. Ugandan workshop report
Uganda_report.pdf**

The lead donor workshop was held in Kampala October from 6th - 8th of 2009. The workshop's objective, generally speaking, was to provide a platform for international exchange of good practices and lessons learnt and to strengthen the dialogue in the field of LGD. This effort consequently aims at reinforcing harmonisation, alignment and ownership in the area of decentralisation and at the LG level.

The findings of this meeting can be seen as an effort to align different local governance policies, frameworks, operating systems and procedures of DPs at headquarter level in order to become more aid effective.

News from our partner organisations:**Aid Effectiveness Agenda
Aid Effectiveness Agenda.pdf**

The Aid Effectiveness Agenda: Benefits of a European Approach

This study of the European Commission deals with the problem of ineffective aid regarding ODA. As a matter of fact, ineffective aid produces a number of different costs. The purpose of this study therefore is to identify and present costs associated with ineffective and fragmented aid, as well as potential savings in such transaction costs.

In summary, the study should be seen as an exploratory step and catalyst for future discussions on improved aid effectiveness, for instance in the context of the run-up to the Fourth High Level Forum on Aid Effectiveness in Seoul in 2011.

Analysing governance and political economy in sectors – Joint donor workshop (5th – 6th November 2009, Workshop Report) [analysing governance and political economy in sectors.pdf](#)

On November 5th-6th of 2009 the joint donor workshop on "Analysing governance and political economy in sectors" was held in London bringing together the UK Department for International Development (DFID), the European Commission (EC), the United Nations Development Programme (UNDP) and the World Bank (WB).

In the context of broad debates on political economy and governance analysis for development, this workshop sought to drill down to a focus on analysis at the sector level, to share donor experiences and to explore opportunities for future coordination and collaboration.

Analysing governance and political economy in sectors – Joint donor workshop (5th – 6th November 2009 Workshop report - Annex) European Commission - External Cooperation Programmes - Capacity4Dev: Putting Politics in the Picture

Request for information: Implementation costs of municipal projects - Key indicators for outcome monitoring

1. Implementation costs of municipal projects

The Decentralisation and Local Governance Network DLGN of the Swiss Development Cooperation (SDC) would be grateful to receive further documents, expertise, reports or references of relevant institutions competent on the subject of implementation costs in relation to effectiveness or efficiency.

2. Key indicators for outcome monitoring

Additionally, DLGN has been entrusted by SDC to analyze local governance assessment tools focussing on result orientation. Since this particular issue corresponds with current donor concerns, DLGN would welcome the opportunity to share experiences, tools or documents on this matter.

Please share your information by contacting: kuno.schlaefli@deza.admin.ch

Information, links and downloads**Network of Associations of Local Authorities of South-East Europe (NALAS):
Cost Estimation of Municipal Services in South East Europe
<http://www.nalas.eu/fd/costestimation/>**

The Network of Associations of Local Authorities of South-East Europe (NALAS) is a network of associations of local authorities of South Eastern Europe promoting decentralisation processes in co-operation with central governments and international organisations with the aim to provide services to local governments in order to consequently increase benefits of citizens in the region.

This publication can be seen as a result of the growing awareness of the new needs of local authorities in South East Europe. Due to ongoing decentralization processes, the NALAS Task Force on Fiscal Decentralisation gathered experts and resources to develop a cost estimation model of local services.

The document offers methods of cost estimation of municipal services including operational (investment) costs, which are simple and relatively easy to apply while allowing country-specific adjustments.

**Afrobarometer Briefing Paper No. 67: *Neither Consolidating Nor Fully Democratic: The Evolution of African Political Regimes, 1999-2008, May 2009*
[Afrobrief_Neither_Consolidating_nor_fully_democratic.pdf](#)**

Starting in Ghana in July 1999, the Afrobarometer has embarked on a pioneering effort to conduct services for public opinion about democratic changes in various African states.

The Afrobarometer Briefing Paper No. 67 attempts to find answers to the central question concerning the fate of democracy in African states, especially as seen by Africans themselves. Examining this matter by means of public surveys, the presentation unfolds in three parts. Firstly the *demand for democracy* across countries and over time is being measured. Secondly the same steps are undertaken for Africans' perceptions of the *supply of democracy*. In the final section an *equilibrium model of regime consolidation*, which locates 20 countries in Africa in relation both to regime type and to degree of consolidation is presented.

The key findings for each of the three parts of the survey are first summarized and described in full in the more detailed analysis that follows.

**BRIDGE. Development-Gender: GENDER and GOVERNANCE Overview Report Alyson Brody, April 2009
[bridge_Governance_and_Gender.pdf](#)**

BRIDGE was set up in 1992 as a specialised gender and development research and information service within the Institute of Development Studies (IDS), UK.

The Overview Report, amongst others, tries to find solutions to the question on how to reframe understandings and practices of governance in order to put gender equality and realisation of rights at its centre.

Case studies from different global regions and cultural settings illustrate the report. Furthermore recommendations for achieving more gender-sensitive governance at different levels are presented.

The Supporting Resources Collection that accompanies this Overview Report provides insights into useful approaches, tools and frameworks, while pointing to further related resources through an annotated bibliography.

**La Chine, un nouveau partenaire de développement de l'Afrique
[Chine un nouveau partenaire de l'Afrique.pdf](#)**

Thierry BANGUI: La Chine, un nouveau partenaire de développement de l'Afrique.

Vers la fin des privilèges européens sur le continent noir ? L'Harmattan 2009.

This book provides precise analysis on the controversial subject of Chinese-African cooperation. It offers large documentation on the economic, energetic, diplomatic, political and geopolitical challenges which have developed since the beginning of the often denounced cooperation between African states and China.

Furthermore the author tries to examine the nature of this unique cooperation and particular features of support that distinguish the Chinese Empire in its appearance on the African continent compared to Europe as a historical partner of Africa.

**Capacity.org: Context matters. Donors dwindling influence, by Nils Boesen, Management consultant, www.nilsboesen.dk
[context_matters.pdf](#)**

This publication focuses on the issue of why current donor efforts of target-driven comprehensive planning with a focus on social sectors, embodied in the MDGs and PRSPs have not been entirely successful.

According to the author this inefficiency is due to different contexts in which development cooperation takes place. Only by considering specific contexts particularly inside donor institutions, a political and systemic change might be achieved making donors act in a less ambitious, more moderate and realistic way, eventually leading to sustainable results.

**European Report On Development - Background Paper: EU Policies to address fragility in Sub-Saharan Africa
[EuropeanReportDevelopment-BackgroundPaper.pdf](#)**

The ERD 2009, *Overcoming Fragility in Africa*, has officially been launched on October 22nd 2009 at the European Development Days, in Stockholm.

Its first edition focuses on the various dimensions of fragility, on its implications for development policies and on approaches to tackle it, baring in mind the gap between EU as well as other donors' policy prescriptions and the actual practice concerning challenges and difficulties in addressing fragility.

OECD - International Good Practice Principles for Country-Led Division of Labour and Complementarity

In April 2009 the Working Party on Aid Effectiveness (bilateral and multilateral donors, partner countries, CSOs) approved the "International Good Practice Principles for Country-Led Division of Labour and Complementarity" at their meeting. The principles were developed in line with the statements of the *Paris Declaration of 2005* and the *Accra Agenda for Action 2008*, both recognizing that excessive fragmentation of aid at the global, country and sector level is a major impediment to its effectiveness. Hence the division of labour and the completion of good practice principles are highly important. This document reflects the urgency of moving forward on division of labour and suggests several practical steps to be taken.

[Good Practice Principles Division of labour 2009.pdf](#)

This document summarizes the eight principles in brief:

[Good Practice Principles Division of Labour 2009_short version.pdf](#)**Sam Moon and Tim Williamson: Greater aid transparency; crucial for aid effectiveness, Overseas Development Institute, Project Briefing No. 35, January 2010
[Greater aid transparency.pdf](#)**

The ODI Project Briefing No. 35 outlines and explores the link between donor aid and recipient country budgets, and the role that greater aid transparency can play in improving budget transparency, the quality of budgetary decisions and accountability systems.

Additionally the paper will try to investigate the impact of current initiatives to increase aid transparency on improved budgets and accountability in aid dependent countries.

It will be demonstrated that there are significant practical problems in delivering such aid transparency in a way that supports greater budget transparency. Yet the paper also provides recommendations on how to overcome these problems.

**Kersting, Norbert/ Caulfield, Janice/ Nickson, R. Andrew/ Olowu, Dele/ Wollmann, Hellmut: Local Governance Reform in Global Perspective, VS-Verlag 2009
[Local governance reform in global perspective.pdf](#)**

This book creates a global perspective on the issue of local governance reform through comparison of continent-wide developments using relevant country studies. A particular focus is set on „developing countries“ in Asia, Africa and Latin America, contrasting their experiences with that of European countries.

**Fritz, Verena/ Kaiser, Kai/ Levy Brian: PROBLEM-DRIVEN GOVERNANCE AND POLITICAL ECONOMY ANALYSIS - Good Practice Framework, September 2009
[Problem-driven governance and political economy analysis.pdf](#)**

The objective of this good practice framework is to systematize approaches to governance and political economy (GPE) analysis and to provide readily available orientation for World Bank task team leaders (TTLs) and teams. This focus is complemented by a brief discussion in the second part of the document concerning how analysis can be translated into action.

The framework takes the general view that in order to improve development effectiveness, GPE diagnostics should become integral to preparing and implementing Bank strategies and operations.

Despite the primary focus on World Bank structures, the framework is also a public document as many of the issues set out here may be of interest to stakeholders in client countries (e.g. researchers, CSOs), and to other development agencies and multilateral development banks (MDBs).

**Jean Bossuyt/ Jan Vanheulelom/ Faten Aggad/ Alisa Herrero-Cangas/ Niels Keijzer: Supporting domestic accountability. Exploring conceptual dimensions and operational challenges, European Centre for Development Policy Management, Discussion Paper No. 93, October 2009
[Supporting domestic accountability.pdf](#)**

In accordance with the growing significance of domestic accountability within the development agenda, this discussion paper outlines conceptual and policy dimensions of domestic accountability by recapitulating core elements of and approaches to accountability. This is followed by a description of key strategic and operational challenges which actors have to encounter when trying to strengthen domestic accountability through innovative approaches.

Primarily the discussion paper focuses on four main aspects regarding domestic accountability:

1. Political economy analysis and domestic accountability
2. From analysis to action: how best to support domestic accountability processes
3. Demonstrating the progress made in enhancing domestic accountability
4. Promoting complementarity between partners working on domestic accountability

***"Improving Local Government: the Commonwealth Vision"*
<http://www.clgf.org.uk/index.cfm/PageID/283/ViewPage/e-news>**

This CLGF e-news from December 2009 particularly focuses on the *5th Commonwealth Local Government Conference* that took part in Freeport Grand Bahama from 11th-14th May 2009. Main theme of this conference was *"Improving Local Government: the Commonwealth Vision"* presenting recent thinking and progress on the issue of local government through e.g. case studies and introduction of good practices from across the Commonwealth.

For download material, declarations, reports and further conference related information please see the *Commonwealth Local Government webpage*
<http://www.clgf.org.uk/index.cfm/pageid/1/CLGF-home>

**The challenge of accountability for development agencies. A comparative study
[challenge_for_accountability_for_development_agencies.pdf](#)**

This comparative study carried out by AFD (Agence Française de Développement) deals with the question of development agencies' accountability towards stakeholders in their own countries but also includes other studies run by the OECD/DAC over recent months which analyse more closely dimensions of development policies "accountability chain".

In order to set up this study, various comparative exercises were carried out: Interviews were conducted in France, the UK, Sweden and Germany. Furthermore, several series of questionnaires allowed to exchange indirectly with the Czech, Italian, Norwegian, Austrian, Australian, Portuguese, Hungarian, Danish, Irish cooperation services as well as with the European Community. The numerous and often detailed replies given to the questionnaires show the high interest all bilateral cooperation officials take in the issue of donor accountability.

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