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2nd CONFERENCE OF AFRICAN AND EUROPEAN REGIONAL AND LOCAL AUTHORITIES

AIDE MEMOIRE

**The Impact of the Economic and Financial Crisis
on Decentralized Governance in Africa:
the Response of Local Authorities to the New Development Challenges**

**Venue: Palazzo Vecchio, Florence, Italy
6 - 7 November 2009**

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1. BACKGROUND

1.1 The First Conference of European and African Regional and Local Authorities

The First Conference was organized by the Regional Assembly of Tuscany, the Conference of European Regional Assemblies (CALRE) and the United Nations Department of Economic and Social Affairs (UN/DESA) on the theme “Decentralization: the New Dimension of Peace, Democracy and Development”.

More than 120 representatives of local and regional assemblies, governments, international organizations, NGOs, volunteer’s associations, civil society and religious institutions from Europe and Africa met in Florence.

The choice of organizing a conference about decentralization and decentralized cooperation stemmed from the recognition of the pivotal role played by local and regional authorities in promoting local sustainable development and participative democracy, and in spreading a culture of tolerance, peace and solidarity.

The event, which took place in Florence on the 17 and 18 September 2004, was meant to provide a platform to exchange experiences and discuss obstacles and opportunities to decentralization among European regional and local institutions - particularly those which had substantial experience in autonomous decision-making - and African local authorities that were gaining increasing autonomy. The Conference aimed to support the decentralization process in Africa as a key instrument in achieving good governance and local development, and to encourage democratic participation.

The final document recognized a fundamental role to the processes of decentralization: *"Decentralization if supported by a clear political will and vision is a key tool of democratization, reconciliation and social integration, useful for human development and good governance. Decentralization is an effective means for reducing poverty and achieving the MDGs, promoting democratic participation in decision-making and in identifying local development policies (...) Decentralization is also important to promote and ensure cultural diversity and to facilitate the delivery of services to citizens."*

The successful outcome of this event encouraged African and European participants to recommend the establishment of a permanent observatory of regional and local entities in order to foster decentralization processes and decentralized cooperation. In October 2005, UN/DESA and the Region of Tuscany decided to respond to the challenge through the project *Euro-African Partnership for Decentralized Governance and Decentralized Cooperation*, financed by the Ministry of Foreign Affairs of Italy and Tuscany’s authorities.

1.2 The Euro-African Partnership for Decentralized Governance and Decentralized Cooperation

The Euro-African Partnership for Decentralized Governance and Decentralized Cooperation aims at supporting the processes of decentralization in Africa, particularly

through the development of partnerships between local and regional European and African authorities.

Over the four years of its existence, the Partnership has been joined by more than 100 European and African entities, including local authorities, national associations of local authorities, and national governments.

Furthermore, many other institutions and private actors (NGOs, private companies, associations, etc.) have collaborated in various ways to contribute to strengthening local governance policies and trends. In particular, the Euro-African Partnership was able to establish structured relationships with local authorities in Burkina Faso, Cameroon, Ivory Coast, Rwanda, Mali, Senegal, DRC, Tanzania, South Africa, Liberia, Niger, Uganda, Ghana and the National Associations of Local Authorities of Burkina Faso, Ghana, Mali, Niger, Senegal, South Africa, and Tanzania.

The activities of the Euro-African Partnership have been directed at supporting capacity building processes of local authorities and their employees within the framework of decentralization processes taking place in Africa.

Many activities have been carried out for the promotion of exchange of experiences, information and best practices with regard to decentralization, thus increasing and strengthening the cooperation between the participating institutions.

Finally, effective collaborations and partnerships between European and African local governments have been developed, laying the bases for constructive discussions on strategies and models of decentralization.

1.3 The evolution of the processes of decentralization in Africa

In recent years almost all African countries have taken measures to reform the state organization attributing to local authorities a central role within the new institutional framework. These processes are differentiated by various stages and levels of development and implementation, both in terms of a "formal" prediction and in the consistent ability to integrate such changes in political practice.

*"To date, less than 40% of African constitutions mention local governments as a specific level of governance"*¹; in most of the situations they are still entrusted to the ordinary laws.

In many cases, however, the definition of the institutional structures of a decentralized system is a process still in progress and hence subject to development directions and different timing. To prove this it is enough to consider the transfer of skills and resources from the central to the local level or even the relationships between different decentralized institutional levels in countries which envisage two sub-state levels directly elected by citizens.

Indeed, the various constitutional and legislative forecasts are strongly influenced by historical and administrative traditions inherited from European countries and that are interwoven with concrete realities of individual countries, with the policy choices made at the national level and those made by the international institutions.

The holding of regular administrative elections in many countries represents a milestone in the consolidation process of decentralization.

The election of local administrators by the citizens, of course, affects the same dynamic of the relationships upward, with the central government and party hegemony as well as the

¹ Decentralization and local democracy in the world; First Global Report by United Cities and Local Governments, pg. 26

relationships downward, with the voter-citizens, especially with civil society organizations and the various local authorities.

1.4 The issues of decentralization and decentralized cooperation: the development of the debate

In recent years, decentralization has been increasingly seen at the global level, as well as at the African level, as a fundamental tool able to support local development and citizen participation, to improve quality and access to local services and to promote peaceful coexistence.

The international literature has shown a non-structured relationship between the decentralization and its effective effects, affirming that they are not automatically triggered by a process implementation. Indeed, a positive role of decentralization depends on a number of factors associated with pre-existing conditions of individual countries, on the ways in which it is implemented and the real political will.

An important role can be played by the decentralized cooperation, which can facilitate the establishment of lasting partnerships with African actors engaged in the development process of decentralization.

Development through decentralized cooperation is rapidly gaining attention as a means towards establishing and consolidating decentralized governance, promoting national and local development, as well as in redesigning and sustaining international cooperation.

It is a strategy that is strongly supported by both bilateral and multilateral agencies – including the United Nations system, the European Commission (EC), and the World Bank - national and international associations of local government authorities (NALGAs, UCLG, etc.) and civil society organizations.

Decentralized cooperation is an innovative way of supplementing development assistance within the context of decentralized governance and it can be considered as one of the main strategies and tools for promoting development, and reducing poverty through partnerships and collaboration. It has been argued that decentralized cooperation enhances decentralized participatory democracy and governance as well as the principle of subsidiary and local ownership of development. In fact, decentralized cooperation has often been credited for providing local authorities to exercise their autonomy and discretion based on the needs of their localities and populations, for allowing the mobilization of actors in the civil society and players in public and private, local and national institutions around development programmes, but also for favoring exchange of know-how and expertise and institutional strengthening. The underlying principle is that closer cooperation and exchanges between municipalities in the South and North can lead to creative and effective solutions for local development issues².

The role of decentralized cooperation is crucial to promote the consolidation of a stable ‘north-south’ and ‘south-south’ liaison between networks of local authorities and actors as well as for strengthening the implementation of proper decentralized policies in the respect of the country tradition practices.

It has been generally observed that that new democracies often lack of adequate means and resources for the correct implementation of decentralization processes, needing technical support and evidence-based information and strategies. More concerted approaches and precise policy objects are required in order to address not stable paths of sustainable growth and institutional, financial, technological obstacles to these developments.

² Contribution of Decentralized Cooperation to Decentralization in Africa, July 2008, ST/ESA/PAD/SER.E/125

The fundamental role of local authorities has been also emphasized in the 2005 World Summit outcomes which underline the *“important role of local authorities in contributing to the achievement of the internationally agreed development goals including the Millennium Development”*³.

In 2005, the UN Secretary-General Kofi Annan said to local government leaders *“How can we expect to reach the MDGs (...) without making progress in areas such as education, hunger, health, water, sanitation and gender equality? Cities and local authorities have a critical role to play in all of these areas (...) While our Goals are global, they can most effectively be achieved through action at local level.”*

In March 2007, the European Parliament, with a specific resolution, strongly emphasized the role of local authorities in development cooperation. While doing so, it urged the European Commission to allocate adequate resources in this direction.

In October 2008, the European Commission in the Communication *“Local Authorities: actors in development”* stated that: *“Local authorities are bringing unique added value to development processes (...) and “have direct experience of and valuable skills in territorial development, decentralisation and strengthening democratic governance.”* Furthermore given their strategic and critical role in local development *“local authorities in partners countries can therefore benefit from a more structured and permanent dialogue with their counterpart in the EU on these subjects as well as from cooperation activities in support to local governance”*. Hence, the Commission has suggested that *“the EU supports more extensive exploitation of these development partnerships (twinning), to enhance the exchange of experience and build closer and more long-term partnerships for development”*.

Over the same period strong debates on the same themes were developed in Africa. Indeed, on 8 June 2005 for the first time, the Pan African Conference of Ministers of Local Governments was held in Kigali. The Conference explicitly recalled the 1st Conference of the European and African Regional and Local Assemblies. The Pan African Conference final document states that *“decentralization is an essential instrument for the consolidation and strengthening of democracy, good governance, local governance, peace building, economic growth, poverty reduction, and sustainable development, thus, it should be a tool for socio-economic transformation”*.

Those themes were reflected in two following Conferences (Maseru, 30 August-1 September 2006, Yaoundé, 28-30 May 2008) which highlighted, *inter alia*, the importance of supporting and strengthening cooperation with local governments national associations, as well as the need to implement the commitments made, starting from some key issues such as: capacity building for local governance, resource mobilization, women leaders in local government, partnership and decentralized cooperation.

On May 2005 in Tshwane, South Africa, an association of municipalities and national/regional local government associations of Africa was founded. The United Cities and Local Governments of Africa (UCLGA) wants *“to be a single voice and representative of African local government, to build capacity within African local government and to mobilize resources and facilitate development based on relevant priorities in the local communities of Africa”*⁴.

At the second EU - Africa Summit in December 2007 in Lisbon, UCLG and its African and European sections stated that: *“the ongoing process of decentralization and urban trends explosion put local authorities at the center of current development challenges. Local authorities are convinced that the construction of a “broader community-based partnerships” as called for by the EU and Africa should be based on the wider participation*

³ Resolution adopted by the General Assembly, 60/1, 2005 World Summit Outcome

⁴ See the website <http://www.uclgafrica.org/>

of local communities (...). "The partnership between European local and regional authorities and their African counterparts should cover all of the goals of the Action Plan, and in particular the achievement of the Millennium Development Goals, in order to support the coordination anticipated in the 2005 Paris Declaration on aid effectiveness".

2. THE 2nd CONFERENCE OF AFRICAN AND EUROPEAN REGIONAL AND LOCAL INSTITUTIONS

Against the positive framework of the past years, the current economic and financial crisis is becoming a serious obstacle to institutional reforms aimed at strengthening decentralization and local economic and social development, both in Europe and Africa, while weakening the capacity of local authorities to respond to citizens' needs.

There is no doubt that the impact of the multiple crises (food, environmental, economic and financial) will affect the achievement of the internationally agreed development goals (IADGs), including the MDGs, particularly in the Africa Continent. This will result in a narrow policy space for the implementation of local development strategies, as well as a likely reduction of the confidence in the local authorities.

The II Conference of European and Africa Regional and Local Authorities on the theme of *"The impact of the economic and financial crisis on decentralized governance in Africa: the response of local authorities to the new development challenge"* aims to raise awareness in the international community about the difficulties encountered by the institutions closer to citizens in responding to the development challenges posed by the crisis.

The Conference, as a direct follow-up to the previous round of conferences, seminars and workshops, will aim at contributing to the international debate from the perspective of decentralized governance and decentralized cooperation.

Through this Conference, UN/DESA, the Italian Ministry of Foreign Affairs and the Region of Tuscany, in the framework of the Euro-African Partnership for Decentralized Governance and Decentralized Cooperation, intend to examine the impact of economic and financial crisis on local governance in Africa. At the same time, it aims at assessing the specific role that local institutions can play to make irreversible achievements in the decentralized governance and cooperation, while contributing to restoring strong growth and local development.

3. OBJECTIVE

The purpose of the Conference is to give opportunity to international agencies, national and regional authorities, and civil society as well as international organizations and senior managers of public institutions and/or programs related to decentralized governance to review initiatives and give specific proposals to reduce the impact of the crisis and its effects.

4. TOPICS

The conference will revolve around the following topics:

1. Decentralization and Sustainable Development: the Leveraging of Territorial Resources to Fight Poverty and Achieve the MDGs
2. Financial and Fiscal Decentralization: Challenges and Perspectives
3. Enhancing Delivery of Basic Services at Local Level

4. Exchanging Competencies, Knowledge and Resources: North-South and South-South Partnerships Regional and Local Authorities

5. PARTICIPANTS

The conference intends to gather the main actors in charge of decentralization and representatives of local authorities from Africa and Europe. About 150/200 participants are expected to attend the Conference.

Representatives of development agencies and interested institutions who indicated interest in supporting decentralization and local governance in Africa will also be invited to participate

6. VENUE, DATES AND DURATION

The Conference will be held at the Palazzo Vecchio, Florence, Italy for two days from 6 to 7 November 2009. It will be articulated in specific panels for every objective. On 5 November there will be a pre-Conference seminar to be attended by women leaders from local governments in Africa and municipalities participating in the Euro-African Partnerships for Decentralized Governance. The outputs of this seminar will be presented during the Conference.

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