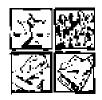
USAID'S EXPERIENCE IN DECENTRALIZATION AND DEMOCRATIC LOCAL GOVERNANCE

September 2000



Center for Democracy and Governance

Bureau for Global Programs, Field Support, and Research U.S. Agency for International Development Washington, DC 20523-3100

PHYLLIS DININIO WAS THE PRINCIPAL RESEARCHER AND PRIMARY AUTHOR OF THIS BOOKLET. PHYLLIS IS A DEMOCRACY AND GOVERNANCE SPECIALIST, WORKING WITH USAID, THE WORLD BANK, THE ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT, AND OTHER INSTITUTIONS. SHE HOLDS A PH.D. IN POLITICAL SCIENCE FROM YALE UNIVERSITY, AN M.A. IN POLITICAL AND ECONOMIC DEVELOPMENT FROM THE FLETCHER SCHOOL, AND A B.A. IN ECONOMICS AND SOCIOLOGY FROM HARVARD UNIVERSITY.

USAID wishes to acknowledge the vital contributions of its implementing partners to the successful implementation of decentralization and democratic local governance activities worldwide. In particular, the Agency applauds the work of its partners in carrying out the activities cited in this booklet. Those partners include the Academy for Educational Development, Associates in Rural Development, Catholic Relief Services, Center for Legislative Development/State University of New York, Chemonics International, Development Alternatives, Inc., Eurasia Foundation, International Foundation for Election Systems, International Republican Institute, Internews, National Democratic Institute for International Affairs, and Research Triangle Institute. The efforts of USAID and its implementing partners only serve to support host-country colleagues and partners. Their leadership and dedication are ultimately the most important determinants in the successes we have had.

TO ORDER THIS DOCUMENT FROM THE DEVELOPMENT EXPERIENCE CLEARING-HOUSE:

- Please reference the document title (USAID's Experience in Decentralization and Local Democratic Governance) and document identification number (PN-ACH-302).
- USAID employees, USAID contractors overseas, and USAID sponsored organizations overseas may order documents at no charge.
- Universities, research centers, government offices, and other institutions located in developing countries may order up to five titles at no charge.
- All other institutions and individuals may purchase documents. Do not send payment. When applicable, reproduction and postage costs will be billed.

Fax orders: (703) 351-4039 **Attn:** USAID Development Experience Clearinghouse (DEC) **E-mail** orders: docorder@dec.cdie.org

G/DG Publications

The Center for Democracy and Governance reserves the right to review and edit all publications for content and format and all are subject to a broad USAID review process. They are intended in part to indicate best practices, lessons learned, and guidelines for practitioner consideration. They also include publications that are intended to stimulate debate and discussion. This publication reports on Agency decentralization and democratic local governance activities from the 1960s to the present.

USAID'S EXPERIENCE IN DECENTRALIZATION AND DEMOCRATIC LOCAL GOVERNANCE

CONTENTS

Introduction	<u>1</u>
USAID's Early Experience and Lessons Learned	
USAID's Current Approach	5
A Favorable Environment for Decentralization	
Democratic Local Governance	
Local Government Capacity	<u> 12</u>
Promoting Dialogue on Decentralization and Democratic Local Governance	16
Democratic Local Governance	. 10
<u>Conclusion</u>	<u>. 19</u>
Additional Information	. 20

Decentralization is the transfer of power from the central government to popularly elected local governments. 1 Effective decentralization can provide exciting opportunities for democratic change at the local level and can help improve national democracy as well. Decentralization may entail only the (re)establishment of local elections, or it can involve a shift to the local level of a variety of functions and new financial resources in a country that has held local elections regularly for decades. When the transfer of authority is sufficient, local governments obtain the political, financial, and administrative autonomy to better address community needs. Local governments can more easily become inclusive and accountable to the public with increased autonomy from the center. Communities can become more pluralistic absent central political control. Through local elections and practices such as public meetings, citizens can participate more effectively in local decision-making, gain experience in democratic processes, and hold local officials responsible for their decisions. In short, democratic local governance can emerge.

Over the past 15 years, decentralization and democratic local governance have assumed a prominent role in the politics of developing and transitional countries. Governments and citizen groups in scores of countries are pursuing decentralization and the development of democratic local governance in order to make their governing institutions more effective and more responsive. While these efforts are still unfolding, many countries, often with USAID support, have already achieved notable improvements in the welfare of local communities and strengthened their democracies.

The recent interest in decentralization and democratic local governance owes much of its impetus to the global spread of democracy. More countries are democratic than ever before, and many of the new democracies have replaced centralized dictatorships that allowed few other sources of power. In the transition from communism, for example, Eastern European countries and the successor states of the Soviet Union needed

¹ Throughout this booklet, the term "local," when used in a general fashion, refers to any level of sub-national government. In the specific program examples, the term often refers only to the municipal level. This booklet also assumes that decentralization occurs where democratically elected national governments are in power.

to dismantle large state apparatuses at the national level and disperse government power to local bodies. Such reforms are also underway in countries that are working to deepen and strengthen their democracy, such as the Philippines and many Latin American countries, such as Bolivia and Guatemala.

USAID's support for local governments spans four decades, while its focus on democratic local governance dates back to the late 1980s. Since the 1960s, the Agency has supported hundreds of projects around the world (both in rural and urban areas) with the goal of improving public services delivery at the local level and through technical assistance, training, and credit. In the late 1980s, the Agency increased its engagement in the area, while adding a strong democracy component to its work and recognizing that political issues in local government development must be given close attention. USAID is now strengthening democracy by supporting decentralization and democratic local governance initiatives in some 50 countries. The assistance has three areas of emphasis:

- Creating a favorable environment for effective decentralization and democratic local governance, primarily through support for the enactment and implementation of legal reforms
- Helping local communities establish and maintain democratic systems of governance, primarily by improving transparency and citizen involvement
- Improving the ability and capacity of local governments to become better administrators, raise revenue, and deliver high quality services

This report gives an overview of USAID's experience in decentralization and democratic local governance. It describes what the Agency has done and is now doing to promote responsive, participatory, and effective governments at the local level. As is true for other development activities, however, USAID's efforts are only part of the story. Our host-country colleagues and partners, whose leadership and dedication inspire our work, are ultimately responsible for any success.

USAID'S EARLY EXPERIENCE AND LESSONS LEARNED

Since its founding, USAID has assisted local governments in the delivery of public services. From the 1960s to the 1980s, the Agency funded hundreds of projects in local communities. Through its community development programs, USAID supported rural development, principally by providing technical assistance to local governments on animal husbandry, sanitation, education, and health. The Agency also supported municipal development by providing credit for local housing and infrastructure, training in management techniques, and technical assistance on establishing new systems for taxation, personnel, and services and in developing regional development plans.

USAID's early experience with local governments has generated important lessons for its work today. Above all, the Agency has learned that political will is critical for reform efforts. Despite pronouncements to the contrary, central governments often do not want to devolve power to the local level. National political leaders and civil servants may resist decentralization for any number of reasons, from the narrow interest of retaining power to the broader concern of maintaining national standards. For this reason, current efforts seek to engage national leaders and ministry officials in continual dialogue on these reforms, while simultaneously working to show good results at the local level. In many countries, USAID supports associations of mayors or municipalities, which are effective advocates for local interests.

Program experience with local governments has also highlighted potential pitfalls at the local level. Problems with raising local revenue can undermine the sustainability and effectiveness of local programs. Without a degree of autonomy from the central government, local governments may be circumscribed in their ability to track and account for local government funds and make wise decisions how to spend the funds. USAID programming, therefore, gives careful attention to local revenue generation. Where financial autonomy

4

exacerbates regional imbalances, however, USAID also helps design central government transfers to promote equitable development in poorer areas.

Based on lessons learned and given the proliferation of newly emerging democracies, the Agency revised its approach to local government assistance in the late 1980s. Most importantly, it began to emphasize the democratic aspects of local government programs. Decentralization became a means to empower citizens locally and to disperse power from the central government to localities, as well as a means to improve local administration. Indeed, the Agency has realized that the active participation of an informed citizenry significantly enhances the effectiveness and the sustainability of development efforts at the local level.

In pursuing decentralization in tandem with democratic local governance, USAID supports not just the improved functioning of local governments, but also the increased autonomy of localities, election of local officials, and participation of community groups in decision-making. USAID programming in decentralization and democratic local governance incorporates mechanisms that promote participatory and accountable governance, such as town meetings, public hearings on major issues, participatory planning and budgeting, and opinion surveys.

USAID'S CURRENT APPROACH

Today, USAID promotes decentralization and democratic local governance in three ways. Depending on the country context and the level of funds available, the Agency may work in one, two, or all three of these areas:

- A favorable environment for decentralization, primarily through support for decentralizing legal reforms
- Democratic local governance
- Local government capacity

Because resources are limited, USAID Missions tend to work with a limited number of pilot local governments and then seek to disseminate information on innovations or to replicate successful activities in many more non-assisted localities. Working to generate national impact through local-level activities (also known as "scaling up" or "rolling out") is often an important, albeit at times challenging, component of decentralization and democratic local governance programming.

A Favorable Environment for Decentralization

The Agency promotes the emergence of a country environment that is as favorable as possible to the transfer of authority to the local level. A favorable environment may involve building islands of domestic support for decentralization or simply demonstrating its potential through success in pilot municipalities or other countries. A favorable environment usually requires a change in laws and regulations to transfer authority from central to local governments. Of particular importance is the authority to raise and retain adequate revenues. A favorable environment also means that the legal norms, be they old or new, are understood by the political actors involved and implemented.

To assist governments with legal reform, USAID provides technical assistance, training, and analysis for both enactment and implementation of new laws. In Romania, for example, the Agency provided key support in drafting and implementing laws on decentralization. It did so at the request of the reformist government elected in 1996. USAID supplied model laws and analyzed existing governmental structures in order to help those drafting laws on local taxes and fees, on local public finance, and on patrimony. Working in 90 cities throughout Romania, USAID also funded workshops for local governments to explain the content of the new legislation. From a position of almost complete powerlessness in 1995, local governments now have the authority to raise revenue and soon will have access to a municipal development bank. While the Romanian public continues to register distrust of and dissatisfaction with government on the national level, it increasingly distinguishes between central government and local government and expresses its confidence in the ability of the latter to provide services, even in difficult times.

Using a different approach, the Agency has supported the formulation of decentralization legislation in El Salvador. Starting in 1993, USAID/El Salvador convened seminars for central and local government officials and citizen groups to exchange ideas on decentralization issues. Building on these seminars, the mission then provided technical input into new legislation that devolved responsibilities and authority to the local level.

In further support of legal and regulatory reform, USAID also promotes the development of municipal associations. As a counterweight to central government offices, municipal associations can put forward their own proposals for local government legislation and lobby for progress in decentralization and democratic local governance. They can also serve as an important vehicle for scaling up the innovative activities underway in pilot locations. In Ukraine, for example, the Agency has continued to support the Association of Ukrainian Cities, which successfully advocated favorable provisions for local self-government and decentralization in the 1996 Constitution and the 1997 Law on Local Self-government. While the constitution and the Law on Local Self-government have

given increased powers to local governments, a large number of more detailed reforms is still required. The association is now focusing its efforts on developing and advocating a budget code, which should increase local government financial autonomy and establish a more transparent intergovernmental distribution of financial resources.

Similarly, USAID has supported the formation of five regional associations and a national association to represent municipal interests in Bulgaria. The associations have been responsible for a high level of activity, including information dissemination and advocacy, which has built the image and stature of local government. In 1997, the associations submitted

Establishing a New Framework for Local Governments in Poland

In the context of a transition from communist rule, efforts to decentralize government in Poland required a new legal basis for local government authority. Accordingly, USAID's support for decentralization and democratic local governance focused on providing advisors on local government finance law. These advisors worked with both the Ministry of Finance and national municipal associations by providing advice and policy analysis on finance issues. Analytical support to municipal associations allowed them to play a vital role in debates around fiscal decentralization. Policy successes also helped the municipal associations increase their membership and dues revenue. The Association of Rural Gminas (local governments), for example, increased both its membership and dues revenue by 300 percent from 1994 to 1998.

The resulting legislation redefined the budgets and revenue bases for both national and local governments. Critically, the 1998 law granted local governments increased access to capital for investment. Local governments would receive more revenue from the national government and have local tax collection authority. Under this legal framework, local governments have taken on new responsibilities for delivering services and managing resources. In support of these developments, opinion polls show that the majority of Polish citizens place trust in their local officials.

51 legislative policy positions to parliament. The National Association of Bulgarian Municipalities has also held an unprecedented meeting with the Office of the Prime Minister, and subsequent meetings with the Finance Ministry resulted in municipalities receiving a greater share of tax revenue.

In Paraguay, the Agency has worked with the National Governors Council and the National Municipal Association, which have taken the lead in pushing for the decentralization of public services. With USAID financing, both groups have conducted internal strategic planning exercises. In 1998, the National Municipal Association scored a success in helping enact legislation that will redistribute royalties from the country's two major hydroelectric dams to sub-national governments.

Free and fair elections can also contribute to the enabling environment. In Georgia, the Agency worked with the Georgian parliament to draft an election law, which was passed in June 1998. To help administer the local elections in November, USAID provided training in all aspects of the electoral process to election commissioners through a study tour to the United States. USAID also sponsored media coverage of the elections; this included call-in television shows with political candidates, a documentary on elections, and a national press center on election day. The assistance helped the Georgians to conduct largely successful local elections.

Democratic Local Governance

USAID programming promotes responsive local government and the active participation of an informed citizenry in local affairs. Programs seek to empower citizens and make local governments more participatory, more accountable, and, consequently, more effective. The Agency's objective is to help ensure that governance at the local level becomes increasingly democratic and favorably influences the national democratic transition.

To this end, the Agency supports practices that increase citizen input into decision-making. It helps establish mechanisms through which citizens can gain access to information, voice their preferences, and participate directly in community advisory committees and projects, such as

landscaping a neighborhood park or fostering economic development. This involvement in local affairs allows people to influence issues that affect their daily lives. Ideally, it improves decision-making, builds trust in government, reduces opportunities for corruption, encourages active engagement of citizens in local affairs, and strengthens the demand for accountability at the national level.

USAID assistance for the convening of local elections, as mentioned above, improves the environment for decentralization. It also promotes democratic local governance. In Zambia, the Agency supported local government elections, which were held in 1998. In this case, the mission helped coordinate the work of civil society groups and the electoral commission in order to maximize citizen understanding, choice, and involvement in the elections. Equally important, USAID/Zambia encouraged the participation of all political parties in the elections. The elections resulted in small but significant victories for opposition parties. This increasing political pluralism at the local level may offer opportunities for greater responsiveness, accountability, and transparency.

USAID programs in decentralization and democratic local governance also promote increased citizen input into decision-making through such procedures as task forces and advisory committees, town meetings, public hearings, and opinion polls. In Honduras, for example, USAID supports the Association of Mayors and the Foundation for Municipal Development in encouraging and providing guidance on participatory community meetings. Due to this work, citizen participation in local government has increased impressively. In 1998, there was a record average attendance at town meetings, with most municipalities holding the legally mandated five meetings a year. These figures reflect a growing commitment on behalf of both municipal governments and their communities to incorporate citizens into local decision-making and help strengthen local democracy.

Similarly, USAID is supporting local citizen participation in Bolivia. To help implement the 1992 Popular Participation Law, the Agency is providing training to municipal staff, municipal councils, elected vigilance committees, mayors' offices, and civic groups in target municipalities. With USAID

assistance in 20 municipalities, local officials are using participatory techniques to develop their annual operating plans and budgets, as mandated in the law. In 1999 and in all but one of the project-assisted municipalities, the vigilance committees—which help enforce the concerns of civil society with respect to local spending priorities—gave their approval to the municipal operating plans and budgets. The Bolivian government and other donors are adopting USAID's municipal training manuals and expanding the Agency's technical assistance approach to many more local governments. Meanwhile, USAID is working to replicate pilot activities—in an additional 80 localities to date—through its support for the establishment of regional municipal associations.

In El Salvador, USAID has also helped to transform how local officials govern. In 18 municipalities, the program works to identify relevant citizen groups and bring them together with government officials to plan the use of available funds. As a result, plans for infrastructure and services are jointly prepared by community organizations and elected town councils. Moreover, mayors have opened their financial management to public scrutiny, calling town meetings for the purpose of explaining the municipal budget or reporting on how the previous year's budget was used. Some mayors have opened town council meetings to citizen participation, while others have answered constituent questions on radio call-in programs.

USAID launched a pilot program in Stara Zagora, Bulgaria, to improve access to information. The mission funded work with city officials, non-governmental organizations, and business representatives to develop a strategy for informing citizens and involving them in decision-making. In 1998, the program helped to establish a city hall public information and press office, which increasingly relies on press releases, weekly news conferences, publication of the council agenda, citizen surveys, televised public hearings with viewer call-in features, and other live forums. Regarding a proposed conversion of Stara Zagora's municipal facilities to natural gas, the Agency program funded wide distribution of a frequently-asked-questions brochure and sponsored a public debate by the local high school debate team on the merits of natural gas. A public survey revealed that the city's citizens considered the

Promoting Broad-based Participation in the Philippines

USAID has supported decentralization and democratic local governance in the Philippines since Corazon Aquino took office in 1987. Initially, the assistance provided advice on national reform of the local government law. When the government passed the 1991 Local Government Code, however, USAID developed the Governance and Local Democracy program (GOLD) to support local governments in the implementation of the code. GOLD activities, begun in 1995 and scheduled to conclude in spring 2001, aim for effective local government with broad-based participation. That is, the program aims to demonstrate, by enabling people to decide and do things for themselves, that democracy works.

GOLD uses participatory processes to help improve service delivery, tax collection, and regional development at the local level. In nine provinces, its "technology of participation" methodology helps local leaders and community members collectively plan, budget, and set development priorities. The project then provided technical assistance in implementing those plans. Opinion surveys indicate that people now show more satisfaction with local government services than with those provided by the national government.

Many of GOLD's planning workshops focus on identifying and addressing development priorities. Outcomes from some of these participatory workshops include the following:

- Investment promotion centers were established in three provinces as a joint venture between the local government and the chamber of commerce.
- Poorly managed public enterprises were privatized.
- Opportunities for private investment were identified and realized, including eco-tourism in Bohol, an ice plant in a Capiz fish port, and a pineapple seedling nursery in Nueva Vizcaya.
- Infrastructure needed by businesses and farms was built.
- Training on commercial farming techniques was provided.
- Local policies were developed to ensure sustainable offshore fishing.

conversion to natural gas the number one community accomplishment of the year. USAID has also supported work in Georgia to increase access to information. In this instance, the focus was on improving the ability of independent television stations to cover local issues.

In promoting democratic local governance, USAID also supports citizen groups that organize in order to articulate citizens' concerns, advocate policies, educate other citizens about their rights and responsibilities, monitor government performance, and participate in community services and activities. USAID assistance in Mali, for example, has supported the government's decentralization program by working with citizen groups in selected communities to develop their capacities as effective partners in democratic governance. The program has funded training sessions focused on improving democratic self-governance and sound management for nearly 100 community organizations. These organizations include parent-teacher associations of public schools, civic advocacy groups, women's credit associations, and local cooperatives. Participants report that they benefited from the training and are now fostering democratic practices in their organizations. Moreover, 30 percent of USAID-assisted community organizations in 1998 formed effective partnerships with local government to deliver public services, which exceeded the target of 25 percent and handily outperformed the control group.

Local Government Capacity

USAID programming in decentralization and democratic local governance also emphasizes the development of local government capacity. Unless government can effectively respond to citizens' priority needs, it lacks legitimacy. USAID's programs provide assistance to improve the know-how and the financial resources of local governments so they can deliver services to the community's satisfaction. Advances in local government capacity not only have tangible impact on people's lives, but also improve people's confidence in and commitment to democratic practice.

In many countries, USAID supports training of local officials, so they can better engage in strategic planning,

management, and policymaking. In Guatemala, for example, the mission is providing training to improve the financial, organizational, and management skills of local officials in an effort to revitalize local government operations that were crippled by the civil war. In a different context, the Agency is providing comprehensive training to a new cadre of leaders, to women elected under Uganda's Local Government Act of 1997, which stipulated that 33 percent of local councilors must be women. Where feasible, USAID looks to municipal associations to provide this training in an effort to promote replication and ensure the sustainability of skills-building programs.

USAID also provides assistance to improve financial and administrative systems. Working in 23 Romanian cities, for example, the Agency helped to install advanced financial management, budget, and computer operating systems. The modern methods enable local officials more effectively to allocate resources, track expenditures against the delivery of services, and identify corruption. As a result of their demonstrated effectiveness at the local level, the Ministry of Finance has now mandated use of these systems. In Lebanon, USAID helped to improve the capabilities of municipal councils, which were elected in 1998 after 36 years without municipal elections. The mission funded training, computer hardware, and software systems for 20 municipalities in order to help increase efficiency, transparency, and citizen participation. Other municipalities are now requesting inclusion in the USAID program.

Of critical importance in many countries, USAID works to increase municipal access to financing. In Guatemala, for example, the Agency is creating a revolving fund to provide seed capital in support of local investment, and, in Nicaragua, the mission provides grants of up to \$150,000 for community projects. In Romania, USAID is working intensively with three municipalities; they will be among the first participants in debt financing of municipal projects.

In other countries, USAID works with local governments to improve the delivery of services. In Ukraine, for example, the mission helped officials in nine cities adopt competitive bidding for major purchases, which has already generated savings for the municipalities. The financial analysis model developed by

USAID for these nine locales has been replicated in some fashion in more than 40 other cities. USAID assistance provided advice and training to improve the operation of trolley bus companies in a further 12 cities. As a result, disabled buses were repaired and returned to city fleets. The mission also worked to improve water management in four cities. Consequently, the quality and the supply of water were improved, and energy consumption was reduced by closing booster pumps or installing energy efficient pumps and adjustable speed drives. More recently, some cities are now using competitive procurement on a regular basis for major purchases, and for rehabilitation and construction projects.

In a similar vein, USAID financed improvement of water distribution systems in 29 Palestinian villages in the West Bank. Along with improving the service that customers receive, the program seeks to institute a fee structure that will rationalize the

Improving Local Government Capacity in Honduras

USAID has provided substantial assistance to improve the capacity of local governments in Honduras. After local elections in 1997, the program mounted a massive training and technical assistance effort to assist newly elected officials. Technical staff assisted 38 municipalities. Training included an initial course for the mayor and all city council members on the municipal law and basic administration. The program also funded training of 2,289 municipal officials and employees in five areas: municipal strengthening and leadership, municipal law, strategic planning, budget administration, and municipal management.

The onset of Hurricane Mitch in late 1998 dealt a terrible blow to these communities. In spite of its impact on municipal infrastructure and finance, however, USAID-supported municipalities demonstrated a tremendous amount of resilience. Municipal governments moved quickly to obtain food and emergency supplies, arrange for repairs of critical infrastructure, and consult with communities on priorities for the reconstruction process. Perversely, Hurricane Mitch seems to have provided an opportunity for local governments to demonstrate their commitment and ability to respond to citizen needs.

use of a scarce resource. The Agency has also worked with local authorities in Gaza. In Gaza City, for instance, a wastewater management project has resulted in a considerable clean up, improving both the environment and local health conditions. As the peace process continues and planned local elections are convened, these improvements will bolster the emergence of effective and responsive local government.

In Ivory Coast, USAID worked with municipalities to improve waste management. In municipalities around the country, advisors examined performance levels and collections rates of public works departments, and worked with community groups to identify new collection points and disposal sites. The program also provided training in solid, liquid, and medical waste management and contributed funds for waste containment structures. As a result, solid waste collection increased 50 percent, disposal outside designated dumping sites decreased, more medical waste was disposed of properly, and more households received service.

USAID also supports efforts to improve customer relations in local communities. In Paraguay, for example, USAID is assisting the city of Asunción to electronically connect 12 community centers to the main municipal building so that citizens will be able to obtain municipal records and pay all taxes and fees from any of the centers. This initiative not only improves access to municipal services, but also promotes greater municipal responsiveness, efficiency, and transparency. Along the same lines, USAID/Bulgaria is helping to establish one-stop customer service centers in cities where citizens can request building permits, business licenses, document registries, and information on municipal property in one place. In Bulgaria, USAID support for reforms to improve service delivery. strengthen governance, and promote local government's role in economic development in 10 target cities led to the creation of local economic development agencies. The replication of these agencies in additional municipalities is testament to the success of this innovation.

PROMOTING DIALOGUE ON DECENTRALIZATION AND DEMOCRATIC LOCAL GOVERNANCE

USAID offices in Washington and overseas have also promoted dialogue on decentralization and democratic local governance efforts. Through formal and informal arrangements, the Agency has worked with other donors and international organizations to avoid duplication of effort and maximize program synergies. It has also shared lessons from program successes and failures in order to improve programming in this area.

In the field, USAID Missions participate in or chair donor groups that sometimes include government officials. These regular meetings review each donor's programs and new requests from the government for assistance. They offer a collegial environment for coordinating programs in decentralization and democratic local governance. In many countries, the World Bank is involved in decentralization efforts and tends to support municipal credit or municipal development activities. Depending on the region or the country, the European Union, a number of European states, the European Bank for Reconstruction and Development, the Organisation for Economic Cooperation and Development, the U.N. Development Programme, regional development banks and organizations, the Soros Foundation, and the Ford Foundation also support decentralization and democratic local governance efforts.

Complementing this coordination in the field, USAID offices in Washington have spearheaded global and regional networks in decentralization and democratic local governance. The Center for Democracy and Governance of the Global Bureau has created a forum for informational exchange. The decentralization/local governance e-mail network regularly provides helpful information, alerts its readership to events, and introduces ideas to all missions and Washington staff who work in these areas. The Global Bureau's Office of Environment and Urban Programs has designed a web site for its Making Cities Work strategy, which aims to meet the many challenges facing cities by integrating urban management approaches into the

Agency's development work. The site includes a photo library, summaries of demonstration projects, publications, available training activities, and other databases.

For countries in West Africa, USAID's Bureau for Africa is funding the Africa Regional Dialogue in Decentralization Network under the Leland Initiative. This Internet-based project aims to build a regional network of decision-makers and other stakeholders in the decentralization process. Regional workshops, country coordinators, and country participant teams complement the project's web site. In operation since May 1998, the web site is allowing participants throughout West Africa to discuss important issues and share experiences in decentralization and democratic local governance over the Internet.

Similarly, USAID has established an information network on the decentralization of water and wastewater in Central America and the Caribbean. The purpose of the network is to promote collaboration among water and wastewater organizations involved in decentralization efforts in the region. The network provides a discussion forum for those working in decentralization, focusing on lessons learned, current or proposed projects, and news from network members.

The Bureau for Latin America and the Caribbean has formed the International Forum for Cooperation on Local Government to permit better sharing of information on donor programs in the region. Patterned after the bureau's highly successful Donor Consultative Group on Accountability and Anti-corruption in Latin America and the Caribbean, the forum will hold regular meetings on specific decentralization and democratic local governance topics.

In addition, USAID's Bureau for Europe and Eurasia maintains an electronic Local Government Center, which serves as a clearinghouse for information on USAID decentralization and democratic local governance programs in transition countries. The web site includes a compilation of some of the most successful solutions to local government problems from

² The Leland Initiative is a \$15 million program of the U.S. government designed to connect African countries to the Internet. The initiative is in memory of Rep. Mickey Leland, chairman of the House Select Committee on Hunger, whose plane crashed en route to a refugee camp at the Ethiopian-Sudanese border.

across the region. Also included are USAID reports, training materials, conference proceedings, and other helpful information. These documents focus on urban development, public administration, housing, local public finance, public participation, and municipal association development. The bureau also has created a web site for the Local Government Information Network, a resource center designed to promote the professional development of local officials and strengthen the capacity of organizations that support local public administration reform. The site includes summaries of key documents, updates, and other materials from the region—in local languages and English—and provides links to participating country organizations and sponsors.

At the country level, USAID's mission in the Philippines established a web site for its Governance and Local Democracy (GOLD) project to serve as a working resource for local governments, NGOs, and community-based organizations. It includes information on the GOLD strategy, updates on key decentralization and local governance developments in the Philippines, an inventory of innovations, publications, and links to other useful sites.

CONCLUSION

As government officials and citizens around the world embrace the challenge of decentralization and democratic local governance, USAID stands ready to help. Drawing on its experience in working with local governments over the past four decades and its ongoing dialogue with a variety of other organizations, USAID provides cutting-edge guidance for local efforts to establish democratic and effective government. Through a variety of partnerships in some 50 countries today, the Agency has committed important resources to this endeavor. USAID intends to build on early successes and continue the hard work of strengthening democracy and improving the welfare of local communities.

ADDITIONAL INFORMATION

USAID Publications

Center for Development Information and Evaluation. 1998. Spreading Power to the Periphery: An Assessment of Democratic Local Governance. Washington, DC: USAID.

Center for Democracy and Governance. 2000. *Decentralization and Democratic Local Governance Programming Handbook*. Washington, DC: USAID.

Center for Environment/Urban Programs. 1997. Cost Recovery: Ensuring Sustainability and Equity in the Provision of Urban Servicies. Washington, DC: USAID.

Other Publications

Bird, Richard and François Vaillancourt, eds. 1998. *Fiscal Decentralization in Developing Countries*. New York: Cambridge University Press.

Burki, S.J., Guillermo Perry, and William Dillinger, eds. 1999. *Beyond the Center: Decentralizing the State*. Washington, DC: World Bank.

"The Federal-Unitary Centralized-Decentralized Contrasts," in Arend Lijphart. 1984. *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-one Countries*. New Haven: Yale University Press.

Web Sites

USAID's Democracy and Governance Web Site: www.usaid.gov/democracy/

USAID's Making Cities Work: www.makingcitieswork.org

USAID's Africa Regional Dialogue in Decentralization Network under the Leland Initiative: www.usaid.gov/leland/

USAID's Local Government Center for Europe and Eurasia: www.usaid.gov/regions/europe eurasia/local gov/

USAID's Local Government Information Network in Europe and Eurasia: **www.logincee.org**

USAID's Cosponsorship of the International Forum for Cooperation on Local Government in Latin America and the Caribbean: www.latinterforum.org

USAID's Decentralization Network on Water and Wastewater in Central America and the Caribbean: **www.ehproject.org**

USAID's Governance and Local Democracy Project in the Philippines: **www.ardgold.org**



PN-ACH-302

Center for Democracy and Governance

Bureau for Global Programs, Field Support, and Research U.S. Agency for International Development Washington, DC 20523-3100

Tel: (202) 712-1892 Fax: (202) 216-3232

Internet: www.usaid.gov/democracy/ Intranet: inside.usaid.gov/G/DG/