STRENGTHENING DEMOCRACY AT THE LOCAL LEVEL:
A SURVEY OF SOME CRITICAL ISSUES

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Executive Summary

There is consensus in development circles today that promoting democracy at the local level holds the key to reducing poverty, improving service provision and successfully undertaking other initiatives that fall under the general rubric of development. This is due to eventual realisation that the interventions that have been made over time in the name of development have not translated into much improvement in the livelihoods of ordinary people.

Decentralisation of power to local levels of government is essential for promoting local development. However, it is local governance, or the manner in which that power is used and the degree to which local people participate in making decisions over matters that affect them, which are the key determinants of the success of local development.

This paper investigates how local governance can be promoted to facilitate local development. It inquires into the relationship between decentralisation, local governance and development; how citizen participation in decision making can be fostered to give effect to democracy at the local level; how central government fears of losing control over the development process can be addressed to allow local governments and communities to exercise real power in determining development priorities and allocation of resources; and how partnerships among stakeholders can be structured to promote democracy and development at the local level.

The paper makes three conclusions and recommendations. First, political commitment and support at the highest political level is essential to provide vision and to overcome resistance to devolution of power to local governments and communities. Secondly, whatever institutions and systems are created must place the interests of the ultimate
beneficiaries – the citizens at the local level – at the centre of all development activities. This means that the beneficiaries must be given opportunity to determine development priorities and allocation of resources because they know best what is good for them. Third, it should be recognised and appreciated that building democracy and effective governance systems at the local level is a long-term process that requires careful nurturing.

The paper makes the following recommendations:

(i) Invest in building systems of accountability at all levels of government. This implies strengthening integrity institutions, such as the ombudsman; increasing public access to information; establishing funds tracking mechanisms; setting and publicising public performance benchmarks; establishing mechanisms for public debate on key issues; and establishing and publicising complaints offices and centres.

(ii) Promote citizen participation in policy formulation through citizen report cards on public service delivery; participatory planning and budgeting processes; citizen referenda; and participatory poverty assessments.

(iii) Build capacity within local governments particularly in the core functions of financial management; budgeting, human resource management and development; planning and monitoring and evaluation.

(iv) Enforce legislation for devolving power to local governments in order to weaken bureaucratic resistance and clientelist and patronage networks.

(v) Promote multi-stakeholder dialogue and participation in local development

(vi) Provide a policy and legislative framework that allows citizen participations in local development
Introduction

There is consensus in development circles today that promoting democracy at the local level holds the key to reducing poverty, improving service provision and successfully undertaking other initiatives that fall under the general rubric of development. The view that there is a logical connection between democracy and development is not new. Since the 1960s development discourse has been driven by the argument that developing countries need to adopt systems to set themselves firmly on the development path. However, while the emphasis used to be placed on electoral and representative democracy at the national level, increasing attention is now being directed at citizen participation and efficient, transparent and accountable systems at the local level following realization that previous interventions have not translated into much improvement in the livelihoods of ordinary citizens.

It is now generally agreed that decentralization and local governance offer greater promise in improving people’s well being than the highly centralized approaches to development that were preferred by many governments in the past. To that end, a good deal of effort is being devoted to identifying the most effective ways in which power and resources can be used to generate optimum benefits for citizens, particularly those at the grassroots who happen to be most disadvantaged. Among other things, there is animated debate over how best to enhance efficiency and effectiveness in service provision; how to promote transparency and accountability in the management of public affairs; how to facilitate popular participation in decision-making and implementation; and how to create
effective partnerships between local governments, NGOs, CBOs, and other stakeholders-all in the name of reducing poverty and improving peoples’ well being.

This paper aims at contributing to this debate by highlighting some of the most important mechanisms through which democracy can be promoted at the local level. The paper’s central premise is that there is, indeed, a necessary connection between democracy and development, if ‘democracy’ is defined as the method of rule which allows citizens significant say, directly or through representation, in the manner in which they are governed, and if ‘development’ is understood as material and qualitative improvement in peoples’ livelihoods. Since the majority of citizens in any country tend to be materially poor and to lack access to basic services such as education, health, decent housing and clean safe water, development implies addressing their disadvantaged social condition so that they can also live full and dignified lives. The paper attempts to provide answers to three main questions that are central to the development. First, how can citizen participation in decision-making be fostered to give effect to democracy at the local level? Second, how can central government fears of losing control over the development process be addressed to allow local governments and communities to exercise real power over the setting of development priorities and allocation of resources? Finally, how can partnerships among development stakeholders be structured to promote democracy and development at the local level? To provide sufficient background to the discussion it will be necessary to first establish the relationship between decentralization, local government and poverty reduction.
Poverty has many dimensions some of which fall in the categories of livelihoods, resources, knowledge and rights. According to Neil Webster:

Livelihoods cover the condition of a household and the means by which it reproduces itself and includes incomes and asset ownership. Resources covers household access to credit, education, health, drinking water, etc. Knowledge covers information and education that shapes the cognitive world of the poor ranging from technology to political ideas. Finally rights embraces formal and traditional rights possessed by individuals and their households – land, tenancy, women’s, minority, personal security, etc. The condition of poverty can then be understood as the effects of socio-economic forces that determine access to those dimensions together with the level of entitlements that can be realised on the basis of endowments in these dimensions.¹

Poverty also manifests itself in lack of opportunity, feelings of helplessness as well as inability to influence decisions that affect one’s well being. Thus, poverty reduction does not only consist in extensive macro economic growth to expand the redistribute resource base, but also requires increasing peoples’ awareness of their rights and entitlements, empowering them to have a genuine say in matters that affect them directly, and ensuring that public officials operate in an efficient, transparent and accountable manner in the management of public affairs.

Decentralization is the main instrument through which this can happen. The most popular forms of decentralization are *deconcentration* and *delegation*, largely because they allow the center to retain control over decision-making. Deconcentration refers to the granting of authority to manage finances and services provision to central government officials located in regions or districts, while delegation refers to granting of authority to make decisions and manage clearly defined public services to semi-independent agencies. In both cases accountability is towards the center. The third type of decentralization, one which is less popular but more conducive to democracy at the local level, is *devolution*. Under this arrangement local governments are granted substantial authority, expressed in a legal framework, to make decisions, deliver services and generate their own revenue\(^2\) while being accountable to the people below. The decision over which type of decentralization to apply is determined either by the degree to which the centre wants to retain control over province, district or even grassroots levels, or considerations of which level is best suited to manage delivery of which service. Certain public services, such as immunization, are often left in the hands of the central government for this purpose.

Decentralization has several desirable objectives, the most prominent being increasing efficiency in resource allocation and service provision, increasing transparency and accountability in the management of public affairs, reducing bureaucracy and red tape at the center, broadening and deepening civic and administrative competence among the population, and broadening democracy through increased participation by the population in making decisions over development priorities and allocation of resources.

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However, decentralisation is a necessary but not a sufficient condition for local development. Power may be transferred to lower levels of authority but this does not necessarily mean that operations will be more efficient, transparent or accountable, or that people at the local level will have more say in matters that affect them. Central authorities may continue to dictate the development agenda due to fear of losing power and influence. Thus the manner in which power is exercised, the degree to which the beneficiaries are involved in determining priorities, and the extent to which service delivery actually improves are key determinants of the success of decentralisation.

Good (democratic) governance is public management that is characterised by the rule of law, justice, popular participation in decision-making, and transparency and accountability. Local governance means applying these principles to local development management and ensuring that “… whatever governance actor (an international NGO, a central government institution, a local government agency, or a private sector enterprise) does is planned, implemented, maintained, evaluated, and controlled with the needs, priorities, interests, participation, and well being of the local population as the central and guiding consideration”. Only then can it be possible to achieve broad development goals. Results from a nine-country study (involving Brazil, Honduras, India, Jordan, Pakistan, the Philippines, Poland, South Africa and Uganda) have established a clear and positive

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relationship between decentralised governance and effective service delivery. Provision of services significantly improves with increased accountability, more authority to local officials, more effective delivery systems and more information to the citizenry. 5

Citizen Participation as a Manifestation of Local Democracy

The majority of people at grassroots level are poor. Investing in social infrastructure (i.e. schools, primary health centres, sanitation, piped drinking water, access roads, community centres, etc.) enhances their well being, allows them to engage in more productive work due to improved health, knowledge, mobility and other factors, and impacts positively on their income levels as well. However, these results are difficult to realise unless legal and institutional mechanisms are in place to prevent corruption, abuse of office and other malpractices.

Citizen participation facilitates the flow of more accurate information, leads to more efficient allocation of resources, enhances transparency and accountability, and minimises implementation bottlenecks. 6 Most importantly, it promotes democracy by involving the beneficiaries, who are also the majority, in having a major say over matters that affect them directly. In effect citizen participation is “… a form of political

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consciousness that is both critical of existing inequalities and injustice and yet, at the same time, aware of the promise of collective action in achieving progressive reform”.7

How can citizens genuinely participate in determining priorities and allocation of resources in a manner that establishes a clear correspondence between their needs and the local development plans that eventually reach implementation level? Experience has shown that although citizen participation is widely acknowledged to be critical to effective formulation and implementation of development plans and activities at the local level, there is widespread reluctance among central and local government officials in many countries to allow ordinary people significant say in decision-making and planning.

The reason is two threefold. First, planning is a technical exercise involving specialized concepts that are foreign to most citizens or their local council representatives, particularly those that are elected on a populist basis. For that matter most central officials imagine that local people are quite incapable of internalising sophisticated planning processes. Secondly, central officials are reluctant to give up power to lower levels because of the loss of influence this implies. Thirdly, participatory planning processes have high transaction costs (in terms of money, time and management), are susceptible to elite capture, and can generate unrealistic expectations – among other things.8

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8 Malik and Wagle, op.cit., p. 557.
To that end, most central officials tend to prefer to make decisions and simply ask beneficiaries for endorsement, or even to coerce citizens to ‘participate’ in decision-making and implementation under threat of unpleasant sanctions should they do otherwise. None of this is likely to result in decisions that mirror local preferences. The ideal type of participation is when local people voluntarily engage, directly or through democratically elected representatives, in determining priorities in local development.\(^9\) This has the greatest potential for inducing people’s commitment and unleashing their initiative and creative energies.

Citizens cannot participate in public affairs, even over matters that affect them directly, unless they are empowered. ‘Empowerment’ refers to the process through which peoples’ freedom of choice and action is expanded to enable them to have more control over resources and decisions that affect them.\(^10\) Unfortunately, citizen empowerment does not come about easily. People at the grassroots lack sufficient organisation and this always puts their agenda at risk of elite capture. However, their plight can sometimes be addressed through social activism. In Rajasthan, India, for example, social activists formed the Workers and Farmers Power Organisation (MKSS) which campaigned for disclosure of expenditure records in order to expose corruption in drought-relief public works projects. Falsehoods in public expenditure records were publicly exposed by supposed village ‘beneficiaries’ who actually had not received the payments that had been recorded against their names as compensation for their labour. The exposure of this

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massive scandal led the government of Rajasthan to pass a Right to Information Act in 2000 \(^{11}\) which was an important step towards reducing the naked exploitation to which village and other workers had long been subjected.

Citizen participation can also be engineered from above. For example, due to changes in development thinking the poor can now influence national polices through participatory poverty assessments (PPAs) conducted by governments, UN and bilateral agencies and NGOs. As opposed to previous arrogant approaches that assumed that policy makers knew best what the poor wanted, PPAs consult the poor on their priorities for direct input into the policy process. As a result, marked differences in what the poor consider to be priority issue areas have been registered in different countries. Examples include vulnerability of single pensioners (Armenia); inadequate time for women to engage in productive work due to long periods spent on preparing food, collecting water and catering for the sick (Tanzania); connection between poverty and illegal activities such as child prostitution (Zambia), drugs (Jamaica), and domestic violence (Mexico and Vietnam); seasonality of poverty with regard to security, access to water and health (Ghana, South Africa, Togo and Zambia); frustration over lack of influence over government policies (The Gambia and Uganda); distrust of state of institutions, particularly the police and the judiciary, and concern about corruption in public institutions (Uganda); and lack of information on rights, entitlements and activities of local governments (Vietnam).\(^{12}\)


Another top-down way of engineering citizen participation that has met with significant success is participatory budgeting. Indications from the Brazilian cities of Porto Alegre and Belo Horizonte where this method of citizen engagement has been tried show that while it may not necessarily bring material gains to the citizenry, participatory budgeting brings previously excluded groups into the political fold where they can influence investment opportunities in their communities and also monitor the implementation of community and other government projects. The gist of participatory budgeting in Belo Horizonte is as follows. First, assemblies (usually two) are held in each of the administrative sub-districts. During the first meeting the municipal officials responsible for planning and finance explain the revenue and expenditure situation and the funds available for participatory budgeting. Secondly, two assemblies are held to agree on priorities, collate the demands of each sub-district and select delegates for the district forum. Following their election the delegates tour the sub-district to acquaint themselves with the socio-economic conditions therein and to ascertain the relevance of the selected priorities. Finally, district assemblies are held to determine the list priorities for each district. Members who would monitor implementation of projects are selected.

The process in Porto Alegre is slightly different. Two plenary assemblies are held in each of the districts and on each of the five thematic areas (transport and traffic circulation; education leisure and culture; health and social welfare; economic development and taxation; and city organisation and development) to start the budget writing process based on budget information provided by local government officials.
Neighbourhood meetings are then held to allow residents to list their infrastructure priorities. Meetings follow in which each district elects four representatives (two regular and two alternate) to the city municipal budget council. Delegates within each district negotiate among themselves and agree on district priorities in each of the five areas. The municipal budget council then determines funding for each priority presented by districts. The council and district budget for a monitor the implementation of projects and other works emanating from this.13

Participatory budgeting has several merits, including drawing more segments of society into the representative democracy loop; facilitating learning; drawing allocative attention to pro-poor interests; encouraging participants to situate their district demands within a broader city framework; and tempering clientelism, populism, patrimonialism and authoritarianism. On the down side, there is real danger that communities’ dependence may be compromised due to working together with government; the very poor, the young and the middle class tend to be under-represented; and some forms of clientelism may still persist. In Belo Horizonte, for instance, it was found necessary to put aside some of the budgetary resources for councillor allocation in order to reduce resistance to participatory budgeting.14

In other instances politicians have adopted ‘co-participation’ with local communities as a way of responding to community priority needs in order to get re-elected. Through group meetings citizens’ priorities are aggregated into neighbourhood priorities for government funding. This has generated greater citizen trust in a number of countries such as Colombia, Bulgaria, Croatia, Romania, Serbia and Ukraine.\textsuperscript{15}

Citizen participation can also be promoted through design and implementation of local projects. To be effective this process should encompass all the stages of a project cycle, namely, problem identification, goal setting, implementation, monitoring and evaluation. The Local Development Programme (PRODEL) in Nicaragua provides an example of how this can be applied to good effect. Through PRODEL low-income groups in eight cities were provided with small grants for infrastructure and community works projects, and loans for housing improvement and micro-enterprises. Households and communities participated in the formulation of projects through micro-planning workshops that were facilitated by technical personnel and through seven-member community project administration committees they set up to oversee the execution, financing, administration auditing and maintenance of the projects. The committees also participated in project evaluations. Together with co-financing from project beneficiaries this institutionalization of social control provided the projects with a strong sustainable basis.\textsuperscript{16}

What these examples show is that citizen participation requires reform of public institution as well as investing in people and organizations. If citizen participation is such a good thing, why is it that many governments are reluctant to give it full rein? The answer lies in the universal fear central officials have of losing control.

**Central Fears of Loss of Control as Inhibitors of Local Governance**

Studies on decentralization and citizen participation in Africa have shown that citizen participation in decision-making largely remains at rhetoric\(^{17}\)al level. According to Walter Oyugi, “… the problem of popular participation lies in the reluctance of government to surrender power and the inability of popular forces, in their position of weakness, to persuade it to so.”\(^{18}\) Although many governments profess to want to decentralize power to local governments, and may even put relevant legal frameworks in place, in actual practice they tend to retain most of the control over decision-making.

Take Kenya, for example. Although the National Development Plan 1966 – 1970 called for substantial community participation in planning and implementation of development programmes, particularly in the education and health sectors, this was weakened by the creation of district development committees (DDCs) which hijacked the agenda setting and decision-making process. Even the introduction of the district focus for rural development strategy (DFRD) in 1983 did not help matters much, even though it was intended to allow local beneficiaries significant say in determining development programmes than had previously been the case. District and provincial officials

continued to dominate the decision-making process as before. As a result, Kenyan citizens cannot be said to be effectively involved in determining local-level development.\footnote{Pascaliah J. Omiya, ‘Citizen Participation for Good Governance and Development at the Local Level in Kenya’, United Nations Centre for Regional Development, \textit{Regional Development Dialogue}, Vol, 21, No. 1, Spring 2000, p. 201}

This phenomenon is observable elsewhere as well. In Sri Lanka, for instance, the central government has for long retained most decision making powers while penetrating the local level through official district parties. Since 1995 proposals have been made to devolve functions and budgets to provincial levels but this has largely remained at the level of intention.\footnote{Deryke Belshaw, ‘Decentralised Governance and Poverty Reduction: Relevant Experience in Africa and Asia’, in Paul Collins (ed.), \textit{Applying Public Administration in Development: Guidelines to the Future} (John Wiley & Sons, Ltd, 2000), p. 105}

In India, following passage of the 74\textsuperscript{th} Amendment to the Indian Constitution in 1992 the states that constitute the union were directed to amend their individual Acts to decentralise power to municipalities. The 74\textsuperscript{th} Amendment introduced several important measures with respect to Municipal governance including affirmative action in the form of representation in municipal bodies of marginalized groups (33\% for women; 22\% scheduled castes and tribes; and 28\% other ‘backward’ castes), and assignment to local representatives of critical roles in civic affairs including planning, service provision, economic development and social justice. Notwithstanding these requirements, however, state governments have not devolved real functional or financial autonomy to local governments. If anything, “The tendency of higher governments is to control important
activities in municipalities through state corporation and other governmental bodies manned by state bureaucracy”.  

How, then, can the tension between the desire by the centre to retain control of the development process, on the one hand, and local discretion in decision-making that is implied by decentralization, on the other, be reconciled to allow effective local development? Often, lack of capacity at local level is advanced as good reason for diluting local level powers over decision-making and implementation. This needs not to be accepted at face value. As John-Mary Kauzya argues:

> Development is a process of progressive and qualitative movement from inability to ability, from incapability to capability. Therefore, it is conceptually normal to start from a point of weak local governance capacity and work towards strong local governance capacity. Without this predisposition decentralized governance in most developing countries may never be embarked upon.

Uganda provides an interesting illustration. The low capacity argument was used by some central officials at the beginning of decentralization in 1992 to try to resist ceding power to local governments as required by law. To get over this hurdle government undertook a three-year pilot study in five districts in 1997 to determine how best to enable local governments to generate development plans and utilize development grants in an inclusive and participatory manner while building their capacity at the same time.

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The results of the pilot dispelled earlier concerns of local governments’ inability to develop effective plans and to utilize financial resources effectively, and provided the basis for the successor local government development programme (LGDP) that is currently driving the country’s local government system.23

Under LGDP a two-level mechanism has been devised to assure the centre of proper financial management at local level while allowing local officials sufficient discretion in decision-making. On the one hand, devolved services are funded through conditioning grants whose utilization criteria is determined by the centre. The centre keeps track of how resources are utilized through compliance inspections and mandatory accountabilities that are required of each local government.24

On the other hand, local governments are provided with grants to fund discretionary activities if they demonstrate sufficient capability in internal audit, financial management and technical supervision of engineering works; and if they have in place approved development plans, approved and balanced budgets, and up-to-date books of accounts. The LGDP has a capacity building grant that local governments may use to build any capacity they may lack.25 Local governments that demonstrate improved performance

24 Of course, the ability of the centre to do this and to ensure that resources are not diverted is also an issue. In fact, central capacity to monitor resource use was initially very weak and diversions and misuse were frequent. However, central capacity has steadily increased overtime and incidences of resource misuse and misallocation are declining.
25 Local government’s performance is assessed at the end of each financial year using the following standard indicators: the quality of its staff, the quality of its communication and information sharing, the
over the previous year are rewarded with a 20% increase in their allocation the following year; those that register a poorer performance over the previous year are penalized with a 20% reduction in their allocation for the following year.

The incentives and penalties in combination with the capacity building grant and regular assessments have significantly raised local government performance in Uganda in the key areas of financial management, budgeting, planning, human resources management, tendering and procurement – though there is still room for improvement.

**Partnerships to Promote Local Governance**

During the heyday of earlier centralised approaches to development it used to be assumed that central government was capable of bringing about local development on its own. Following many failed local development initiatives it is now clear that a broad range of stakeholders – aid agencies, Non-governmental Organisations (NGOs), Community Based Organisations (CBOs), the private sector, etc. – must work together to bring about the desired changes. The issue is how to structure collaborative relationships among stakeholders with different agendas in order to attain common developmental goals in an efficient and cost effective manner.

A major criticism that is often levelled against aid agencies and NGOs, particularly externally funded ones, is that they distort the development process by answering to external rather than local interests, bring pre-determined project preferences that do not
correspond to those of the local population, are reluctant to involve local governments and communities in their activities\textsuperscript{26} and tend to crowd out CBOs because of their superior resource bases and expertise. All this tends to generate tension between them and central governments.

An important way of reducing such suspicion and mistrust is to promote dialogue and collaboration among all stakeholders (central and local governments, aid agencies, NGOs, CBOs, etc.), align all their interventions with national development goals and local development priorities, and avoid creating parallel structures to those of local governments. In Uganda the entry point for all aid agencies, NGOs, CBOs and other stakeholders in local development is the local development plan. This has created better understanding among stakeholders and to better harmonisation of local development plans and activities than before. As result, many aid agencies and NGOs now trust the local government system sufficiently to provide local governments with direct budget support, as opposed to project funding that they preferred previously.\textsuperscript{27}

NGOs and CBOs can play a very important role in influencing public policy and improving service delivery, especially with respect to creating effective partnerships and leveraging resources. In Cave Island, an informal settlement in Falmouth, Jamaica, the local community was able to get piped water by working in partnership with the Parish

\textsuperscript{26} Walter Yogi, ‘Introduction’, United Nations Centre for Regional Development, The Role of Non-Governmental Organizations (NGOs) in Fostering Good Governance and Development at the Local Level in Africa (Research Report Series No. 41, July 2002, pp. 1-8)

Council, the National Water Commission and with support from the UNDP Local Initiative Facility for Urban Environment (LIFE). The intervention by LIFE was critical in enabling the community to acquire the organisational ability that enabled it to engage in dialogue and partnership with other stakeholders to achieve the desired results. Similarly in Portmore Gardens, a dormitory community adjoining Kingston, Jamaica, the local community association successfully worked in partnership with the Office of Disaster Preparedness, St. Catherine’s Parish Council, West Indies Home Contractors (a private developer) and the local members of parliament to cause construction of a drain and bridge in order to stop further environmental damage.28

Collaborative arrangements should encompass the private sector to improve service provision through more efficient allocation. Private firms and business interests can participate in service provision through service contract, franchises and Build, Operate, Transfer (BOT) or Build, Own Operate (BOO) arrangements. However active measures should be taken to balance the private sector’s profit orientation against broad community interests. These measures might include citizen representation on local tender committees and boards, citizen access to information on local tender awards, and citizen involvement in monitoring the implementation of local development and service delivery projects. Urban-based private firms often out perform local ones in competitive bidding due to larger resource bases and superior experience, so it is essential to build the capacity of local businesses as a way of promoting local economic growth.

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Partnerships work best through building alliances and trust among stakeholders. This derives from identification of common interests and objectives, keen appreciation of each other’s comparative advantages, adequate dialogue and information flow and existence of an enabling policy and legal framework.

**Conclusions and Recommendations**

Declarations of intent to promote local development through decentralisation are abound but local governance (including democracy), the main vehicle through which local development can be best promoted, is far from being entrenched in many countries. Although a great deal of work has been done there is still a struggle to establish effective institutional mechanisms for ensuring transparency, accountability, efficiency and effectiveness in the management of public affairs. Local citizens and governments are often not given free rein to decide local priorities and to match resources to local needs, even though they are better located than central officials to make such decisions. Effective partnerships between different stakeholders (e.g. central and local governments, NGOs, CBOs, the private sector, etc.) are not sufficiently promoted even though they hold great potential for addressing a host of development challenges in a coordinated, comprehensive and cost-effective manner.

Addressing these issues effectively requires vision, political commitment and support at the highest political level, especially to overcome bureaucratic resistance to devolution of power to local governments. It is also to place the interests of the ultimate beneficiaries – the citizens at the local level – at the centre of all development activities. The
beneficiaries must be given opportunity to determine priorities and resource allocation because of superior understanding of their needs and condition. The mindset of many government officials needs to be changed for them to appreciate the broader benefits of transferring power to local governments. Effective institutions and local capacities must be built to better match resources to local priorities in a more effective and efficient manner.

To that end, I propose the following policy recommendations:

(vii) Invest in building systems of accountability at all levels of government. This implies strengthening integrity institutions, such as the ombudsman; increasing public access to information; establishing funds tracking mechanisms; setting and publicising public performance benchmarks; establishing mechanisms for public debate on key issues; and establishing and publicising complaints offices and centres.

(viii) Promote citizen participation in policy formulation through citizen report cards on public service delivery; participatory planning and budgeting processes; citizen referenda; and participatory poverty assessments.

(ix) Build capacity within local governments particularly in the core functions of financial management; budgeting, human resource management and development; planning and monitoring and evaluation.
(x) Enforce legislation for devolving power to local governments in order to weaken bureaucratic resistance and clientelist and patronage networks.

(xi) Promote multi-stakeholder dialogue and participation in local development through consultative processes and consensus building.

(xii) Provide a policy and legislative framework that allows citizen participations in local development.