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Lessons Learned in Post-Conflict State Capacity:
Reconstructing Governance and Public Administration Capacities
in Post-conflict Societies

The role of local governance in post-conflict reconstruction
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Executive Summary

This paper is written as a contribution to the UN Ad-hoc Expert Group Meeting on “Lessons Learnt in Post Conflict State Capacity: Reconstructing Governance and Public Administration Capacities in Post Conflict Societies” to be held in Accra Ghana in October 2008.

The paper will concentrate on the role of local governance and decentralisation in post-conflict reconstruction. Two methods will be used to address the issue. Firstly we shall propose an analytical framework for the discussion then we shall apply the framework to four case studies from Mozambique, Angola, East Timor and Indonesia. These have been chosen from the author’s direct experience in the subject matter over a 15-year period. The concluding section highlights some of the conclusions of the application of the analytical framework to the case studies and brings in other examples from Rwanda, Uganda, Liberia, Kosovo and elsewhere in addition to the four studies. The analytical framework itself is a contribution to the wider discussions to take place at the meeting.

The analytical framework simultaneously applies three conceptual tools to examine post conflict local governance and enable case studies to be analysed on the basis of the permutations available within each concept and the interplay between the three concepts. These are Conflict Drivers – the material and subjective factors that fuel conflict; the Decentralisation Matrix – presenting the typology and permutations of decentralisation; and the Voice Matrix – presenting the ways in which local governance can be structured.

The case studies demonstrate that local governance responses played a role in cementing peace in Mozambique, but possibly also reduced the scope for institutional challenges to the ruling party through local elections.

In Angola we present a local governance proposal for the resettlement of Internally Displaced People (IDPs) and discuss the reasons why both central government and international development agencies failed to support this.

The East Timor case presents a scenario with potential for a local governance contribution to post conflict recovery. However, the configuration of politics and the structure of aid worked against the adoption of this proposal that possibly contributed to renewed conflict.

Finally the Indonesia (Aceh) case study shows that local governance approaches to post conflict recovery can involve more than ‘traditional’ capacity building and can focus on leadership and policy development – which can help to cement the peace.

The case studies cover a period of 15 years from the Mozambican peace agreement of 1992 to the Aceh peace agreed in 2006. The studies show some durable characteristics of the international development agency response to local governance work over this time. One of these has been to focus on the supposed economic and service delivery benefits of decentralisation rather than the specific benefits to peace building that local governance can provide in conflict sensitive environments. A second common response is to use weak capacity of local government as an excuse for not adopting local governance approaches to post conflict recovery.

The paper argues that the concept of ‘capacity’ can be unpacked and that leadership and information capacity of local government can be utilised whilst support can be provided in the area of technical capacity. Such an approach enables innovative and tailor made responses that relate the local governance response to the drivers of the conflict.
Conclusions and Recommendations

The main recommendations of this paper are that conflict drivers and the governance capacity issues raised above need to be considered when developing local governance responses to conflict environments. We can summarise these recommendations as following:

1. Weak technical capacity is not a constraint to local governance solutions if they are imaginatively applied as illustrated above. There is not an automatic correlation between technical capacity and political (leadership, policy) capacity and both types of capacity are needed.

2. Concepts such as Local Information, Security Enhancement, Leadership, Legitimacy and Inclusion should be used as criteria defining policy approaches to local governance in an immediate post conflict environments.

3. Conflict drivers and voice analysis should be applied in assessing the likely impact of local governance programmes in conflict sensitive areas.

4. Efficiency in allocation of public goods should not be the principle argument for or against decentralization and local governance responses in post conflict environments.

5. Policy makers and programme designers should be aware of the overall political objectives of the main national and multilateral actors. Is it to prevent a recurrence of conflict at all costs? Is it to keep a jurisdiction (nation, province etc) together? Or is it to peacefully manage its break up?

There are no simple answers. Decentralization and local governance policy options will never be neutral and will favour some against others. Decentralization is unlikely to be the deciding factor in producing durable and peaceful post conflict outcomes. However it can significantly speed up or hinder progress towards those outcomes.
1. Introduction

This paper is written as a contribution to the UN Ad-hoc Expert Group Meeting on “Lessons Learnt in Post Conflict State Capacity: Reconstructing Governance and Public Administration Capacities in Post Conflict Societies” to be held in Accra Ghana in October 2008.

The paper will concentrate on the role of local governance and decentralisation in post-conflict reconstruction. Two methods will be used to address the issue. Firstly we shall propose an analytical framework for the discussion then we shall apply the framework to four case studies from Mozambique, Angola, East Timor and Indonesia. These have been chosen from the author’s direct experience in the subject matter over a 20-year period. The concluding section highlights some of the conclusions of the application of the analytical framework to the case studies and brings in other examples from Rwanda, Uganda and Kosovo in addition to the four studies. The analytical framework itself is a contribution to the wider discussions to take place at the meeting.

In the aftermath of war, capacities of local authorities tend to be low or not present and decentralization processes are unlikely to be taking place. Addressing the needs of local communities and populations affected by war is critical to deliver the peace dividend and to maintain minimum levels of security and stability. Local government and local governance processes are central to the delivery of these. However, a key challenge is related to the limited capacities and presence of local authorities, the sometimes compromised nature of local government and the strong decision making and coordination role of national government together with a disconnect between national and local government structures and processes.

While decentralization cannot by itself resolve the intractable problems that led to violence or the post-war challenges, well implemented and design decentralized governance can effectively support the rebuilding of societies and peace. Nowhere more than in the post-conflict environment, decentralization process - since it entails a division of power, authority, responsibilities and resources between the centre and the local governments - requires consultations and participatory actions to create legitimacy of the state, promote trust amongst citizens and generate processes of accountability. Supporting capacity building for decentralization, especially the delivery of basic services in an inclusive and participatory manner, is a critical element but how can it best be done?

Before we proceed to look at our case studies we will present a framework for analysis

2. Analytical Framework

To enable a useful discussion of a vast subject in a short paper we propose an analytical framework that will allow a comparison between the four case studies presented here and more importantly allow the reader to apply the framework to their own experience in the subject matter. This brief section defines the terms to be applied in the framework and introduces the conceptual method.

2.1 Defining Terms

The title of this paper is “The role of local governance in post conflict reconstruction”. In order to focus discussion it will be instructive to briefly unpack this phrase.

2.1.1 Local Government

The UN World Public Sector report defines government as:

“…a public organisation, part of a broader governance system… a public organisation set up by society for the purpose of pursuing that society’s development objectives… Enjoyment of public consent constitutes the source of government’s legitimacy. Transparency is a condition sine qua non for government’s accountability vis-à-vis its oversight body.”

David Jackson, UNDP
Local government therefore is the public organisation with jurisdiction over a specific division of national territory.  

### 2.1.2 Local Governance

UNDP defines governance as:

“...the exercise of political, economic and administrative authority to manage a nation’s affairs. It is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences.”

Local governance is then the application of this definition within specific divisions of national territory under the jurisdictions of local government.

The definition of government refers to the enjoyment of public consent as a source of government’s legitimacy; in a post conflict environment this legitimacy is often absent. The second definition mentions the nation and the process of articulation of citizen’s interests. In a post conflict environment the very legitimacy of the “nation” can be weak and therefore local governance often includes articulation of interests in other forums that have local legitimacy but are not part of the nation’s government structures.

### 2.1.3 Post Conflict Reconstruction

In addition to defining local governance it will be useful to define post-conflict reconstruction. The first part is clear – post conflict follows (violent) conflict. The connotation of violence is implicit, but post conflict almost always means post violence. The literature often refers to generic “post conflict situations.” In this paper we shall argue that the understanding of the “conflict driver” is a crucial factor in determining responses in each post crisis situation. Conflicts are different and it is advisable to seek a full understanding of what the conflict was about and why it has ceased as an integral part of developing a local governance response.

The term reconstruction also merits further examination. What is to be reconstructed? What is broken? Do we want to return to the status quo ante? The answer to this last question is often a resounding no. Therefore post conflict reconstruction is often about a new (peaceful) conflict over what happens next. The default answer for international organisations is often the introduction of the ‘development fashions’ of the time, which can include decentralisation. However one clear thing that needs to be reinstated is Security. Legitimate local governance can play a role in this.

Yet Bruce Jones has described how ‘normal’ development intervention does not function well in such environments. Moral drive is missing and there are many accountability gaps. Indeed, governance organizations are likely to be stressed from low capacity and an uncertain institutional environment. There is also the issue of legitimacy. In a post conflict environment there may not be consensus about what are the legitimate sources of power and authority.

### 2.1.4 The Post Conflict (local) State

One further brief definition should be born in mind before moving on to the conceptual tools to be applied. This is a working definition of the ‘state’ in particular at local level. This is important because the literature often refers to fragile states. It is important to define exactly what is fragile and what is durable. To do this we shall apply Abrams distinction between the *State Idea* and the *State System*. The latter refers largely to state organizations, such as the Post Office, the local education system or the Ministry of Justice. The former refers to the central notion and set of assumptions around which the state is built. For example “the United Kingdom comprises Wales, Scotland, Northern Island and England and is governed by the Westminster Parliament on behalf of the Crown.

In post conflict situations it is useful to question the relative fragility of the *State Idea* and the *State System*. The conflict is often about challenges to the *State Idea*. This does not necessarily weaken the *state system*, and if it does it may weaken it in some ways but not
others. These terms and the others defined above will be applied to the simple analytical framework to be outlined below.

2.2 Three Conceptual Tools

The analytical framework will simultaneously apply three conceptual tools to examine post conflict local governance and enable case studies to be analysed on the basis of the permutations available within each concept and the interplay between the three concepts. These are Conflict Drivers, the Decentralisation Matrix, and the Voice Matrix.

2.2.1 Conflict Drivers

This enables us to look at what fuels the conflict. We suggest two types of conflict driver. Firstly: the Material Conflict Driver. This includes the economic and political imperatives of the conflict. These can be determined by looking at the winners and losers – the interest groups, social classes, and elites whose interests are at play in the conflict. We can add the wider ideological and geo-political divides to this first driver. For example, during the cold war many local level conflicts were inserted into this wider geo-political framework, just as others are now grouped together under the ‘war on terror’.

The second type of conflict driver is the Subjective Conflict Driver. This comprises the feelings and emotions that fuel the conflict including the sense of identity and reciprocal demonisation of the ‘other’ by each of the belligerent parties. It includes the prejudices, beliefs, senses of injustice and justice, revenges and reciprocities that inhabit conflict and post conflict environments. However bizarre or anachronistic these may seem to outsiders, it is incumbent on observers to recognize that they are sufficiently heartfelt to sustain conflict. Those motivated by material conflict drivers often exploit the subjective conflict drivers in order to win support amongst the population.

If the intensity of the subjective conflict drivers can diminish over time it becomes harder – if not impossible – for the elite / interest groups to pursue their gains through conflict, because the conflict begins to lose legitimacy. Former belligerents then turn to organized crime, fade away, become incorporated into the system or pursue their goals through peaceful politics. As we shall see later, decentralisation can play a role in providing a peaceful exit route.

We shall argue that the course of ‘post – conflict reconstruction’ is partly dependent upon the extent to which both types of conflict driver have been resolved through the settlement that leads to the post conflict phase.

2.2.3 Decentralisation Matrix

The second conceptual tool is the decentralisation matrix. The dimensions of decentralisation can be expressed in the table below:

<table>
<thead>
<tr>
<th>Nature of decentralisation</th>
<th>Devolution</th>
<th>Delegation</th>
<th>De-concentration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Decentralisation represents a division of power, resources and responsibilities between the central state organisations and local government organisations. The scope of decentralisation column illustrates the three types of responsibility that can be shared. These are: political – the taking of decisions and making of policy; fiscal – the use of state resources; and administrative – the execution of decisions and policy. The way in which these are shared is illustrated in the three columns to the right. Devolution refers to legally enshrined autonomy in which the local government exercises full authority over a particular set of responsibilities.
Federalism can be seen as an extreme form of devolution. Delegation refers to the exercise of responsibilities on the behalf of a higher-level agency that retains ultimate legal mandate for them. De-concentration is the operation of organisational units pertaining to the higher-level agency that are responsible for covering (and often located in) the division of territory in question. This matrix is dynamic and its permutations will be applied together with the conflict drivers to assess the immediate post conflict situation and its development.

2.2.4 Voice in Local Governance

The final conceptual tool is an approach to analysing local governance. As defined in section 2.1.2 above, local governance comprises

“the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences”

When viewed in the light of the definition of conflict it can be seen that during a conflict aspects of governance are pursued by violent means. However there are a variety of peaceful channels for the articulation of interests and the mediation of differences in local governance. Some of these are illustrated in Table 2 below. After Hirschman, we shall categorise these channels as different types of “voice”.

The table illustrates how these types of voice can be articulated differently depending on the scope of decentralisation. The typology is not exhaustive and the case studies to follow will identify other channels for voice in various post conflict local governance environments.

Table 2: Typology of voice in local governance

<table>
<thead>
<tr>
<th>Scope of decentralisation</th>
<th>Exercise of voice in local governance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Elected representation</td>
</tr>
<tr>
<td>Political</td>
<td></td>
</tr>
<tr>
<td>Fiscal</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
</tr>
</tbody>
</table>

Before moving on to the case studies we shall briefly annotate the column headings above. By elected representation we refer to elected officials or deputies of elected assemblies that hold power over some or all of the decentralised responsibilities. Bureaucratic action means the voice and action of non-elected officials in local government. Interest group lobby is the pressure for policies and decisions made by political parties, businesses and other organised agencies. Social action is the pressure applied by coalitions and groups of citizens, whether through demonstrations, strikes, publicity lobbying or other means. Passive consultation is the involvement in decision and policy making by pre-selected groups who are consulted on pre-defined issues a part of the decision / policy making process. This matrix will be applied to our case studies together with the conflict driver analysis and the decentralisation matrix.

3. The Case Studies

Peace agreements and other formal accords are often taken as the starting point for analysis of post-conflict recovery and prevention of new conflict. However each potential conflict environment is different and the peace does not start from some “ground zero” or blank sheet of paper, rather it is deeply entwined with the nature of both the conflict and its settlement. Woodward argues that a failure to understand this point can lead to formulaic approaches to governance reforms in post conflict societies (Woodward, 2002). As we have discussed strong conflict drivers can reignite conflicts at any time unless the conflict is resolved definitively or the strength of the drivers is reduced over time. We begin each case study with a short review of the conflict drivers. The case study will take a dynamic look at the decentralisation matrix and exercise voice at the conflict’s end and in the immediate post conflict environment. This will be followed by a brief discussion of lessons learnt that will
address the questions raised in the introductory chapter by examining policy initiatives, proposals and events that impacted on the local governance environment and the conflict potential – with the objective of highlighting actual or potential cause and effect between local governance reforms / initiatives and the conflict environment.

In passing, we note for ease of comparison we replace the terms for the territorial divisions in each case study country with the common terminology of provinces and districts.

3.1 Case Study A: Mozambique

In 1974 the Mozambican National Liberation Front (FRELIMO) negotiated independence from Portugal. The FRELIMO guerrillas fighters were largely drawn from the northern Christian Makonde tribe whilst the intellectual and strategic leadership was from a small group largely drawn from the southern Shangana and Ronga ethnic groups also mainly Christian. The heavily populated northern and central provinces of Nampula, Zambezia and Sofala (with large Islamic populations) were less involved in the armed struggle. RENAMO, an armed resistance movement largely drawn from these provinces and sponsored by Rhodesia and then South Africa contested power with FRELIMO until the peace agreement of 1992 and general elections of 1994.

3.1.1 Conflict Profile and Conflict Drivers:
The FRELIMO post independence modernist drive and its mantra of “kill the tribe to build the nation” meant that traditional and community governance structures were discarded as obsolete and that Christian and particularly Islamic faiths were sidelined by the revolutionary ideology. The central provinces suffered disproportionately the negative consequences of post independence policies. Disaffected army officers from Sofala launched the Mozambique National Resistance, (RENAMO). Material conflict drivers were initially provided by the insertion of the conflict into the cold war and the destabilisation of Mozambique by South Africa. With the end of apartheid these drivers rapidly lost their force.

Powerful subjective conflict drivers were also present. RENAMO would not have been so successful without feelings of disenfranchisement and disaffection, particularly in areas that had not been part of the independence struggle. Peace was initially fragile; RENAMO still had access to arms and controlled large swathes of territory.

Table 3: Conflict Drivers in Mozambique

<table>
<thead>
<tr>
<th>Country</th>
<th>Region / issue</th>
<th>Material conflict driver</th>
<th>Subjective conflict driver</th>
<th>Local Governance Policy Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mozambique</td>
<td>Formal end of conflict 1992</td>
<td>Nampula province</td>
<td>Cold war geopolitics, Destabilisation by apartheid South Africa</td>
<td>Feelings of exclusion from state idea by central and northern populations</td>
</tr>
</tbody>
</table>

3.1.2 Post Conflict Situation Analysis

Local Government - Decentralisation Matrix: Country divided into 10 Provinces and 126 districts. Provincial governors appointed by president. District Administrators appointed by provincial governors. Ministries and other government agencies represented with offices at provincial and district level. This a system of de-concentration and dual subordination in which local representatives of ministries are accountable upwards to the ministerial hierarchy on the one hand and the provincial governor and district administrator on the other hand. These figures exercise a degree of delegated executive authority. Both provincial and district expenditure is part of the central budget approved by elected parliament; therefore no there is no fiscal devolution. We shall focus on the district level – the decentralisation matrix is illustrated in Table 4.
Table 4: Mozambique district government at end of conflict

<table>
<thead>
<tr>
<th>Scope of decentralisation</th>
<th>Nature of decentralisation at district level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Devolution</td>
</tr>
<tr>
<td>Political</td>
<td>X</td>
</tr>
<tr>
<td>Fiscal</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
</tr>
</tbody>
</table>

**Local Governance and Voice:** Table 5 illustrates a top down and FRELIMO party directed local governance structure very little external voice over district government. In strong RENAMO supporting areas local government and party structures are not seen as legitimate and a parallel governance structure existed, providing a potential threat for renewed conflict. There was an active campaign of civil disobedience and disengagement from local services that delayed post conflict reconstruction.\(^{18}\) Table 5 also shows the significant of local officials (who are also local citizens) in exercising voice over district government actions.

Table 5: Mozambique district governance at end of conflict

<table>
<thead>
<tr>
<th>Scope of decentralisation</th>
<th>Elected representation</th>
<th>Bureaucratic action</th>
<th>Party structures</th>
<th>Traditional structures</th>
<th>Passive consultation(^{19})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>XX</td>
<td>XX</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(XXX = \text{very powerful}, XX = \text{powerful}, X = \text{can influence events}\)

3.1.2 Local Governance Policy Response

In addition to the elections at central level (which were won by FRELIMO), the peace agreement envisioned district elections. Initial proposals tabled in parliament were for a self-styled “Caudillo” system of elected district mayors, designed with the support of Brazilian consultants. Mayors would enjoy devolved executive responsibilities and some fiscal devolution. There would be a less powerful elected assembly. The proposal was abruptly withdrawn from parliament when FRELIMO began to absorb the implications of large swathes of territory in the hands of opposition “Caudillo’s”. This decision can be understood as a fear that RENAMO would use its control of contiguous districts to deepen its civil disobedience campaign and inflame subjective conflict drivers.

The alternative policy response was two-fold. Local elections were introduced for 33 major cities and some towns. These municipal administrations had responsibility for some urban services like sanitation and urban planning. They did not displace the district system but co-existed with the de-concentrated administration represented in table 4. In some cases this led to (peaceful) conflict between elected mayors and appointed administrators with jurisdictions over the same territory. After a shaky start, the municipalities have produced improvements in urban management and enabled the ‘safe’ introduction of party politics at local level in which the overall state idea is not contested but improvements to the management of the state system are part of the electoral debates.\(^{20}\)

The second response was in the rural districts. The northern province of Nampula was the chosen for a pilot exercise in expanding community voice in de-concentrated planning and budgeting by interacting with the governance system through linkages with interest groups, party structures, traditional governance structures and passive consultation. The experiment was backed by all-purpose budget allocations to district governments.\(^{21}\) The pilot worked in areas strongly dominated by RENAMO in which influential traditional leaders had encouraged the population not to register with the authorities, send their children to school, enrol for vaccination campaigns etc. Security was still not guaranteed in these areas.
The Nampula experiment expanded voice in two ways. Firstly, it instituted District Consultative Councils (DCCs) that brought together representatives from RENAMO and FRELIMO, Islamic and Christian faiths, traditional and clan leaders, district government bureaucrats and other actors in local governance. The first task of the DCC was to discuss a district development strategy with the objective of raising the debate above the level of squabbling over project priorities budget allocations to a more substantive discussion about the strategic development options. The DCC applied an ‘interest group consensus’ methodology. Meetings divided into groups comprised of previously antagonistic political parties, religious leaders, etc. Each group presented its conclusions to the plenary meaning RENAMO and FRELIMO had to produce a common position on issues such as education priorities.

The second innovation regarded the expansion of voice over the all purpose budget allocation itself. The CCD agreed on the most deprived areas of the district (often RENAMO strongholds) and the budget allocation would be targeted on this area. Participatory Rural Appraisal (PRA) exercises informed the decision making process about the use of the funds. The innovation was not the application of the PRA itself (which was being applied by many development agencies) but that the district government used PRA as part of its decision-making processes.

The experiment was a success in increasing the legitimacy of the local government and in reducing the boycott of government services. It convinced local traditional leaders that peace had finally arrived and that local government was a vehicle for problem solving and development promotion and in doing so diminished subjective conflict drivers. The model was adopted for all district governance in later legislation. Its value to central government was that it legitimised local government as part of local governance and providing a ‘safe’ approach to greater inclusiveness. Improving the state system without challenging the state idea.

One important example of this was in the district of Malema, where the community chose security as its priority above health and education and chose to apply the budget allocation to the building of a police station and cells to deter ex-combatants that had turned to crime.

3.1.4 Lessons Learnt

A key technical lesson is the distinction between decisions over resource allocation and the implementation of those decisions. In terms of our decentralisation matrix this represented limited political devolution with continued fiscal and administrative de-concentration. This challenged the notion that districts did not have the capacity to manage resources. The decision over the use of resources was devolved whilst the financial management and the administration (tendering, adjudication, contract management etc) were performed on the district’s behalf by the provincial de-concentrated agencies. The district administrator became the client, signing contracts and approving payments. This enabled administrators to exercise leadership and provided them with bargaining power when dealing with other government and non-government agencies.

The Mozambique also shows how the victors of conflict (FRELIMO) were able to pursue a developmental approach to local governance in places dominated by the losers. As noted above, the material conflict driver lost its raison d’etre with the end of apartheid. The subjective conflict driver also began to lose relevance as people buckled down to their post conflict lives and security was restored to previously inaccessible areas that were opened up to economic exchange and government presence. The result has been to consolidate FRELIMO’s grip on power. The current government is re-invigorating the party structures at district level. Conflict avoidance is therefore dependent a continued reduction in material and subjective conflict drivers – through economic growth and social inclusion.

Whilst central government and international agencies broadly agreed on this approach others argue that the Municipal option was a timid and piecemeal approach to decentralisation and that the Nampula model was corporatist in nature and does not permit challenge to existing power structures. There is merit in both these arguments and Mozambique still does not have a fully devolved and democratic local government system.
3.2. Case Study B: Angola

In 1974 the Angolan People’s Liberation Movement (MPLA) claimed independence from Portugal. The MPLA did not have a monopoly on the opposition to colonial rule and independence led to a civil war between the MPLA and UNITA – the other large independence movement. As country endowed with the “curse of abundant resources” Angola found that its oil and diamond wealth financed this conflict until the death of UNITA leader Jonas Savimbi in 2002.

3.2.1. Conflict Drivers:
The material conflict drivers evidently included the issue of access to Angola's immense oil and mineral wealth. The country was also deeply immersed in the Cold War with the US and Apartheid South Africa providing strong backing to UNITA and the Soviet Union and Cuba to MPLA. Diamond income meant that UNITA was able to mount a serious challenge to government forces despite the US and South Africa changing sides following geopolitical changes.

Subjective drivers were also important in Angola. The MPLA are largely drawn from the coastal elite, embracing socialism as their independence discourse. They looked north to Europe and west to Brazil for identity. UNITA on the other hand reflected a more ‘Africanist’ tradition and identified with inland ethnic groups and cultures.

### Table 6: Conflict Drivers in Angola

<table>
<thead>
<tr>
<th>Country</th>
<th>Region / issue</th>
<th>Material conflict driver</th>
<th>Subjective conflict driver</th>
<th>Local Governance Policy Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>Internally Displaced Persons (IDPs)</td>
<td>Cold war geopolitics, Destabilisation by apartheid South Africa</td>
<td>Modernist vs. urban elite vs. Africanist rural focus</td>
<td>Proposal to involve municipal administrators in resettlement of IDPs</td>
</tr>
</tbody>
</table>

3.2.2 Post Conflict Situation Analysis

**Local Government - Decentralisation Matrix**: Territory divided into 18 Provinces and 157 districts. Provincial governors appointed by president. Municipal Administrators appointed by provincial governors. Ministries and other government agencies represented with offices at provincial and municipal level. Some similarities to de-concentrated system of dual subordination in Mozambique with one significant difference - due to the almost permanent state of conflict since independence the provincial governors developed significant delegated powers and in effect became the effective chief executive of the province. The case study will focus on the municipal level and the Very little voice for municipal government and local traditional leaders and faith groups also marginalized.

### Table 7: Angola municipal government at end of conflict

<table>
<thead>
<tr>
<th>Scope of decentralisation</th>
<th>Nature of decentralisation at district level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Devolution</td>
</tr>
<tr>
<td>Political</td>
<td>X</td>
</tr>
<tr>
<td>Fiscal</td>
<td>X</td>
</tr>
<tr>
<td>Administrative</td>
<td>X</td>
</tr>
</tbody>
</table>

**Local governance and voice**: Table 8 illustrates the local governance system Angolan districts and in the IDP camps that held large numbers of people by the conflict end. The semi feudal autocracy of the provincial governors spreads its reach into district governance through the MPLA structures and the appointed administrator. However, whilst district citizens have little scope for exercising voice this is not the case in the IDP camps where traditional structures remain intact and can influence camp administration. Communities moved “en
masse" retaining their governance structures intact despite (in some cases) camps that had been in existence for up to 20 years. For example a meticulous parallel births and deaths register was in existence and clan / family chiefs registered IDPs according to their villages of origin, or that of their parents for those born in the camps.

Table 8: Angolan district and IDP camp governance at end of conflict

<table>
<thead>
<tr>
<th>Scope of decentralisation</th>
<th>Elected representation</th>
<th>Bureaucratic action</th>
<th>Party structures</th>
<th>Traditional structures</th>
<th>Passive consultation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>X</td>
<td>XX</td>
<td>X</td>
<td>In some IDP camps</td>
<td>X</td>
</tr>
<tr>
<td>In some IDP camps</td>
<td></td>
<td></td>
<td></td>
<td>In IDP camps</td>
<td></td>
</tr>
<tr>
<td>Fiscal</td>
<td></td>
<td></td>
<td>XX</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
<td></td>
<td>In IDP camps</td>
<td></td>
</tr>
</tbody>
</table>

XXX = very powerful, XX = powerful, X = can influence events

3.2.3 Local Governance Policy Response

In 2002 a BCPR / UNCDF team was fielded to explore a local governance related solution to the resettlement of IDPs. The consultants interviewed Government at central and local levels, OCHA and other agencies and IDPs themselves. The responses were very different. For many in central government provincial government IDPs were now a “fact of life” and should remain in the camps with employment opportunities being created around them. Some aid agencies agreed with this response adding that a network of social infrastructure had been built around the camps. However some, including those at district level argued that the potential return of the IDPs presented an opportunity to begin the rebuilding of local governance structures in areas previously vacated due to the conflict. Yet it was the IDPs themselves who presented the clearest answers. They insisted that they arrived in the camps togethers and were impatient to return to their areas of origin together. This was the clear preference even for those who had spent a decade or more as IDPs.

There was one pre-requisite to their return: The assurance that “government” had been restored in their home areas. By this they did not mean UNITA or MPLA, but rather they meant the security and established authority. They emphatically did not require the provision of public services and to the dismay of some, stated that they would happily abandon those that had been provided for them in order to return home.

Detailed maps and flowchart were drawn up with the support of relevant local governments. These detailed where the IDPs were located now and to where they would return. Government officials collaborated in the development of a programme for their transport and resettlement. It was proposed to delegate some decision making to district and sub district. These levels of administration would also have access for allocating (but not managing) resources including resettlement packs, establishing zones of settlement and generally supervising the return – in coordination with agencies such as IoM. The distinction was made between the delegation of decision-making and the management and administrative logistics to carry decisions out. The latter would remain the domain of the relevant international agencies. Delegation of authority on behalf of the governor was proposed, rather than devolution.

The mission argued that such an approach would enable government to cement the peace by legitimizing local government and linking it with the governance structures in the camps, thus providing a foundation for more inclusive governance in the future. It would also provide a bridge to the introduction of a wider local governance programme once IDPs were resettled and the situation had stabilised that could pilot the devolution of some responsibilities to elected local governments foreseen in the peace agreement.

Initially OCHA and other humanitarian agencies were wary of this idea citing lack of local government capacity and lack of facilities in the areas of return, particularly given the existing...
services in the camps. However OCHA became convinced that people were returning anyway and the solution would provide an innovative approach to resettlement.

The idea had its supporters in aid agencies and central government but was eventually rejected. Two reasons can be cited. Some feared a loss of control and authority. Others in government were reluctant to permit the widespread return of IDPs because they had other plans for the camp populations. This was to use the opportunity to restructure the demographic profile of rural Angola. IDPs in the camps would be provided employment in new agro industrial enterprises to be based close to them or on the now vacant land that they planned to return to. This was presented as a ‘modern’ solution that transformed the IDPs into wage earners rather than allowing them to drift back into smallholder farming. The eventual outcome was a mixture of both outcomes. Some IDPs did move back and in other areas, for example around Wacu Kungo, large Chinese and Israeli financed agricultural schemes are underway.

As Angola grows rapidly following the oil price boom it is investing heavily in agribusiness. Plans for a wider devolution of responsibilities to all districts (also part of the peace agreements) have been shelved – though there will be some pilots in urban areas. The MPLA feels confident that rapid economic growth will outweigh the need for more citizen voice in local governance and will diminish both material and subjective conflict drivers.

3.2.4 Lessons Learnt

What conclusions can we draw from this experience? Firstly that governance is in flux during immediate post conflict environments. Old certainties are disappearing and new institutional arrangements are emerging. The approach to local governance taken during the recovery period can influence the longer-term governance outcomes.

Another key lesson from the Angola case study is the importance of security to returning IDPs. Those interviewed saw a functioning local government and security as being synonymous, and chose this establishment of authority in their areas of origin over the safety and services of the camps. As one commented, “We lived there before the schools were built so we can live there again – as long as it is safe”.

Judgements need to be made about the motives of central government and international agencies during early recovery. There may be have institutional incentives to downplay the capacity of local governance institutions and of local government to play an active part in the post conflict reconstruction. Relief and emergency agencies may have funding and turnover incentives to underestimate this capacity in addition to ongoing programmes and expenditure that would be undermined or rendered less relevant by an focus on local governance solutions.

On the other hand, local government is often a rich repository of information and wisdom about post conflict conditions and recovery strategies. As illustrated in the first case study, there are techniques for tapping this whilst avoiding unnecessary administrative burdens. These were not followed in Angola – and this reduced the role of local government and the voice of local citizens in the post conflict governance framework.

3.3 Case Study C: East Timor

East Timor was also a Portuguese colony. However, unlike Angola and Mozambique the events of 1974 did not lead to independence. The small territory of 800,000 people was annexed by Indonesia immediately after the Revolutionary Front for an Independent East Timor (FRETILIN) movement assumed power. Material conflict drivers included the possibility of oil under the Timor Sea (since discovered), the socialist orientation of FRETILIN, which led to the US and its allies such as close neighbour Australia supporting Indonesia’s invasion as a way of preventing “another Vietnam” during the Cold War. The annexation came to an end when East Timor became an effective UN protectorate in 1999 following the independence referendum and subsequent violence. Full independence was achieved in 2002 although internal conflict has sporadically returned.
3.3.1 Conflict Profile and Conflict Drivers:
In addition to the material conflict drivers mentioned above, subjective conflict drivers also played a role. One of these is the difference in perception of the state idea between the belligerents. For Indonesia, East Timor is one half of an island in “Nusantara” - the Indonesian archipelago and clearly part of its territory and scope. For East Timor their territory is distinct because their predecessors formed a blood bond with the Portuguese in the 16th century and have fought against Dutch Protestantism and Javanese Islam ever since. However this unity against outsiders is not accompanied with internal cohesion. Many fiercely independent ethnic groups inhabit the territory and compete for influence. In addition there is a crosscutting division between the supporters of the FRETelin party led by an effective “government in exile” during the Indonesian occupation and the supporters of the grass roots CNRT movement and the internal resistance led by Xanana Gusmao. Both groups share the same state idea. However the latter passed through the occupation and were changed by it whilst the former did not speak Indonesian nor understand the state system (and undoubtedly development) that was installed during the 25 years in which the territory was an Indonesian province. This difference in perception and outlook, combined with high levels of rural unemployment, allowed subjective conflict drivers of local identity and material conflict drivers of poverty and frustrated ambition to remain strong following independence. In 2006 conflict resurfaced leading to the replacement of the FRETelin government by a Gusmão led government.

Table 9: Conflict Drivers in East Timor

<table>
<thead>
<tr>
<th>Country</th>
<th>Region / issue</th>
<th>Material conflict driver</th>
<th>Subjective conflict driver</th>
<th>Local Governance Policy Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Timor</td>
<td>New local government structure in new state</td>
<td>Cold war geopolitics, Indonesian expansionism</td>
<td>Indonesian state idea vs. local historical loyalties</td>
<td>Proposal for devolved local government with mandate to rebuild local economy</td>
</tr>
<tr>
<td></td>
<td>High levels of poverty and unemployment</td>
<td>Competing ethnic groups / interest groups within East Timor</td>
<td>“Government in exile” vs. internal opposition</td>
<td></td>
</tr>
</tbody>
</table>

3.3.2 Post Conflict Situation Analysis
**Local Government - Decentralisation Matrix:** Territory divided into 13 districts and 65 sub districts – inherited from its time as an Indonesian province. Each district and sub district run by an appointed district head, in the early UN protectorate phase these were often expatriate advisors, some who did not speak a relevant language. Later they became local appointees. Following formal independence FRETelin placed party members as the sub district heads. District head authority limited to coordination under delegated authority. In 2003 District Head financial approval authority was limited to $50 petty cash. Ministries effectively ran the territory. Each Ministry operated as a donor programme underwritten by World Bank multi donor trust fund financing.

Table 10: East Timor post conflict district government

<table>
<thead>
<tr>
<th>Scope of decentralisation</th>
<th>Nature of decentralisation at district level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Devolution</td>
</tr>
<tr>
<td>Political</td>
<td>X</td>
</tr>
<tr>
<td>Fiscal</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>X</td>
</tr>
</tbody>
</table>

**Local Governance and Voice:** Competing local power centres. East Timor is divided into over 450 ‘Sucos’ or villages. In rural areas these are clan based though territorially defined, in urban areas they are neighbourhood based. Early post-independence legislation transformed Sucos into a layer of “autonomous local government” with the districts and sub districts
remaining as de-concentrated agencies. Elections for Suco heads took place in 2005 – in many cases confirming and legitimising the existing clan leader. In some areas during the immediate post conflict environment CNRT carried out local governance functions. Yet this group was often not allied to the FRETELIN party structures nor fully recognised by the UN administration. Added to this complex web of local governance were the Community Empowerment Project (CEP) project structures at village level. This World Bank Social Fund project was part of a wider Indonesian programme and continued under a new name following the breakaway. By accident therefore, CEP village committees became a forum for decision-making that had privileged contact with the international community during the UN administration. Their role diminished after full independence. Whilst there are no formal linkages between the Suco structure, CNRT, FRETELIN, and the CEP in some places the same people were leading all of them and the voice of the ‘legitimate’ local leadership prevailed. In other places there was serious conflict between these actors.

Table 11: East Timor village governance at end of conflict

<table>
<thead>
<tr>
<th>Scope of decentralisation</th>
<th>Elected representation</th>
<th>Bureaucratic action</th>
<th>Party structures</th>
<th>CNRT structures</th>
<th>Traditional structures</th>
<th>Passive consultation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>CEP &amp; Suco elections in 2005</td>
<td>X</td>
<td>X</td>
<td>Through Suco</td>
<td>XX</td>
<td></td>
</tr>
<tr>
<td>Fiscal</td>
<td>Some discretionary resources</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Through CEP</td>
</tr>
<tr>
<td>Administrative</td>
<td>Some Admin roles</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Through CEP</td>
</tr>
</tbody>
</table>

XXX = very powerful, XX = powerful, X = can influence events

3.3.3 Local Governance Policy Response

A UNDP / UNCDF team was fielded to develop the East Timor Local Government Options Study for the new state. For the incoming government this was an opportunity to wipe the slate clean and begin afresh – retaining the system inherited from Indonesia was not a serious option because it was neither understood nor understandable by the returning exiles (all documents were in a language they did not comprehend. Yet this structure, including a limited role for the Suco, was the only comprehensive local governance system the territory had known, and one that had delivered significant improvements in service delivery and economic development. For the population it was a case of “now we have got our independence, when are we going to get our local government back?” There was a clear preference for a democratised and devolved version of the structure inherited from Indonesia. The UNDP / UNCDF team produced five options: Do nothing; a district based system; a sub district based system; a Suco based system and a de-concentrated model. The consultants did not make any specific recommendation but the Government appointed advisory team and many actors favoured the sub-district municipal model that would devolve and delegate political and fiscal powers to sub districts whilst continuing with administrative support from the district level, where most administrative capacity is based. The sub-districts would be able relate closely with the proposed autonomous Suco, support their limited responsibilities and provide other services to them.

This option was not adopted. Ministers, central government officials and those involved in the donor-ministry programmes felt that there was insufficient capacity at local level for any meaningful decentralisation. Funding arrangements underwriting the service delivery ministries were structured at central level. On a political level it was felt that empowering Suco would both satisfy popular demand for reform and mitigate against any challenges to FRETELIN power, whereas empowering the sub-district may lead to alternative centres of power in those sub-districts where the FRETELIN candidate is not successful.
The Suco elections of 2005 absorbed a lot of energy but did not have the intended effect of providing a legitimising local governance structure. Conflict re-emerged sporadically until to the replacement of the FRETELIN government in 2007.

3.3.4 Lessons Learnt
With hindsight the East Timor experience represents the best opportunity from our four case studies for local governance to be instrumental in leading long term recovery. This was an opportunity lost. During the period of Indonesian rule the territory was subsidised and integrated into the regional economy. One form of support was the presence of a large number of state officials and development schemes and the multiplier effect of this to the local rural economy. Another was the network of traders across the eastern archipelago. These two supports provided a market for local production and a foundation for the local economic activity. Both vanished following the referendum and the growing rural poverty led to a breakdown in security in some places. Yet the financial flows involved were more than replicated by the donor support provided to East Timor. If these had been made available locally then the local economy may have been at pre independence levels thereby removing one of the key post independence material conflict drivers.

The capacity constraint argument against decentralisation is pervasive and can be used to against on any meaningful devolution of power. This can lead to a concentration of decisions at inappropriate (central) levels and bottlenecks in delivery because the centre does not have access to the appropriate information whilst the locality has the information but is denied effective channels to link this information with resources. One clear example of this phenomenon was the case of road maintenance: A pilot District scheme using Suco labour to maintain roads was not extended quickly enough to provide significant levels of employment.

Despite the kudos of the FRETELIN name and the sweeping victory in the first elections - Central government leadership did not feel confident enough to pursue a meaningful local governance recovery option due to their incomprehension of local reality despite the possibility that it was in their interests to do so.

3.4 Case Study D: Indonesia (Aceh)
The province of Aceh is at the other end of the Indonesian Archipelago from East Timor and the Acehnese, like the Timorese, were never totally subdued by the Dutch or the Javanese empires. However the Aceh elite played a major role in developing the Indonesian state idea and working for its fruition. The territory became absorbed into Indonesia but grew increasingly impoverished. Benefits of its oil and gas revenue accrued to Jakarta and were not re-invested locally. For the Acehnese elite this represented a betrayal of the independence that they fought for and became a material conflict driver of the rebellion, led by the Free Aceh Movement (GAM) which lasted for 30 years until the horrific Indian Ocean Tsunami of December 2004 and Earthquake of January 2005. The extraordinary nature of which accelerated negotiations towards the peace agreement of 2006. Under the agreement province enjoys special autonomy together with a degree of revenue sharing with central government.

3.4.1 Conflict Drivers:
The subjective conflict driver in Aceh is based on a historical sense of difference. Aceh was a powerful independent sultanate in close alliance with Turkey and one of the defenders of Islam in South East Asia. It defeated the Portuguese and practices a slightly different form of Islam. There is a grievance that this is not acknowledged by their status as “just another province” particularly as their former grandeur contrasts with their current poverty.
Table 12: Conflict Drivers in Aceh

<table>
<thead>
<tr>
<th>Country</th>
<th>Region / issue</th>
<th>Material conflict driver</th>
<th>Subjective conflict driver</th>
<th>Local Governance Policy Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>Regional autonomy / separatism / feelings of difference</td>
<td>Distribution of mineral resources away from the province</td>
<td>Lack of acknowledgement of cultural and historical traditions and legacy</td>
<td>Special autonomy legislation for the province</td>
</tr>
<tr>
<td>Formal end of conflict 2006</td>
<td>Distribution of mineral resources away from the province</td>
<td>Lack of acknowledgement of cultural and historical traditions and legacy</td>
<td>Special autonomy legislation for the province</td>
<td></td>
</tr>
</tbody>
</table>

3.4.2 Post Conflict Situation Analysis

Local Government - Decentralisation Matrix: The breakaway of East Timor made it apparent that the highly centralised “New Order” system promoted by Suharto could not last. Decentralisation legislation was passed in 1999 and revised in 2004. This devolved responsibility for service delivery to districts and removed the supervisory control over them by provinces, essentially placing district and province on the same hierarchical level with most key responsibilities, central grants and revenue collection at district level, together with some continuing de-concentrated arrangements. In Aceh province this was reform was implemented during conflict and for much of the time under martial law. The new responsibilities were not matched by a concomitant local government capacity development.

The peace settlement includes a special autonomy law for Aceh province. Central government changed the law to allow local parties contest the gubernatorial election. Leaders from GAM and its allies were elected as Governor and Vice Governor – and assume their devolved powers together with delegated functions as representatives of central government.

Under the autonomy legislation the province receives additional funds and increased powers, regaining some hierarchical status over the districts. The new legislation for Aceh does not replace the earlier 1999 and 2004 district autonomy legislation but sits uneasily alongside it. An important but little used feature of the original law is the provincial review of district budget proposals before they are passed by the district parliaments. This is often not seriously applied because district parliaments question the legitimacy of the review. In Aceh there is an opportunity to make sense of this process. The combination of new and existing powers for the province is illustrated in table 13.

Table 13: Aceh Provincial post conflict government

<table>
<thead>
<tr>
<th>Scope of decentralisation</th>
<th>Nature of decentralisation at provincial level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Devolution</td>
</tr>
<tr>
<td>Political</td>
<td>X</td>
</tr>
<tr>
<td>Fiscal</td>
<td>X</td>
</tr>
<tr>
<td>Administrative</td>
<td>X</td>
</tr>
</tbody>
</table>

Local Governance and Voice: Four factors influence the local governance framework in Aceh: Islam; GAM; the rural districts; and the post tsunami Reconstruction and Rehabilitation Body (BRR). Sharia Law applies in the province and there are clerical / judicial institutions such as the Sharia Police and Sharia Courts. Secular GAM does not include Sharia Law as part of its platform. Instead it was imposed upon the province by central government prior to the peace agreement. Various motives have been ascribed to this, including an attempt to drive a wedge between GAM and the theocracy. Currently violent extortion and crime by demobilised GAM fighters is rising and the Governor is under pressure to demonstrate the material benefits from the peace. Whilst the peace has largely removed the subjective conflict driver – lack of integration of former fighters into the economy threatens to become a new material conflict driver.
There is a constellation of elites and ethnicities within the province. Acehnese largely inhabit the eastern and northern coastal regions whilst other ethnic groups including Javanese migrants inhabit the western coast and mountainous interior. These were not all supportive of the GAM led insurgency and have recently pushed for the creation of two new breakaway provinces. The splitting and proliferation of provinces and districts has been a phenomenon in Indonesia, largely driven by ethnic / elite interests and institutional incentives created by the central government grant arrangements.

Another key Aceh governance institution is BRR. This is an ad hoc ministry established with the sole objective of handling the $2bn Indonesian government reconstruction funds for the 2005 tsunami and 2006 earthquake. It has extensive responsibilities that to some extent displace the province and districts. Though officially a ministry, BRR introduced new systems and remuneration packages – headhunting some staff from the private sector. The sheer volume of these resources and the capacity to manage them dwarfs that of the province and districts. However this will change as BRR phases out (it is mandated to close by April 2009) and the newly agreed autonomy fiscal transfers to the province start to flow. A key challenge is how to fill the vacuum that will be left by the demise of BRR and how to transfer its capacity to mainstream local government bodies.

<table>
<thead>
<tr>
<th>Scope of decentralisation</th>
<th>Elected representation</th>
<th>Local Government bureaucratic action</th>
<th>BRR</th>
<th>Political Party structures</th>
<th>GAM ex combatants direct action</th>
<th>Sharia and Adat systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>XXX</td>
<td>XXX</td>
<td>XX</td>
<td>X</td>
<td>X</td>
<td>XX</td>
</tr>
<tr>
<td>Fiscal</td>
<td>XXX</td>
<td>X</td>
<td></td>
<td>XX</td>
<td>XX</td>
<td>XXX</td>
</tr>
<tr>
<td>Administrative</td>
<td>XXX</td>
<td>X</td>
<td></td>
<td>XX</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

XXX = very powerful, XX = powerful, X = can influence events

3.4.3 Local Governance Policy Response

UNDP worked with local government in the immediate post tsunami / post conflict period. “Letters of Agreement” were signed with district and provincial governments under which they became simultaneously beneficiaries of capacity building and executors of specific activities such as tsunami waste disposal, demolition of damaged buildings and employment providing livelihoods activities. The approach trusted the existing institutions and transferred contractual obligations directly to them.

Following election of the new governor UNDP expanded its support to the provincial executive to develop and implement policy. This area of capacity strengthening is often neglected. Rather than focus on the individual capacity or the institutional capacity, this support looks at the capacity to manage reform by supporting a team of policy advisors drawn from the wider GAM network (sympathisers, academics, ex ministers etc). These are not apparatchiks but represent the policy network of the incoming administration. They have been charged with charting a course for the peaceful integration of ex combatants, smooth realignment of political and economic relations with central government and the implementation of the governor’s progressive “green” policies – including through grants to districts.

One part of this is the replacement of all provincial department heads through an open recruitment process. The argument behind this reform is that rather than just attempt “capacity building” of bureaucrats it is also important to replace those at the top with new leaders who understand the new administration’s mission and who are ‘untainted by the corrupt and lethargic past’.

Finally the programme involves development of the provincial training and human resource institute. This has the objective of mainstreaming best practices into provincial governance including those introduced by aid agencies since the tsunami relevant lessons learnt from other parts of Indonesia and neighbours such as Malaysia.
This local governance policy response has been controversial. Some critics of the programme argue that providing such open support to the incoming executive is risky and that emphasis would be better placed on more standard capacity strengthening. Certainly, the replacement of department heads has slowed down the transition process because the new incumbents are still coming to terms with their new jobs and are finding it difficult to assess how to address the transfer or operational capacity from BRR. At root, many object to the way in which the programme facilitates the incoming governor’s priorities instead of focussing on introducing ‘international best practice’.

3.4.4 Lessons Learnt
With regard to conflict prevention and security, the jury is still out on the effectiveness of this process. Economic empowerment of the demobilised ex-combatants and mollification of the disaffected regions of the province will be necessary to avoid conflict resurgence. However the Provincial government believes it can create the conditions for rapid growth.

One weakness of the strategy is that the emphasis on the province whilst it is also the districts that will be at the sharp end of the implementation. Yet if the province is able to intelligently use its new resources and responsibilities to both capacitate and cajole districts into supporting its recovery plans it may be able to diminish material conflict drivers sufficiently to seal the peace.

4. Overall Conclusions and Recommendations
In this section we shall present some conclusions and recommendations from the four case studies. The discussion will be augmented other examples of post conflict recovery. The focus will be on how to apply the analytical framework presented here as a tool for designing the most appropriate local governance response to post conflict situations.

4.1 Understanding Conflict Drivers and Security
One lesson is the importance of understanding conflict drivers in post conflict situations. Have the same drivers continued into the post conflict environment or has the post conflict situation created new conflict drivers, as in East Timor and Aceh? An example of where the conflict drivers have not changed is Rwanda. Here decentralisation is included amongst the good governance agenda applied by the Paul Kagame regime. Yet literature on decentralisation in Rwanda fails to mention the subjective conflict driver (Hutu supremacist extremism) that has fuelled conflict irrespective of whether it has any material base. The demographics of Rwanda and the ongoing conflict with similar drivers in eastern Congo suggest that any discussion of decentralisation should take into account how it would interact with this subjective conflict driver.

Government policy makers in Rwanda are aware of this and it colours their approach to decentralisation: many argue that it would be too dangerous. However international agencies at best tend to address these issues by proxy, using lack of local capacity as an excuse for supporting central government’s conservative approach. At worst international agencies ignore these issues and follow a technocratic approach to decentralisation.

The permutation of interplays between conflict drivers and policy responses should be considered when addressing decentralization options in post conflict environments. Conflict drivers may also play a role when addressing options for voice in post conflict local government. What types of voice would be most appropriate for diminishing subjective conflict drivers? Here the Mozambique case study presents a good example. The district governance model adopted succeeded in diminishing the subjective conflict drivers which reduced the boycotts of local state institutions and enabled essential services to be provided.

All our case studies stress the importance given to security by conflict affected populations and the roles that local government can play in enhancing security and providing mediation and legitimacy for the state at the local level. This is as important as the role of local government in service delivery.
4.2 The Capacity Fallacy

The second lesson from the cases presented is that weak local governance capacity is often cited as a determinant of local governance policy response. But our case studies show that weak capacity need not be a break on local governance interventions in post conflict situations. Local government tends to have an informational advantage and institutional memory that is overlooked at peril, particularly with regard to the nuances of conflict drivers and their relationship with governance. What appears to be weak capacity can also be seen as ‘appropriate capacity’ that fits in with its institutional environment. For example there may be very good reasons why decisions are not taken quickly (for example key figures need to be consulted first).

These capacity constraints can be overcome by addressing separately the political, fiscal and administrative scopes of decentralization. The Mozambique and Aceh case studies illustrate that political devolution (responsibility for decisions) can precede the full transfer of fiscal or administrative responsibilities. Furthermore, these latter two can be disaggregated. Local governments can assume (full or partial) responsibilities for planning and budgeting before they assume the role of financial management. Local governments can sign construction or service contracts and sit on adjudication panels whilst a higher agency or non-government body performs the procurement technicalities. This is a form of reverse delegation (or client-agent relationship).

All the case studies suggest that capacity strengthening in post conflict local governance should not be confined to the individual training of administrative staff and the reform or strengthening of institutional arrangements with the objective of providing more efficient public goods. In any case decentralization may not always lead to greater efficiency.

Instead issues such as policy development and coordination, leadership, patronage, security and legitimacy should be considered as part of the immediate post conflict local governance response. Capacity strengthening in these alternative priorities may enable local governance to play an active role in securing peace in post conflict environments. In conclusion, capacity need not be a constraint to a local governance response as it was in Angola and East Timor where local governance responses may have been appropriate. Leadership capacity and legitimacy may exist and should be utilized even if technical capacity is lacking. There is a very encouraging literature on this taking place in Liberia through multi-agency work with Local Government, in a way that did not take place in Angola.

4.3 The Power Equation

The third conclusion from the case studies relates to the importance of viewing the power relations of local governance and local governance policy responses. This is evidently related to the material conflict drivers, but is wider than that because it includes interest groups that are not party to the conflict. Who stands to gain and who stands to lose? The case of Angola demonstrated how international agencies and elements in government have different interests that lead them to common positions in opposing a local governance solution. They then join together in deploying the capacity arguments mentioned above.

Often, by necessity as much as by choice, international community actors choose to back a particular party to the conflict. In East Timor, after some initial vacillation blessing was given to the FRETELIN returning government in exile over the CNRT / Gusmão grouping. The merits of this decision can be debated but FRETELIN presented an organized and disciplined option to whom power could be relatively easily handed over. There are no absolute rights or wrongs in these decisions – but once made they will have local governance and conflict driver implications.

4.4 Exclusive or Inclusive Local Governance?

Related to the power equation is the issue of inclusive citizen based or exclusive interest group based local governance. This is an issue that runs through all the case studies. In Mozambique the government was reluctant to pursue a wider devolution model because they feared it would lead to institutionalized exclusivity in which each party had “their” districts and
spoil / patronage was divided accordingly. The model chosen appealed precisely due to its inclusiveness and was criticized for the same reason – it presented a corporatist rather than winner takes all solution.

This issue can be seen in other countries not covered by our case studies. In Uganda and Indonesia (outside Aceh) for instance there has been a trend of creating new districts to accommodate a particular ethnic, religious, cultural group or local elite. Fiscal decentralization modalities provide an incentive for this and local elites gain patronage advantages. However this works against inclusive and citizen based local governance towards a model based on exclusivity and pre-defined groups. In East Timor the exclusive rural Sucos demonstrate this conundrum, being both clan based and territorially defined. On the other hand inclusive urban Sucos are simply neighbourhood organizations open to all residents. To the outsider the IDP camps in Angola appear a disorganized mass of people, however closer examination reveals that their internal organization demonstrates a high degree of exclusivity. Finally in Kosovo the local governance response to the post conflict has been to create largely exclusive ethnic based local government units to provide some form of representation for the minority Serbs. This incidentally will enable the smooth integration of those districts back into Serbia at some future date.

In this paper we make no particular value judgment on these issues apart from the observation that secular liberal thought has traditionally supported the inclusive approach to governance in which one state idea and one state system underpins individual rather than group liberty under the law. France and the United States are two clear examples of where this principle is constitutionally enshrined. This is not necessarily the best system, nor is it necessarily wise to impose it on post conflict environments. However in making local governance policy choices in post conflict situations it is useful to bear the concept of inclusive and exclusive governance in mind whilst linking them to conflict drivers and preferred eventual outcomes.

4.5 Recommendation: Decentralization and Post Conflict Governance

The main recommendations of this paper are that conflict drivers and the governance capacity issues raised above need to be considered when developing local governance responses to conflict environments. We can summarise these recommendations as following:

1. Weak technical capacity is not a constraint to local governance solutions if they are imaginatively applied as illustrated above. There is not an automatic correlation between technical capacity and political (leadership, policy) capacity and both types of capacity are needed.

2. Concepts such as Local Information, Security Enhancement, Leadership, Legitimacy and Inclusion should be used as criteria defining policy approaches to local governance in an immediate post conflict environments.

3. Efficiency in allocation of public goods should not be the principle argument for or against decentralization and local governance responses in post conflict environments.

4. Conflict drivers and voice analysis should be applied in assessing the likely impact of local governance programmes in conflict sensitive areas.

5. Policy makers and programme designers should be aware of the overall political objectives of the main national and multilateral actors. Is it to prevent a recurrence of conflict at all costs? Is it to keep a jurisdiction (nation, province etc) together? Or is it to peacefully manage its break up?

There are no simple answers. Decentralization and local governance policy options will never be neutral and will favour some against others. Decentralization is unlikely to be the deciding factor in producing durable and peaceful post conflict outcomes. However it can significantly support or hinder progress towards those outcomes.
Notes on the Difficulty of Studying the State

1 World Public Sector Report, UNPAN (2003)
2 To some extent the collective of local government and local governance is synonymous with the term ‘local state’, however this is a more contested sociological concept and we shall refrain from using it here.
6 Recovering from War: Gaps in early action Rahul Chandran, Dr. Bruce Jones, and Natasha Smith, Yoshino Funaki and Gigja Sorensen. NYU Centre on International Cooperation, July (2007)
7 For example see From Fragility to Resilience: Concepts and Dilemmas of Statebuilding in Fragile States Research Paper for the OECD Fragile States Group, Bruce Jones and Rahul Chandran. (2008)
9 Adapted from The Implications of Decentralisation and De-concentration for the National Planning and Budget System David Jackson, Velasco Bazima and Roberto Salomão, Mozambique Ministry of Planning and Finance December (2003).
10 Voice is a theoretical concept developed by Albert O. Hirschman used to describe ways in which members of a social grouping (organisation, community or society) positively engage to with that grouping to alter their position. The alternative is posed as Exit, which means walking away (i.e. becoming a refugee, resigning from the organization etc).
11 Mohamad G. Alkadry usefully points out the voice exercised by bureaucrats (either on their own behalf or on behalf of lobbying citizens – who can also be neighbours and share the group characteristics – see Deliberative Discourse between Citizens and Administrators If Citizens Talk, will Administrators Listen? In Administration & Society, Vol. 35, No. 2, 184-209 (2003)
12 The definition of social action used here is narrower than the Weberian term that would cover almost all the types of voice in the table. In this paper by social action we mean active and open group actions such as strikes, demonstrations, campaigns and other socially organized expressions of voice.
13 We use this term rather than the term “participation” to describe the Participatory Rural Appraisal methodologies developed by Robert Chambers and applied by many development agencies in decision-making. The word passive is used because the participants do not determine the time, date, and agenda of this consultation. This is described in Local Governance Approach to Social Reintegration and Economic Recovery in Post Conflict Countries: The view from Mozambique David Jackson, UNCDF/UNBCPR/ Institute of Public Administration conference on "A Local Governance approach to Post Conflict Recovery". New York, (2002) and in Participation: the New Tyranny? Cooke and Kothari (ed.) Zed books (2003). See also reference to Chambers in note 20 below.
15 The Indian Ocean port of Beira at the end of a rail line to the African hinterland is a case in point. The new FRELIMO government applied the UN sanctions against the illegal government of Ian Smith in what was then Rhodesia. The cessation of goods and services along the Beira Corridor meant that independence became synonymous with economic hardship in the port city. Resentment was further fuelled by the arrival of provincial governors and government staff largely drawn from the southern Shangana and Ronga tribes.
17 In the major cities the post of administrator was termed “President of the Municipal Executive Council” However to all intents and purposes the urban presidents and rural districts functioned in the same way. The Municipal Executive Council referred to the collective of de-concentrated agencies, not to an elected forum.
18 For example refusing to take out ID cards, allow children to be vaccinated or to go to school.
19 See note 11 above
20 Perhaps the best example is in Mozambique’s second city, Beira (pop c.600,000), which is governed by a RENAMO backed candidate and has won plaudits for the improvements in municipal management.
21 Technically speaking these were not grants because the district (and provincial) budget allocations were a budget lines of the central government, approved by Parliament. The resources were registered in this central budget whilst decisions over their application were made at district level. See reference in note 7 above
22 See Rural Development: Putting the Last First, Robert Chambers, Longmans 1983 and note 11 above.
By modernist we mean enlightenment inspired elite who follow the notion of progressive stages of development. At first this was applied through the application of the socialist model and now through the reduction of the smallholder form of production and the development of a wage earning class.

Known as municipios in Angola

In older, more established camps the distribution of food had ceased and IDPs existed by providing “labour and services” to the host community and farming on marginal lands between their lands. See Pilot Reintegration and Recovery Programme draft project document and annexes. Government of Angola and UNDP drafted by Leonardo Romeo and David Jackson (2002)

Often incorrectly termed participation – “tyranny of participation”

The consultant team was comprised of Leonardo Romeo of UNCDF and David Jackson (author of this paper); Sam Barnes from BCPR supervised the mission.

See reference in note 27

The idea of Indonesia itself is a construct – a creation of largely Javanese intellectuals who began to use the term to refer to Nusantara - the vast Malay Archipelago including the Islands of Java, Sumatra, Borneo and Sulewesi, largely under Dutch influence.


See note 28 above

The team included the author of this paper together with Roger Shotton, Jesper Steffenson and Tanya Hoje

See note 28 above

See note 28 above

See Evaluation of the Proliferation of Administrative Regions in Indonesia David Jackson, Darmawan, Suhasil Nazara, Tauhid Ahmad, Deniey Adi Purwanto (Indonesia) National Development Planning Body. 2008

Sharia law is based on Koranic principles and operates alongside Adat law which is based on customary principles, both are parallel to the civil justice system

This information is from interviews of government officials during a consultancy mission to Rwanda carried out by the author in 2004

This case is far from proven and the international academic pendulum swings from line agency “based sector wide approaches” to territorial governance based “decentralized approaches” and back again.