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GOVERNMENT FORUM (CLGF) CONFERENCE
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DEVELOPMENT AGENDA**

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**Speech by Mme. Michele Dominique Raymond, Assistant
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on

***Developmental Local Government: Providing Leadership for
Social Development and Economic Growth:***

Hon. Chairperson,

Distinguished invited guests,

Ladies and gentlemen,

I thank you for the opportunity to make a statement at this meeting. I have been requested to speak on the theme: *Developmental Local Government: Providing Leadership for Social Development and Economic Growth.*

I wish to begin by stating that the role of local government in development is well acknowledged in ACP-EU relations. Article 6 of the Cotonou Agreement

makes specific reference to local authorities as one of the actors of cooperation between ACP and EU States. I am particularly pleased to speak on at this event because almost 50 ACP States are members of the Commonwealth.

Allow me to take this opportunity to briefly inform you of what the ACP Group is doing in terms of support to local government. In 2010, we launched a programme called on Supporting and Strengthening ACP Local Government Associations, ARIAL in short. The objective of the programme is to promote the political recognition, role and participation of local government (LG) as full-fledged development actors and partners. Specifically, the programme consists of reinforcing the capacities, resources and effectiveness of ACP-LG and of their representative structures from the national to the all-ACP level so that they will be able to take part in the dialogue and in the implementation of development policies (notably with the EU) and play their political role, as agreed in the revised Cotonou Agreement.

At the national level, assessments of LG needs have been translated into tailor-made assistance specific to each region. In addition, in 2012, a first series of 5 emerging national associations of LG were selected to receive financial and technical support from the programme.

At regional level, the assessments allowed to clearly identify 4 regional associations of LG in West Africa (WARO), East Africa (EALGA), Southern Africa (SARO) and the Caribbean region (CALGA). With regard to Central Africa and in the Pacific region national associations are now discussing the creation of a regional association.

At all-ACP level, the ACP-LG Platform plays a role in terms of representation, advocacy, information and networking services, and technical support to ACP local government associations.

This brief overview of the ACP Group's work in the area of local government provides a good basis for me in first of all, looking at the role of local government in development, and more fundamentally, how local government can play a leadership role in this process.

The Importance of local government in development

Local governments are vital for social development and economic growth because of their closeness to the people, local networks and understanding of local issues and felt needs and therefore are in a privileged position to plan for development based on people's needs.

Further, local councils deliver a range of pro-growth services from infrastructure, housing, education, health, transport, roads to waste management among others.

However, the importance of local government has not always been recognised. In the past, national development programmes have often sidelined the views and inputs of citizens in the planning, implementation and evaluation processes. The result is that local citizens have been largely not benefited from the gains and benefits of development.

It is now widely acknowledged that the impact of development is far-reaching if it is inclusive and local citizens are involved in determining and implementing projects that address their needs. Conventional trickle-down (top down) macroeconomic development policies have failed to reduce poverty and inequality.

Under-provision of key public goods is often an indicator of the lack of development especially in Sub-Sahara Africa, and it is usually a problem of governance. The World Bank, in its 2004 World Development Report on *Making Services Work for People* stated that in society, services are provided not through market transactions but through the government taking responsibility. That is, through the “long route” of accountability— by clients as citizens influencing policymakers, and policymakers influencing providers.

Current development thinking has thus shifted in favour of more inclusive and pro-poor policies where local citizens not only have a stake and fully participate in development programming but share in the benefits of development.

Local governments could therefore be the channel for effectively utilising citizens’ energies, resources and enthusiasm together with expertise and capital investment of development partners and businesses, civil society groups and local networks abound and can be effectively harnessed to promote local development. Policy makers therefore need to critically address the challenges that have prevented the participation of local government in development.

Institutional and legal challenges

Despite the fact that in many countries, decentralisation has become the norm, it is fraught with legal and constitutional bottlenecks. Whereas local

government autonomy finds expression in many national statutes, practical implementation on the ground remains a challenge.

The pertinent question is, what does it take for political decentralisation to improve universal, basic social services? According to the World Bank there are two conditions. First, voters must be able use information about the quality of local public goods in making their voting decisions. Second, local political promises to voters must be more credible than regional or national promises. In this way, decentralization can strengthen the links and accountability between policymakers and citizens.

However, despite this obvious recognition of the importance of local government, there have been in recent years a number of challenges facing local governments. In most advanced economies, including in the USA where one local authority has filed for bankruptcy protection, local governments are facing severe spending cuts.

In developing economies, many local government jurisdictions are economically vulnerable and lack the capacity on their own to generate adequate resources for development. The situation is worsened by the ceding of low yielding revenue items to local authorities by central governments. Meanwhile reforms to transfer competencies and resources to local governments are often resisted from the center.

Leadership role of local governments

Local governments can provide leadership for social and economic development by promoting Local Economic Development (LED) and facilitating and nurturing local initiatives through the following approaches as advocated by the World Bank:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city for regeneration or growth (areas based initiatives);
- Supporting informal and newly emerging businesses;

- Targeting certain disadvantaged groups (social inclusion); and
- When local politics are pro-poor (but national politics aren't), local governments could be more reliable financiers of services, and vice versa.

The Role of Elected Councilors, Members of Parliament and Community Leaders

Local Councilors and Members of Parliament who are the elected representatives of the people must serve as change agents and lead the way in lobbying and advocating for policy and legal reforms and mobilising resources for local development. They must speak up and serve as the voice of the communities they represent. Members of Parliament are particularly in a pole position to initiate or amend legislation in support of local governance and economic growth

Local Councilors should be the rallying point for the collection and collation of local development needs as a basis for local development planning and development. Communities should be educated and sensitised to hold local government leaders and officers accountable through social audits (town hall meetings between communities and LG leaders) and to participate in project monitoring and evaluation.
