

The Informal Development Partners Working Group on  
Local Governance and Decentralisation (DPWG-LGD)

# Harmonisation, Decentralisation and Local Governance: Enhancing Aid Effectiveness

Ugandan workshop report

Implemented by the Decentralisation Development Partners Working  
Group in Uganda and Wageningen International

Dieuwke Klaver, Wageningen International, Wageningen UR  
Assumpta I. Tibamwenda, Consultant

November 2009

# Harmonisation, Decentralisation and Local Governance: Enhancing Aid Effectiveness

Ugandan workshop report

Dieuwke Klaver, Wageningen International, Wageningen UR  
Assumpta I. Tibamwenda, Consultant

November 2009

ADDRESS:  
Wageningen International  
Lawickse Allee 11, Wageningen

Tel : +31 317 486800  
Fax: +31 317 486801

Initiated by InWEnt  
Secretariat DPWG-LGD  
Capacity Building International  
Friedrich-Ebert-Allee 40  
53113 Bonn, Germany

Tel: +49 228 4460 1559  
Fax: +49 228 4460 1766

[Secretariat\\_dpwg\\_lgd@inwent.org](mailto:Secretariat_dpwg_lgd@inwent.org)  
[www.dpwg-lgd.org](http://www.dpwg-lgd.org)

MAILING ADDRESS:  
P.O. Box 88  
6700 AB WAGENINGEN  
The Netherlands

E-mail: [info.wi@wur.nl](mailto:info.wi@wur.nl)  
Website: <http://www.cdic.wur.nl>



Federal Ministry  
for Economic Cooperation  
and Development

Financed by

## Contents

Executive Summary Lead Donor Workshop Kampala, Uganda.....	i
1. Introduction.....	1
1.1. Rationale.....	2
1.2. Participation and Methodology.....	3
2. Introductory Notes.....	5
2.1. Minister of State Investment, MoFPED.....	5
2.2. Mr. Eugen Kaiser, InWent – Capacity Building International Germany.....	5
2.3. Ms Jenifer Bukhoke, Chairperson DDPG, Uganda.....	6
2.4. Ms Dieuwke Klaver, Wageningen UR, Netherlands.....	6
3. Presentation of Decentralisation and Local Governance in Uganda.....	7
3.1. Decentralisation and Local Governance Policy, Achievements and Challenges.....	7
3.2. Harmonisation, alignment and ownership in Uganda.....	8
3.3. Harmonisation and Alignment in the field of LGD, challenges.....	10
4. Lessons learned from DPM, Tanzania, Rwanda, Ghana and DPWG-LGD.....	12
4.1. Municipal Development Partnership.....	12
4.2. Experiences from Tanzania.....	13
4.3. Joint Governance Assessment in Rwanda.....	14
4.4. District Development Facility in Ghana.....	14
4.5. DPWG-LGD Specific Guidelines.....	15
4.6. Lessons learned from others.....	16
5. Defining a strategic agenda for Harmonisation and LGD - Appreciative Inquiry.....	18
5.1. Appreciative Inquiry methodology.....	18
5.2. Identification of Energy and Resources.....	19
5.3. Dream Phase – The Desired Situation.....	20
5.4. Design Phase – How To Realise The Dream.....	22
6. Reflections, Conclusions & Recommendations.....	25
6.1. Conclusions on Harmonisation, Decentralisation and Local Governance.....	25
6.2. Food for thought for the DPWG-LGD.....	27
6.3. Recommendations.....	28
Appendix 1: Workshop preparation and facilitation.....	1
Appendix 2: Workshop Programme From Day To Day.....	2
Appendix 3: Attendance.....	4
Appendix 4: Paired Conversations.....	6
Appendix 5: Terms of Reference for subgroup work – AI.....	8
Appendix 6: Speeches.....	13

## Acronyms and Abbreviations

AAA	Accra Agenda for Action	LGFC	Local Government Finance Commission
AI	Appreciative Inquiry	LGRP	Local Government Reform Program
APRM	African Peer Review Mechanism	LGSIP	Local Government Sector Investment Plan
AR GBS PAF	Annual Review of the General Budget Support and Performance Assessment Framework	MDP	Municipal Development Partnership
BTC	Belgian Technical Cooperation	MIS	Management Information Systems
CDD	Community Driven Development	MoFPED	Ministry of Finance, Planning and Economic Development
CSO	Civil Society Organisations	MoLG	Ministry of Local Government
DDF	District Development Facility	MoU	Memorandum of Understanding
DDPG	Decentralisation Development Partners Group	MP	Member of Parliament
DP	Development Partner	MTEF	Medium Term Expenditure Framework
DMTWG	Decentralised Managed Technical Working Group	NDP	National Development Plan
DPSF	Decentralisation Policy Strategic Framework	NIMES	National Integrated Monitoring & Evaluation System
DPWG-LGD	informal Development Partners Working Group on Local Governance and Decentralisation	NPA	National Planning Authority
DSWG	Decentralisation Sectoral Working Group	PAF	Poverty Action Fund
DTS	Development Transfer Systems	PBA	Program Based Approach
GBS	General Budget Support	PEAP	Poverty Eradication Action Plan
GoT	Government of Tanzania	PFM	Public Financial Management
GoU	Government of Uganda	PSM	Public Service and Management
GoR	Government of Rwanda	PST	Program Support Team
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH	RGAC	Rwandan Governance Advisory Council
ICEIDA	Iceland Aid	RALGA	Rwanda Association of Local Governments
InWEnt	Capacity International Germany	SBS	Sector Budget Support
JAS	Joint Assistance Strategy	SWAPS	Sector Wide Approach
JARD	Joint Annual Review of Decentralisation	TA	Technical Assistance
JBSF	Joint Budget Support Framework	UAAU	Urban Authorities Association of Uganda
JGA	Joint Governance Assessment	UNCDF	United Nations Capital Development Fund
LG	Local Government	UNDP	United Nations Development Program
LGA	Local Government Administration	USAID	United States Agency for International Development
LGD	Local Governance and Decentralisation		
LGDG	Local Government Development Grant		
LGDPG	Local Government Development Partners Group		

# Executive Summary Lead Donor Workshop Kampala, Uganda

October 6<sup>th</sup> – 8<sup>th</sup> 2009

## Background:

During the last decades, international development assistance was often marked by overlaps, duplication of efforts and rivalry between multitudes of donor organisations. In order to translate the principles of the Paris Declaration into practice in the field of Local Governance and Decentralisation (LGD), different donor organisations have joined forces on headquarter level and formed a working group, the Development Partners Working Group for Local Governance and Decentralisation (DPWG-LGD)<sup>1</sup> which is operating since 2006. InWEnt is hosting the secretariat of the group since 2008 and assigned Wageningen International to organise two lead donor workshops. The workshop drew a cross section of delegates who comprised development partners, consultants, academicians, members of parliament and local governance practitioners. The partner countries included Rwanda, Ghana, Tanzania and Uganda whose experiences were mutually re-enforcing and beneficial<sup>2</sup>.

## Objectives:

The idea of lead donor meetings is to offer a platform for international exchange for good practices and lessons learnt to donor organisations working in the partner countries, foster the cross-sectoral dialogue in the field of LGD and to contribute to improving aid effectiveness with this offer. At the same time the lead donor meetings aim at discussing possible peer review mechanisms to improve aid effectiveness and harmonisation on headquarter level.

The Ugandan workshop further examines the future role and position of the Decentralisation Development Partner's Group (DDPG), the platforms for dialogue between Government of Uganda (GoU) and the Development Partners and the future implementation of the Local Government Sector Investment Plan (LGSIP). Moreover the workshop aimed at setting closer relations between the Government of Uganda (GoU) and the Development Partners (DP) by adjusting and renewing the forms and agreements.

## Methodology:

Several countries were assessed with regards to the choice of the country the lead donor workshops would be held. The most important criteria for the country choice were the commitment and needs of the respective lead donors in the partner countries. The Decentralisation Development Partners Group in Uganda clearly signalled that there is a

---

<sup>1</sup> Members of the Group are:

African Development Bank; Austrian Development Agency; Belgian Technical Cooperation; Canadian International Development Agency; Dutch Ministry of Foreign Affairs; EuropeAid, European Commission; French Ministry of Foreign Affairs; French Development Agency; German Development Bank (KfW); German Development Service (DED); German Federal Ministry for Economic Cooperation and Development (BMZ); Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ); InWEnt gGmbH Germany, Capacity Building International; Inter American Development Bank; Irish Aid; Joint Africa Institute; Ministry for Foreign Affairs of Finland; Norwegian Agency for Development Cooperation; Royal Danish Ministry of Foreign Affairs; Spanish Ministry of Foreign Affairs and Cooperation; Swedish International Development and Cooperation Agency; Swiss Agency for Development and Cooperation; UN Capital Development Fund; United Nations Development Programme; UN-Habitat; United Kingdom Department for International Development; U.S. Agency for International Development (USAID); World Bank

<sup>2</sup> see participants list

demand for such a workshop and actively developed an agenda together with Wageningen International. They organised a multi-stakeholder meeting on Harmonisation, Decentralisation and Local Governance in Kampala, Uganda. The Kampala workshop “**Harmonisation, Decentralisation and Local Governance: Enhancing Aid Effectiveness**” was held from 6<sup>th</sup> - 8<sup>th</sup> October 2009 at the Imperial Royale Hotel.

### Results:

1. *Strengthening of harmonisation for LGD* should take place in the light of a strong legislative and institutional framework that provides the necessary financial means and autonomy to LG’s, so that local authorities can play their role. Such a framework provides well defined strategies and a platform for communication, gathering the DPs, relevant GoU ministries, Local Governments, and Non State Actors in LGD. The role and position of the Decentralisation Development Partner’s Group (DDPG) preferably follows this new orientation opening its scope for action beyond the Local Government Sector Investment Plan (LGSIP). At the same time, the future implementation of the LGSIP should be supported in a consistent and well coordinated manner of all relevant actors.

An important assignment and challenge of the Government of Uganda (GoU) is to avoid any counterproductive actions by coordinating the whole decentralisation process. It has to count in all the involved actors and promote entrepreneurship and initiative within the Local Governments (LG). At last, the GoU should handle carefully the existing dichotomy between the decentralisation process and the Sector Budget Support (SBS) as well as the Sector Wide Approach (SWAP) that both tend to recentralisation of resources and influence and could undermine the running decentralisation process.

2. Concerning the *forms of agreement and strategies between DPs and GoU regarding funding and accountability modalities*, governments must maintain the trust between them and the DPs and vice versa, which must emerge upon mutual interests rather than negotiated positions. On the one hand government must commit to their agreements in terms of reporting, outputs and procedures according to agreed expectations of performance standards. On the other hand DPs need to cease competition and to align their support with existing country priorities, strategies and plans to the highest extent possible, following the key-principles of harmonisation, alignment and ownership. The overall monitoring should be led by the government, which could prevent the DPs initiating an inappropriate strategy. New collaboration modalities between national governments, local governments and other stakeholders need to be established in favour of multi-stakeholder agreements for LGD. DPs are encouraged to not only make financial resources available through the Central Government (CG), but also through Local Governments and non-state actors. Downward accountability - meaning that GoU and LG increasingly become accountable to citizens and civil society rather than to Development Partners - has to be clearly established and accepted by all the stakeholders. A Local Government Performance Grant system, based on a Monitoring and Evaluation system (M&E) could lead to an increase of DPs' funding and their motivation to support LGD.

3. *Multi stakeholder platforms of dialogue and communication* should ensure that the recently established Decentralised Managed Technical Working Group (DMTWG) can have significant input and oversight in all GoU’s reforms relating to LGD. This implies that its position and contribution to the Public Sector Management Working Group (PSMWG) needs to be well defined. Innovative dialogue for LGD harmonisation should involve a wide range of key stakeholders such as CG, LGs, DPs, political leaders, civil society, the private sector and local leaders.

4. The *role of DPs* should be as coordinated as possible inside the Local Development Partner Group (LDPG), which could be in the future the main contact organisation negotiating with the GoU. The partnership agreements between the DPs should facilitate the diagnostic of the current LGD systems and provide technical support, all of which reinforce the LGD system, in line with the expressed position of GoU that decentralisation remains a central priority within its policy framework. DPs play an important role in institutional and organisational capacity building and this support needs to be maintained and the quality of technical assistance (TA) ensured. The idea of pooling TA in addition to the pooling of financial resources needs to be considered by GoU.

#### *5. Harmonisation and alignment within the LGD domain*

The level of political commitment and the level of discipline among all actors seem to stay the two central bones of contention. Until 2008, a maximum of 5 DPs of the DDPG harmonised and aligned their support to the LGSIP, whereas the others aligned to the Poverty Eradication Action Plan (PEAP) which is the policy document that guides the overall Ugandan Assistance Strategy and is not LGD specific. Besides, major DPs as the EU, WB and ADB continued with project modalities separately.

#### *6. Cross-sectoral harmonisation & alignment – a delicate balance*

Due to the division of labour agreements, DPs are withdrawing their support to the 10 year LGSIP and concentrate on potentially more centralised Sector Budget Support and SWAPs that often transfer conditional rather than unconditional grants to local governments. Local Governments lack financial and human resources (numbers and capacities) to support service delivery by those sectors. The delicate balance between unconditional and conditional grants to LGs seems to have been disturbed, resulting in a decline of LG performance despite increased amounts transferred, what highlights the dropping efficiency of the funding.

The LDPG who ensures overall DPs coordination, together with Public Service and Management (PSM) and the Ministry of Finance, Planning and Economic Development (MoFPED) seem to be the appropriate channels and dialogue level to address those issues that seem to have been neglected during the division of labour negotiations.

The Uganda LGD situation clearly shows the interdependencies between overall DP coordination by the LDPG and the thematic (LGD) or sectoral groups. It also showed the interdependencies between LGD and sector approaches. It proved to be very difficult for the DDPG - being the entry point for the workshop preparation and implementation - if not impossible to mobilise DP members of the LDPG group and of other sector groups. The Sector group in Ghana also confirmed these difficulties of involving other sectors and GoG officials. Another question related to the entry point is where the harmonisation and alignment efforts within DPs are taking place. In Uganda, the LDPG feared a parallel process in a thematic group and the LGD sector. Ghana stated that harmonisation and alignment is done at the overall DPs coordination level and beyond the scope of thematic groups such as LGD.

### Food for thought regarding the workshop organisation and its implementation

#### *What went well?*

- The participants represented a diversity of stakeholder groups. The participation of DPs and government representatives from Tanzania, Rwanda, and Ghana proved very useful and effective. It gave the participants from Uganda an opportunity to compare their performance and the issues who need to be addressed in the near future.

- The new chair of DDPG attended a considerable part of the workshop. For him this was the opportunity to get acquainted with the most important stakeholders involved and with the issues regarding LGD.
- Participation of eight members of the DPWG-LGD who each provided a constructive input.
- Participants were in general very positive about the realisation of the workshop objectives, the Appreciative Inquiry methodology, the introductions by resource persons from Uganda and other countries, workshop moderation and organisation<sup>3</sup>. The workshop program was successful in mobilising the effective and focused participation of those present, in facilitating learning through the sharing of information from different countries and teambuilding.

#### *What needs improvement?*

- Almost forty percent of the people expected to attend the workshop did not turn up although they confirmed their participation beforehand. Besides, the attendance of some of those present was irregular due to office commitments.
- Important DDPG members such as the WB and the EU did neither attend the workshop, nor DPs working in other sectors.
- The initial idea was to invite both DPs (in particular the chair of LGD) and a representative of the national government of Tanzania, Ghana and Rwanda. Only the Tanzanian delegation fulfilled these criteria.
- Time: The duration of the workshop was too short to both have introductions by resource persons on their experiences and an appreciative inquiry process. Discussions were not finished.

#### *Issues to consider for the organisation of future workshops are:*

- Discuss beforehand how to avoid absenteeism.
- Involve the DPWG-LGD group in the mobilisation of DPs, not only those working on Local Governance and Decentralisations, but also lead DPs from other sectors.
- Discuss financial modalities for DPs who come from other countries in the DPWG-LGD group.
- Prior to workshop, prepare some case studies illustrating the significance of harmonisation, alignment and ownership as a means to improve aid effectiveness.
- Prior to workshop, conduct a comprehensive assessment of the development of the partner country LG system which identifies the strengths (segments of the LG System that work or that are developed and functioning) and gaps/weaknesses (segments of the system that do not work or have not been developed or are dysfunctional) in the existing system.
- Prior to workshop, prepare the analysis of the state of harmonisation among DP active in the partner country in fields related to LGD by means of a survey
- Check on beforehand if participants are familiar with the Paris Declaration and the Accra Agenda for Action. It might therefore be necessary to devote a short session, sharing the information on this aspect.
- Pay explicit attention to the role of NGOs (international and local) and how they can best be incorporated in development cooperation. International NGOs are now active in development cooperation beyond bilateral and multilateral institutions.
- The choice of the country for the donor meeting depends to a large extent upon the timing of the workshop in relation to the workload of the DP and national governments. It also depends upon election periods. The country choice also depends to a large extent

---

<sup>3</sup> see annex



to the commitment and motivation of the DPs to be involved in the preparation and implementation of the workshop.

### Workshop recommendations

MoLG is invited to urgently initiate dialogue with the DDPG in order to obtain better insights into the current dynamic and work out a plausible way forward that includes a discussion on the functionality of the DMTWG as a platform for dialogue for LGD.

DDPG-members should intensify efforts to harmonise and align interventions beyond the project modality. The DDPG should start to explore LGD support in a wider context beyond the MoLG, given the fact that LGD is seen as a subsector under PSM.

For the DPWG-LGD the lead donor meeting shows that harmonisation and alignment is not only an issue across sectors but also within the group of DPs involved in LGD. In both cases the relations and mandates between headquarters and their representatives at national level will determine to what extent the DPWG-LGD can play a positive role. Important open questions are: Who within GoU and within the donor community will bring this issue on the DPs and GoU agenda in order to re-ensure service delivery at local level, inclusive development and accountability towards citizens and civil society organisations? What could be the possible role of the DPWG-LGD group in this situation?

# 1. Introduction

The lead donor workshops are an initiative of InWent in the context of the informal Development Partners Working Group in the field of Local Governance and decentralisation (DPWG-LGD)

The discourse about the Paris Declaration led to the creation of the informal Development Partners Working Group in Frankfurt, Germany, in April 2006. In 2007 DANIDA and BMZ commissioned a study to assess the progress of states in the field of LGD. The four country cases examined (Tanzania, Benin, Nepal and Nicaragua) indicated that there is no single and unified approach to the decentralisation process and hence there is a need for country specific approaches with appropriate guiding principles.

The Group among other things examined the principles of the Paris Declaration with a view to improve aid effectiveness in the area of Local Governance and Decentralisation. It also aimed to:

- Define a strategic agenda for improved donor harmonisation in the field of local governance and decentralisation
- Define a strategy and a methodology that enhances learning and peer reviews amongst DPs in the field of local governance and decentralisation

The German Federal Ministry for Economic Cooperation and Development (BMZ) is a member of the DPWG-LGD and finances activities of the group via InWEnt. The latter is also hosting the secretariat of the group since February 2008. InWEnt commissioned Wageningen International of Wageningen UR, Netherlands, to organize 2 lead donor workshops in 2009.

Development Partners (DPs), National Governments and other stakeholders increasingly underline the importance of decentralisation and local governance as an important contribution to improved public services delivery, inclusive development, improved accountability at local level and poverty reduction. The degree of ownership, alignment and harmonisation of development efforts; the formal decentralisation framework; and informal institutions all impact upon local government efforts to coordinate development.

In recent years, local and worldwide dialogue processes have been taking place between partner countries and donors in order to strengthen the current processes on decentralisation and to enhance the effectiveness of their collaboration. Existing structures and groups among the lead DPs in the field of LGD in the partner countries maintain a strong network that are stronger and closer to the current LGD reality on the ground than networks at headquarter level.

There are two interesting approaches on how the lead donor workshops could be conducted:

1. Country specific cross-sectoral level: How is decentralisation mainstreamed in sector support?
2. Regionally, with a focus on LGD: Lead DPs working in the field of LGD from one region (for instance francophone Western Africa) share their experiences (best practises and lessons learned), learn from each other and jointly develop a shared vision / recommendations.

Through the lead donor workshop the DPWG-LGD expects to create a platform and peer review mechanisms that allow DPs of the DPWG-LGD to develop a shared view on current country specific or regional issues in the field of LGD. The findings of those meetings can be seen as a contribution for DPs on headquarter to align their different local governance policies and frameworks, operating systems and procedures in order to become more aid effective.

At the same time, the lead donor workshops are intended to foster the dialogue (cross-sectoral or cross-countries) in the field, help to build new networks and provide a platform for the exchange of experiences especially for lead donors in Africa with regard to best practices and lessons learnt within the implementation of DLG processes.

In the assessment period Tanzania, Uganda, Rwanda, South Africa, Ghana, Burkina Faso, Zambia and Mali were considered as potential host countries for the donor meetings. A long and difficult process of getting in touch with the lead DPs and then assess their demand, commitment and possibilities for such meetings led to the conclusion that the first workshop should take place in Uganda, as the Decentralisation Development Partners Group there showed great interest and support of the activity. The most important criterion for InWEnt in this phase was that the meetings were understood in the partner countries as an offer for dialogue and not as an imposed meeting. Therefore it was highly important that the meetings are “demand-driven” and that the DPs in the partner country set the agenda themselves. Based on this notion, the workshop in Kampala aimed at examining the future role and position of the Decentralisation Development Partner’s Group (DDPG), the platforms for dialogue between Government of Uganda (GoU) and the Development Partners and the future implementation of the Local Government Sector Investment Plan (LGSIP).

### **1.1. Rationale**

The Decentralisation Development Partners Group (DDPG) and the Decentralisation Sectoral Working Group (DSWG) are closely collaborating using national policies and laws as guiding principles<sup>4</sup>. Five Development Partners pool funding in the Local Governance Sector Investment Plan (LGSIP) basket fund. As of 2010 the number of Development Partners that will contribute to the LGSIP will decrease. In line with this, the amount of money allocated to the MoLG will decrease in 2010.

As of 2009, the Government of Uganda (GoU) has been drafting a new National Development Plan that will replace the former Poverty Eradication Action Plan (1997). At the same time the Government and DPs have been working on a Medium Term Expenditure Framework (MTEF), and a new division of labour of DPs according to the sectors defined by the GoU. In line with these trends, the MoLG will develop stronger relations with Public Sector Management, together with the Ministry of Public Service. In consequence, the Decentralised Sector Working Group (DSWG) within the MoLG has been replaced by the Decentralised Managed Technical Working Group (DMTWG) as a sub group to Public Sector Management. The Local Development Partners Group (LDPG) is the umbrella group of all sector DPs groups, including the DDPG and in charge of overall harmonisation and alignment issues.

Regarding this new situation, different actors have raised the following issues that are to be explored during the meeting. These are:

---

<sup>4</sup> Poverty Eradication Action Plan (1997), Decentralization Policy Strategic Framework (2006), the Local Governance Sector Investment Plan (2006-2016) and the Local Government Act (1997)

- In the new situation, what will be the main drivers of harmonisation, alignment and ownership in the field of decentralisation and local governance? What is needed in order to ensure good quality service delivery, inclusive development, poverty eradication and local accountability mechanisms at local government level? Due to the new Division of Labour amongst DPs, some are currently withdrawing their support from the LGSIP basket fund. Other important DPs like the WB and the EU developed other strategies for collaboration with the GoU in the field of decentralisation.<sup>5</sup> To what extent do Sector Wide Approaches and Sector Budget Support (SWAP) centralise power and decision making at national level to the detriment of decentralised decision making? In summary, how to strengthen the process of harmonisation, alignment and ownership?
- What will be the most appropriate form of agreements between DPs and the GoU, including funding and accountability modalities? What perspectives are there for future support to decentralisation? Will DPs support to LGD be realized by General Budget Support, Sector Budget Support, Conditional Grants, support to discretionary decentralised grants, or other means?
- What will be appropriate channels for communication between the GoU, DPs, local governments and line ministries in order to ensure good quality service delivery and local accountability mechanisms at local government level? What is the future role of the DDPG group with less DPs in the LGSIP and the DSWG with the MoLG being replaced by the DMTWG under PSM? How can dialogue between GoU and DPs be shaped in the new situation for enhanced aid effectiveness for LGD? What competencies are needed for which actor?
- As a result of the previous questions, what will be the role of DDPG in relation to the GoU in the field of Decentralisation and Local Governance? Will they play their role as donor, technical assistant or stakeholder etc in the new proposed aid modality?

## 1.2. Participation and Methodology

The three day workshop which was held from 6<sup>th</sup> - 8<sup>th</sup> October 2009 at the Imperial Royale Hotel in Kampala, Uganda, titled “Harmonisation, Decentralisation and Local Governance: Enhancing Aid Effectiveness” was meant to share views, examine current trends and challenges and suggest future actions for enhancing decentralisation and local governance.

The workshop drew a cross section of delegates who comprised development partners, consultants, academicians, members of parliament and local governance practitioners. The participating countries included Rwanda, Ghana, Tanzania and Uganda whose experiences were mutually re-enforcing and beneficial. Despite the diversity of stakeholders attending the workshop, some important stakeholders such as the DPs chairs of other sectors, the World Bank as the chair of the Local Development Partners Group (in charge of the Joint Assistance Strategy) and DDPG members who do not pool funding in the Local Government Sector Investment Plan (LGSIP), such as the EU and the World Bank were absent.

Hon Aston Kajara, the Ugandan Minister of State for Finance, Planning and Economic Development (Investment) opened the workshop and it was closed by Hon Adolf Mwesige, Minister of Local Government of Uganda.

The workshop employed a multi-pronged methodology based mainly on the Appreciative Inquiry method. Methodologies ranged from short technical introductions by a number of resource persons and experts, experience sharing across individual participants and

---

<sup>5</sup> It is not known to the author why EU and WB did not contribute to the LGSIP. No interviews have been held with both DPs due to the timing of the interview phase and non availability.

countries to explore best practices and desires with regard to harmonisation, alignment and ownership. The participants were introduced to the four stages of appreciative inquiry and visioning. Short provocative plenary sessions provided opportunity for synthesizing emerging issues and formulating a consensus.

The workshop programme was implemented as foreseen except for presentations planned to draw the broader picture of national policies, funding strategies, overall DPs support policies and their consequences for LGD.

### **1.3. Workshop objectives**

The workshop was organized with the ultimate aim to contribute to

- Reinforcing harmonisation, alignment and ownership in the area of decentralisation and at the LG level.
- Developing a shared vision regarding the future organization of the Harmonisation and LGD agenda in Uganda.

Specific workshop objectives sought to explore different accounts in order to establish;

- Drivers of harmonisation, alignment and ownership.
- Forms and agreements between Development Partners and Government of Uganda.
- Strategies and platforms for communication between the DPs and GoU, including the future role and position of the Decentralisation Development Partner's Group (DDPG).
- Role of the Development Partners (DP) in the field of decentralisation and local governance, including the future implementation of the Local Government Sector Investment Plan (LGSIP).

*Hon Adolf Mwesige,  
Minister of Local  
Government of Uganda  
at the closure of the  
harmonisation workshop*



## 2. Introductory Notes

The workshop commenced with introductory notes from various participants. The introduction gave clarity to the local governance and decentralisation (LGD) question with regard to the harmonisation, alignment and ownership agenda. They also re-enforced a common agreement on the importance of LGD as a critical conduit for development and governance. A synopsis of the different introductory notes follows below.

### 2.1. Minister of State Investment, MoFPED

Hon Aston Kajara, the Minister of State (Investment) in the Ministry of Finance, Planning and Economic Development (MoFPED), Uganda commended the donor community and the Government of Uganda for their continued efforts in supporting the decentralisation process and other programmes in the country. He noted that decentralisation in Uganda is a constitutionally mandated governance framework which is further legislated by the Local Government Act. The Decentralisation Policy Framework (DPSF) and Local Government Sector Investment Plan (LGSIP 2006-2016) provide useful instruments for holistic support to decentralisation.

The Hon Minister pointed out that good governance is a key area for emphasis under the African Peer Review (APR) mechanism. He called for harmonisation and alignment of the key guiding principles to learning and resource allocation within the country and LGs including prudent financial systems in line with the Accra Agenda for Action (AAA). Hon Kajara hoped that the recommendations of the workshop would further strengthen donor coordination to achieve the goals of decentralisation and improve service delivery.

### 2.2. Mr. Eugen Kaiser, InWent – Capacity Building International Germany

Mr. Eugen Kaiser of InWent – Capacity Building International, Germany presented the DPWG-LGD. This is an informal working group that actually has some 28 members representing the Head Quarters of traditional donor organizations. InWent is hosting the secretariat of the DPWG-LGD. LGD has become prominent on the DPs agenda in many developing and transition countries for several reasons.

- The delivery of crucial services contributing to the achievement of the Millennium Development Goals (MDGs) is not possible without effective and responsive local institutions.
- Participatory decision-making and accountable public management are crucial for local agencies to meet their development goals in the context of Poverty Reduction Strategies (PRS).
- Participatory local governance reinforces national democratization processes and increases the legitimacy of states.

The benefits of decentralisation and local governance notwithstanding, there are significant risks, dilemmas and challenges. It creates political winners and losers; requires more complex systems of financial allocation, control, and accountability; and demands more widely distributed management and technical capacities linked to service delivery. Development Partners supporting local governance and decentralisation are still far from reaching a consensus on the approaches to be taken with regard to harmonizing, aligning the requirements of decentralised governance to international, national and local contexts. The creation of ownership for LGD structures and systems remains elusive. As a consequence, in many countries fragmentation is the primary common feature of the different donor approaches.

### **2.3. Ms Jenifer Bukhoke, Chairperson DDPG, Uganda**

The Chairperson of the Decentralisation Development Partners Group, Uganda welcomed participants to what she said would be a very useful dialogue in terms of ensuring prudent financial resource allocation and management. Dr Bukhoke reiterated the importance of good governance as one of the key tenets of local governance and being one of the key areas emphasized under the APR mechanisms. She hoped that the workshop would re-examine LGD issues especially with respect to placing emphasis on the LGSIP in Uganda. She called for a re-examination of the institutional framework and hoped that the recommendations that will strengthen donor coordination to achieve the goals of decentralisation and service delivery.

### **2.4. Ms Dieuwke Klaver, Wageningen UR, Netherlands**

Ms Dieuwke Klaver reminded participants that DPs, national governments and other stakeholders are increasingly underlining the importance of LGD as an important contribution to improved public service delivery, inclusive development, improved accountability at local level and poverty reduction. The degree of ownership, alignment and harmonisation of development efforts, the formal decentralisation framework and informal institutions all impact on local governments own efforts to coordinate development.

She noted that the DDPG is closely collaborating with the MoLG using national policies and laws as guiding principles for the implementation of their policies. Five (5) DPs have pooled funding to support the LGSIP basket fund. As of 2009, the Government of Uganda is finalizing the formulation of a National Development Plan that will replace the Poverty Eradication Action Plan (1997). At the same time the Government and DPs have been working on a Medium Term Expenditure Framework (MTEF), and a new division of labour of DPs in line with the sectors defined by the GoU. Following the new division of labour, the number of DPs contributing to the LGSIP will decrease in 2010.

### 3. Presentation of Decentralisation and Local Governance in Uganda

This chapter describes the current LGD situation in Uganda, as well as DPS harmonisation and alignment efforts in Uganda. Workshop participants became acquainted with the current situation by introductory speeches of:

- Ministries of Finance and Local Government, Uganda represented by Mr. Kayondo Kalanguka, Commissioner for Investment and Mr. Patrick Mutabwire, Commissioner, Local Councils Development respectively.
- Mr Charles Magala of DANIDA, on behalf of the DDPG group
- The Permanent Secretary of the Ministry of Local Government, Mr John Kasaka Muhanguzi

#### 3.1. Decentralisation and Local Governance Policy, Achievements and Challenges

Decentralisation has been in operation for almost 22 years. The Policy is outlined in the Constitution of Uganda (1995) and the Local Governments Act (CAP 243) under which a range of powers, responsibilities and functions have been transferred to Local Governments and administrative units. These include decision-making, raising and allocating resources, providing a range of services to the population, planning and budgeting. The Decentralisation Policy was aimed at improving local democracy, effectiveness, increased efficiency and sustainability in the delivery of essential services countrywide.

The main objectives of decentralisation in Uganda are to

- Transfer real power to Local Governments and reduce the workload of remote, under-resourced central officials.
- Bring political and administrative control over services at the point of delivery in order to improve accountability and efficiency.
- Free local managers from central constraints and allow them to develop organizational structures tailored to local circumstances.
- Improve financial accountability by establishing a clear link between payment of taxes and provision of services.
- Improve Local Council capacities to plan, finance and manage service delivery to their constituents. This constitutes a total reversal of the centralizing tendencies of earlier governments.
- Promote Local Economic Development.

The implementation of the decentralisation agenda has led to a number of *achievements*, including:

- Increased service delivery volumes through local government transfers (34 billion in 1992 and 1.1 trillion in 2006/7).
- The development of participatory planning and budgeting methodologies to improve citizens decision-making has led to an increased sense of ownership.
- Enhanced public private partnerships through improved resource pooling and making use of the comparative advantages of each partner.
- Political decentralisation that has led to regular elections and devolved decision-making.
- Fiscal decentralisation which has promoted the development of fiscal systems and the devolution of the development budget.
- Development of a Local Governance and Anti Corruption Strategy to regulate accountability and transparency.



- Decentralisation of accountability institutions – Audit, DPAC, public dialogues and making local administration of justice more affordable.
- Local Economic Development which seeks to make decentralisation a conduit for development as opposed to a cost.

Notwithstanding the achievements, the implementation of the decentralisation policy still faces a number of *challenges*.

- *Local Government Budgetary challenges*: The level of conditionality in decentralised budgets is increasing whereas the decentralised budget has declined from 27% from FY 2002/2003 to 20% in FY 2009/2010. The Local Government Development Grant (LGDG) has reduced as a share of total decentralised budgets from 11.9 % to 7.8 % in the 2002-2009 period, whereas the increasing number of conditional grants, currently 40, undermines LG discretion.
- *Service delivery by Local Governments*: The number of Local Government Administrations (LGA) increased from 33 in 1993 to 79 in 2009 and has put immense pressure on service delivery and causing elasticity in the capacity to manage these administrations. This results in poor performance as illustrated by the decline in numbers of LGAs meeting performance assessment criteria (minimum conditions) - 80% in 2006 compared to 34% in 2008. The act to create new LGAs is seen by GoU as being in sync with the original objectives of decentralisation to address the needs of the underserved areas. There is a mismatch between capacity provision and LGA performance where capacity building funding does not seem to result into commensurate skills and institutional systems. The arising weak technical capacities, misappropriation and misuse of resources undermine coordination and oversight.
- *Appointment of local government authorities*: Recent changes in the appointment of Chief Administrative Officers and Town Clerks - from District level to the national Public Service Commission – is seen by many as a recentralization process that will severely curtail the powers of the Local Governments. GoU however, asserts that the shift was made to salvage this important function from recruitment malpractices and related compromises.

### **3.2. Harmonisation, alignment and ownership in Uganda**

DPs in Uganda have committed to ensuring synergies and consistency between support to the National Decentralisation Framework and other forms of support such as SBS and GBS as will be elaborated in the NDP.

Following the 2007 Division of Labour exercise, each sector has a Development Partner Group. Decentralisation (MoLG) and Public Sector Reform are subsectors and fall under the Public Sector Management.

Overall DP coordination is ensured by the World Bank (WB) who is currently chairing the Local Development Partners Group (LGDP). This group supports the GoU in the elaboration of :

- The Medium Term Expenditure Framework (MTEF) which provides amongst others the financing frame for decentralised activities. The MTEF is a conglomerate of national and local government expenditure projections over a three year period<sup>6</sup>.
- The Joint Financial Agreement between DPs and GoU that follows the NDP.

The DDPG closely collaborates with the MoLG and the Local Government Finance Commission (LGFC) in the execution of LGD using national policies and laws as guiding

---

<sup>6</sup> MTEF period will be adjusted to 5 years under the NDP.

principles. DPs have primarily supported the government in the formulation of the decentralisation policy and its supportive policy frameworks. These include among others:

- The Decentralisation Policy Strategic Framework (DPSF) which seeks to consolidate and harmonise interventions on local governance.
- The Local Government Sector Investment Plan (LGSIP) which provides a framework for guiding local government sector investments.

The DPSF constitutes the primary reference point for consolidating and deepening decentralisation. It is intended to provide a coherent framework for coordinating decentralised service delivery, covering the development interventions at local government levels, government ministries, agencies and other DPs. Specifically, the framework seeks to achieve the following objectives to:

- provide strategic direction for implementation of the decentralisation policy in relation to all other on-going fundamental reforms;
- provide a framework for deepening democratic governance;
- provide a framework for sustainable service delivery to communities;
- contribute to poverty reduction through promotion of production and related activities in order to raise people's incomes and material well-being;
- strengthen the role of the MoLG in promoting and coordinating the implementation of decentralisation in the country and
- provide the basis for defining a mechanism for financing the LG sector for development.

Until 2006, decentralisation in Uganda was mainly funded by means of project support. With the formulation of the LGSIP in 2006/07, the resource framework shifted to joint donor support. The LGSIP, 2006-2016, provides a planning and resource mobilization mechanism for MoLG in order to consolidate its sectoral priorities and programmes as they relate to other sectors. With effect from 2007/2008, 5 DPs pooled resources towards the implementation of the LGSIP under basket funding modality. A new division of labour for DPs will lead to a shift of 4 of the 5 DPs to other sectors leading to an anticipated decrease in funding for local governance and decentralisation activities and programmes in the country. Major investors in decentralisation, like the WB, the EU and ADB continue to implement their parallel projects.

Apart from the DPSF and the LGSIP other strategic entry points for harmonisation are:

- *Incentive based schemes.* Uganda has piloted and scaled up (2000) an incentive based scheme for local governments to access budget support funding based on their development plans. Annual performance assessments are conducted across all LGAs to determine accessibility to funding. In particular, the Local Government Development Programme (LGDP 2000-2007) and the Local Government Management Service Delivery Programme (LGMSD) have championed the application of incentives as a way of enforcing harmonization and alignment of development assistance. LGDP created greater donor efforts to harmonise through abolition of area (district) based programmes to consolidated budget support.
- *Fiscal Decentralisation:* The strengthening of fiscal systems at the national and local government levels has been the key driver for success. Support to fiscal decentralisation through policy and institutional reform has created financial management capacity through expenditure assignment, design of inter-governmental fiscal transfer systems - the Fiscal Decentralisation Strategy (FDS), enforcement of fiscal discipline through institutional controls such as the office of the Auditor General and the local government internal audit function.

- *Monitoring and evaluation mechanisms:* These include the
  - Joint Annual Review of Decentralisation (JAR) for taking stock of progress for implementing the decentralisation policy.
  - Multi-sectoral and Multi Stake-holder Monitoring and Evaluation approaches and instruments – including joint monitoring missions are being developed and carried out.
  - Periodic and annual reviews are based on defined milestones and a Common Results Matrix (CRM) which provides a framework for shared responsibility and indicators for measuring progress of decentralisation.

Recently there has been a shift in the coordination mechanisms between DPs and GoU in the field of LGD. The DDPG group and the MoLG used to collaborate in the Decentralisation Sectoral Working Group (DSWG), but this has been dissolved. A new Decentralised Managed Technical Working Group (DMTWG) was recently created as a subgroup to Public Sector Management. Its role and position need to be clarified and defined.

### **3.3. Harmonisation and Alignment in the field of LGD, challenges.**

Local Governance and Decentralisation have to face the challenges of the Division of Labour outcome that is the result of a negotiated process between the GoU and DPs. As a consequence DPs withdrew their support to the LGSIP of the MoLG. This was seen by MoLG representatives as a contradiction that undermines the criticality of the decentralisation policy. In terms of harmonisation, alignment and ownership workshop participants advanced different arguments for the withdrawal of funding:

- The MoLG argued that DPs withdraw because they are being attracted by more performing sectors.
- DPs argue that they have been asked by the GoU to concentrate on other sectors.
- The influence and the position of the MoLG in its own GoU is not enough to keep LGD on the national agenda. Therefore DPs are asked to support other sectors.

The Sector-Wide Approaches (SWAP) and Sector Budget Support (SBS) provide support to different sectors at national level. The SWAPs, however, perpetuate a vertical approach to development through perceived resistance from the sectors to decentralise power and resources which negates many LGD efforts. With the SWAP modality, the level of conditionality in LG transfers has increased to 40, complicating financial and operational management at those decentralised levels. DPs alignment has turned to those vertical approaches to the detriment of alignment to decentralised funding mechanisms. There is yet no clear answer to the reason for these changing alignment strategies. To what extent GoU negotiated the withdrawal of DPs from the LGSIP and to what extent DPs are inclined to align with good performing sectors.

The DPs in Uganda view the current decentralisation reform as unpredictable and challenging to support. They argue that GoU does not seem to put priority on decentralisation as evidenced by a number of recent reforms which are reversal, recentralizing and self negating in nature. They refer to the number of districts that is increasing, whereas service delivery performance is weakening, the “centralization” of the appointment of local authorities at the national level and the local revenue reform. Rather than implementing a LGD policy aiming at devolution, the GoU is said to turn to Decentralisation by Deconcentration.

Existing platforms such as the Technical Working Groups and the Joint Annual Review need to be optimally explored and utilized as avenues for propagating LGD. They must allow for

permeations of the LDG agenda beyond national level implementation of the LGSIP and ensure technical congruence between the LGSIP and local government plans and budgets. The role and functionality of the Decentralised Management Technical Working Group (DMTWG) in relation to the Public Sector Management Working Group (PSMWG) is a major coordination concern. Coordination arrangements should ensure that the DMTWG can have significant input and oversight in all Government of Uganda reforms relating to LGD.

## 4. Lessons learned from DPM, Tanzania, Rwanda, Ghana and DPWG-LGD

This chapter describes lessons learned from experiences by the following foreign resource persons:

- Regional Director of the Municipal Development Partnership, Eastern and Southern Africa Regional Office, Mr George Matovu.
- The delegation from Tanzania, represented by Mr. Solanus M. Nyimbi of GoT, Mrs. Iina Soiri of the Embassy of Finland and chairing the LG-DPG group in Tanzania, and Mr. Frank Holtmeier of GTZ, co-chair.
- The executive Secretary of the Rwandan Governance Advisory Council (RGAC), prof. Anastase Shyaka.
- The Local Government Service Secretariat in Accra, Ghana, represented by Mr. Akwasi Opong – Fosu.
- The DPWG-LGD, represented by Mr. Eugen Kaiser. Participants explored “Specific Guiding Principles for Enhancing Alignment and Harmonisation on Local Governance and Decentralisation that will apply to specific country contexts” that have been prepared by the informal Development Partners Working Group on Local Governance and Decentralisation.

### 4.1. Municipal Development Partnership

Mister Matovu’s key message was that:

- Local Governments provide viable institutional arrangements for enhanced aid effectiveness. LG can deliver, enforce public and social accountability as well as facilitate social justice and equity.
- Discussion and dialogue on LGD is most often centered on collaboration between DPs and ministries, rather than with Local Governments. DPs’ presence at LG levels is weak. The aid modalities as GBS and SWAPs promote recentralization and sector ministries are resistant to devolution.
- There is a need to pay more attention on how collaboration between local governments, national governments and DPs can be harmonised and aligned to local development.
- The Paris Declaration and the Accra Agenda for Action (AAA) principles need to be localized. But the Paris Declaration uses narrow definitions of Harmonisation.

Successful drivers of Harmonisation and Alignment are based upon relations of trust, confidence, partnership and transparency. Trust can be operationalised by giving LGs the mandate to organize their own procurement, manage their own contracts and be in charge of HR recruitment. They should promote local-level basket funding, giving LGs the mandate to decide upon their own priorities and ambitions and in consequence decide upon the allocation of grants. Harmonisation should take place at the level of decentralised cooperation and make small and medium investments possible, as well as capacity building. Collaboration between LGs and DP should be based upon co-management principles.

Participants discussed decentralised harmonisation as a risk that could fragment LGD cooperation because there will be less interventions at central government level which is also pivotal to create the enabling environment necessary for LGs to get and take their responsibilities.

Participants questioned the co-management modality as the best mode of collaboration between DPs and LGs. Co-management is associated with project modality, where both DPs

and Ugandan partners jointly decide upon the allocation of financial support. With the implementation of the Paris Declarations, DPs are not involved in decision making but ask their counterparts to justify and account for the allocation of funds. This increases ownership.

The same issue requires further reflection at the policy formulation level. Should DPs be involved in policy formulation or should they limit their influence in the implementation of those policies? Should they be involved in the allocation of budgets or should they wait and ask for the results of this budget allocation.

The role of for instance the associations of municipalities in the harmonisation and alignment process between national, local governments and DPs needs to be further elaborated.

## **4.2. Experiences from Tanzania**

The Tanzanian Poverty Reduction Strategy paper has one cluster on Governance and Accountability, presenting 5 Core Reforms such as the Public Service Reform, the Local Government Reform, the Public Financial Reform, the Legal Sector Reform and the Anti-Corruption Strategy.

In 1998 GoT adopted the Decentralisation by Devolution (D by D) principle and drafted a policy paper on local government reform and the Local Government Reform Programme (LGRP). Their purpose is to transform Local Government Administratives into competent strategic leaders and coordinators of socio-economic development, establish accountable and transparent service delivery and poverty reduction interventions in LGA areas of jurisdiction. The second phase of the LGRP is currently under preparation. This programme is managed by the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG).

Dialogue on LGD is organised with PMO-RALG, Parliament, the Legal Aid and Advocacy Centre, anti-corruption organizations, civil society organizations (CSO) etc. The Local Government Development Partner's Group is discussing issues as progress of the overall D by D process, the operational progress of the reforms, development issues at local and regional level, and the impact of other GoT policies, decisions and directives on local level.

The LGRP and the Local Government Development Grant system (LGDG) provide the "contractual" framework for maximum harmonisation and alignment. This is not only valid for funding, but also for other DP support including pooling Technical Assistance at the PMO-RALG. MoU(s) and the Financial Management Manual provide another framework for support.

An annual 'sector' review has been planned and will feed into the Annual Review of the General Budget Support and Performance Assessment Framework (AR GBS PAF).

After 10 years of D-by-D, the Tanzanian delegation states that there has been substantial progress and the role of local governments in poverty reduction is acknowledged and respected at all levels. The resource envelope by DPs has multiplied. Major challenges are the autonomy of local governments in the appointment of Human Resources, demand for change and stronger accountability relations between citizens and Non State Actors on one side and the public sector on the other side.

The discussion after this presentation emphasized the strategic position of LGD within PMO, acknowledging the political commitment of the GoT to make D by D more important and

powerful than other sectors or line ministries. In the Ugandan situation line ministries are in a more powerful position than the MoLG.

Whereas Ugandan LGSIP resources are declining because DPs are investing in other sectors, the Tanzanian LGDG system succeeded in increasing its budget with more DPs moving in.

### **4.3. Joint Governance Assessment in Rwanda**

The Joint Governance Assessment (JGA) was a joint initiative of the Government of Rwanda and DPs seeking both to assess performance and to devise indicators for future monitoring. It was initiated during a meeting between the government of Rwanda and DPs in 2006. The Joint Steering Committee formulated three objectives to be attained:

- To undertake a thorough and rigorous analysis of existing institutions, laws and practices affecting governance in Rwanda, and propose policy improvements.
- To define and monitor indicators to measure performance, assess progress, highlight weaknesses and establish priorities for action.
- To make recommendations on establishing an ongoing system for monitoring the agreed indicators, including training for the Rwanda Governance Advisory Council.

A set of indicators was jointly identified and used during a first assessment. This process took about 2 years.

Currently the Rwandan Governance Advisory Council (RGAC) is in charge of monitoring and evaluating the governance progress on JGA indicators by means of research. It developed research instruments and on October 2009, funding by the GoR and by DPs was (partly) ensured.

The discussion focused in particular on the set of indicators used. It distinguishes three core areas, i.e. ruling justly, government effectiveness and investment climate & corporate governance. The Rwandan entity is, strictly speaking, the public sector governance in general and at the national level, rather than local governments performance. The JGA will lead to an Integrated Governance Action Plan.

The Rwandan JGA is different from the DDF in Ghana and the assessments in Uganda that focus on Local Government Performances.

### **4.4. District Development Facility in Ghana**

The District Development Facility (DDF) is a performance based grant system introduced by the Government of Ghana with support of the DPs working in the field of LGD. It comprises a performance assessment tool, a grant component and a capacity building component. In order to receive the basic (40 % of Grant) and performance grant (40 % of Grant) there are a number of minimum conditions to fulfil<sup>7</sup>. All local governments receive the capacity building grant (20 %). The DDF started in 2008.

The DDF strengthens harmonisation and alignment efforts, because the GoG and DPs currently co-finance the system and have a common goal for improving LG performance. Meanwhile DPs have agreed to use Ghanaian procedures of financial transfers, reporting systems etc.

The ownership is within the GoG and in particular within the Ministry of Local Government and Rural Development. All strategic decisions are made by a steering committee headed by the Minister and regroups different ministries, civil society organizations, representatives of local governments etc. DPs are observers.

---

<sup>7</sup> This system shows similarities with the Ugandan LGDP programme.

Specific harmonization outcomes to this day are:

- Uniform Planning System, developed by the National Development Planning Commission together with all stakeholders
- Monitoring and Evaluation System, developed by NDPC for LGs
- Standardised Financial Management System and its reporting format-Developed by Audit Service and Controller and Accountant General's Department
- Internal Audit Manual for Internal Control by LGs developed by Internal Audit Agency
- Procurement Management System-Developed by Public Procurement Authority for all levels of governance (New Procurement Act 663).

Participants confirmed that incentive based schemes for LGs to access budget support based upon performance assessments stimulates DPs to harmonise and to abolish district based programmes to consolidated budget support.

It was observed that the Local Government Performance Assessments in Ghana focus on organizational performance questions and not on LGs outputs and outcomes in terms of service delivery. In Uganda the issue is about improving service delivery by Local Governments and this should be an integrated part of the performance assessments.

#### **4.5. DPWG-LGD Specific Guidelines**

The DPWG-LGD worked on "Specific Guiding Principles for Enhancing Alignment and Harmonisation on Local Governance and Decentralisation that will apply to specific country contexts". Mr. Kaiser took the opportunity to ask participants to work in three subgroups on different chapters of those guidelines. One group worked on Alignment issues, the second on Harmonisation and the third on Mutual Accountability. The questions were:

- Is this document useful for the harmonisation process at national level?
- What observations do you have regarding these guidelines?
- Any suggestions for DPWG-LGD?

##### *Appreciations on the Alignment Chapter*

Observations about the document are:

- Identifies and promotes synergy between decentralisation and SWAPS
- National Leadership well reflected; CD → sustainability
- Ensure strong focus on alignment to national agenda, in this case decentralisation.
- Communication tool between DPs, GoU and Non State Actors, enhances coordination

It was suggested to:

- Look at relationships with other guidelines
- Document should address harmonisation at local level
- Presence of Non State Actors should be more recognized (includes communities)
- Guidelines overly compromises in some cases, such as the sector / uniformity on page 13 and conditionality issue on page 16.

##### *Appreciations on the Harmonisation Chapter*

Observations were:

- Harmonisation is useful, is perceived so by all stakeholders
- Objective readiness



- Actively decentralising means legal, political, fiscal, and human resource management decentralisation
- Harmonised strategy responses good

It was suggested to the DPWG-LGD to

- Give audience to “other voices”
- Capture less prioritized but important issues.

*Appreciation on the Mutual Accountability chapter.*

- DPs facilitate better domestic accountability
- Accountability concerns all resources and activities (off-budget) and successes & failures
- Transparency from all stakeholders
- LG staff accountable to elected council, who is accountable to people
- Political accountability is not only financial
- Sanctions and rewards needed
- The centre is also accountable

#### **4.6. Lessons learned from others**

The experiences of Tanzania, Ghana, Rwanda, MDP and the DPWG-LGD proved to be very useful for the Ugandan situation.

*In terms of drivers of harmonisation, alignment and ownership*, discussions focused on the most appropriate level of harmonisation and alignment. Whereas MDP proposed harmonisation at decentralised level, Tanzania’s experience emphasizes harmonisation and alignment at PMO level. In Uganda and Ghana harmonisation for LGD takes place at the level of the ministry in charge of decentralisation.

MDP, Tanzania and the DPWG-LGD observe that harmonisation should not be limited to relations between the national government and DPs, but should involve a wide range of stakeholders, including non-state-actors.

Another important driver is a strong legislative framework and the position of the institution in charge of LGD in relation to sector or line ministries. In Tanzania LGD under PMO-RALG is more powerful than sector ministries. Being under PMO also implies that PMO and DPs can influence policies and measures that are not in compliance with LGD policies. In Uganda and Ghana this is not yet the case and sector ministries are more powerful players than the ministry in charge of LGD. The impression is that LGD in a strategic position under PMO (Tanzania) or PSM (Uganda) has more potential for harmonisation and alignment of DPs at a strategic level.

The experiences highlighted *different forms and agreements* between DPs and governments that promote harmonisation for LGD. Ghana, Uganda and Tanzania all have a basket fund to transfer unconditional grants to local governments. In Ghana the grant is performance based and this modality attracted more DPs to pool funding. The position of LGD under PMO in Tanzania also contributed to increased accumulation of unconditional funds for LGD.

The JGA of Rwanda show the potential of DPs and governments coming to an agreement on governance performance indicators to be measured and to jointly develop a vision of what is governance about. While designing a performance assessment of local governments, the scope of the assessment should be made clear beforehand. Will the assessment look at internal organization performance of Local Governments, will it include LG outputs and

outcomes, or will the assessment look at the wider governance system as is the case in Rwanda.

Besides funding and performance assessments, the experiences in Tanzania also highlight the idea of DPs harmonizing technical assistance for LGD.

The subgroup work on the Mutual Accountability Chapter of the DPWG-LGD specific guidelines report emphasizes the need of DPs to strengthen domestic accountability mechanisms that go beyond financial accountability, that are also downward oriented (towards local governments) as well as to strengthen domestic accountability at decentralised level.

The LG DPG in Tanzania is in *dialogue* with a wide range of stakeholders involved in the 5 Core Reforms under the Governance and Accountability Cluster. In Ghana, DPs are observers in the steering committee that manages the DDF, but there are definitely other platforms for DP and GoG to discuss.

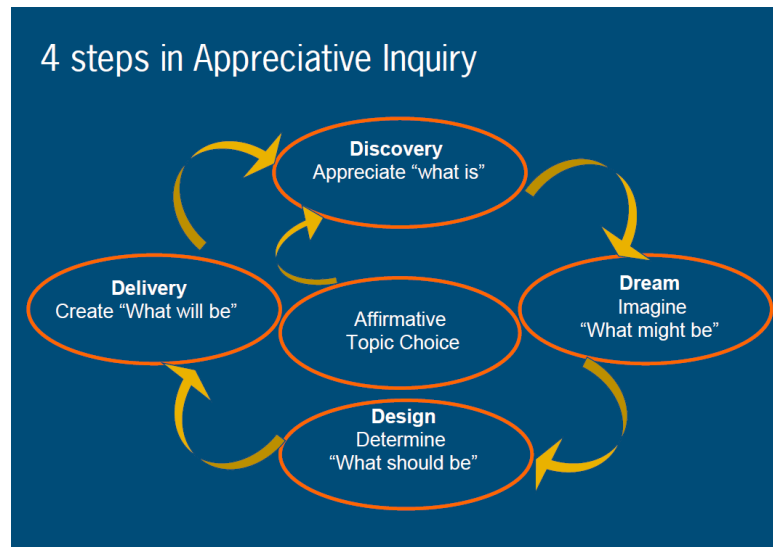
*DPs have a wide variety of different positions and mandates* in LGD. A first issue is to what extent DPs play an active role in policy dialogue and formulation. In Tanzania DPs are involved in both strategic policy direction and in the monitoring of operational progress of reforms. A second issue is the extent to which DPs and governments co-manage LGD policies and programmes. To some the co-management modality refers to the project approach, whereas a SWAP modality asks DPs to sit back and ask governments to account for budget expenditure, outputs, outcomes and impacts.

## 5. Defining a strategic agenda for Harmonisation and LGD - Appreciative Inquiry

Participants were also invited to engage in a process to work towards a strategic agenda for Harmonisation and LGD in Uganda. For this purpose the Appreciative Inquiry methodology was used. The following paragraphs present the outcomes of different steps of the Appreciative Inquiry process.

### 5.1. Appreciative Inquiry methodology

Appreciative Inquiry is a facilitated approach to organizational and societal change that asks, “what is working well around here and how do we build on it?” It’s based on the assumption that in every group or organization, something works well. It has been used by both the non-for-profit sector and private industry. It is also called Appreciative Planning and Action<sup>8</sup>.



It involves, in a central way, the art and practice of asking questions that strengthen a system’s capacity to apprehend, anticipate, and heighten positive potential. It is based on two assumptions:

- first, organizations always move in the direction of the questions their members ask and the things they talk about;
- second, energy for positive change is created when organizations engage continually in remembering and analyzing circumstances when they were at their best rather than focusing on problems and how they can be solved. The approach invites organizations to spend time creating a common vision for their desired future and developing the images and language to bring that vision to life.

Appreciative Inquiry distinguishes 4 major phases. Those are the phase of:

- Discovery: the identification of processes that work well.
- Dream: The envisioning of processes that would work well in the future.
- Design: Planning and prioritizing processes that would work well.
- Destiny (or Deliver): The implementation of the proposed design.

<sup>8</sup> David Cooperrider, Diana Whitney, and Jacqueline Stavros. 2007. *Appreciative Inquiry Handbook*. San Francisco: Berrett-Koehler

## 5.2. Identification of Energy and Resources

Participants had a conversation in pairs and then worked in subgroups to discover resources, strengths and energy regarding Harmonisation for LGD. (see appendix 5). Appendix 4 presents some of the pairwise conversation results<sup>9</sup>.

One of the key *drivers for harmonisation* is that a majority of the participants started their working career at local level and were involved in poverty reduction programmes. They share this energy and motivation to strengthen the performance of LGs in terms of service delivery, and to empower local communities to be in the driver seat of LGD through a call for rights and accountability. CSOs and the private sector should champion the decentralisation agenda and ensure that their interventions are aligned in country systems.

GoU has to be politically committed and to guide the LGD agenda through a conducive policy framework. This implies a coordination mechanism within GoU to ensure that all policies and programmes are in compliance with LGD policies and do not contradict each other. DPs need to align their support to the existing country systems but GoU is duty bound to indicate the areas in which the alignment should happen. It was acknowledged that programming and system synergy between the Central Government and Local Governments is critical in order to ensure coherence and uniformity of purpose.

Another driver for attracting DPs to pool funding for the LGSIP is its implementation performance, as compared of the performance of other interventions by GoU. Participants explored how the MoLG should promote itself and attract more funding. A first step is that the image of decentralisation and LGs being a cost should be transformed into an image where they are a key development mechanism.

*Forms of Agreement between DPs and GoU* preferably go beyond the “project modality” whilst ensuring that GoU is in charge of providing a results-oriented oversight. DPs support should be based upon a cost sharing principle. At the same time stronger domestic accountability mechanisms are necessary where political leaders account to the electorate and where the citizenry demands for accountability.

A short-medium term mechanism for checking progress made towards harmonisation alignment and ownership principles seems necessary which would enable GoU to signalise to the overall DP coordination or to “raise the red flag” if DPs do not harmonise and align.



*Participants discuss drivers of harmonisation*

<sup>9</sup> The workshop facilitator observes that the results of this particular workshop already present the elements of a shared vision, rather than the energy and resources – the strengths already existing in harmonisation for LGD in Uganda.

*Strategies and platforms for communication that promote harmonisation:*

Communication and dialogue for LGD harmonisation should involve a wide range of key stakeholders such as political leaders, civil society, the private sector and local leaders. They preferably improve the working relationships between the appointed and elected leaders. A framework of cooperation needs to be established that clearly spells out the relationship between the DPs and LGs even as they relate through the sector ministries and intermediating agencies. This extensive dialogue aims at

- maintaining the right momentum for LGD and to deal with emerging challenges.
- enhancing mutual respect and joint learning on the part of the DPs and the GoU to isolate what works and what does not work and also to tap into each others comparative advantages. One of the tools is to organize programme evaluations to take stock of the LGD planned actions and outcomes.
- DPs and GoU should undertake joint action on policy. This was said to be happening in Uganda to a reasonable level but needs augmenting. Equally it was argued that policy making is not the role of the DPs.

An operational and performing decentralised management technical working group is key in the harmonisation of LGD interventions, as well as the technical capacity of both government and DPs.

Regarding *the role of DPs* and those of CG and LG the following ideas were identified:

- Trust and confidence among stakeholders are very important and call for all parties in the relationship to stay true to the obligations as spelt out in the various agreements or moderating instruments. Next to this, the roles and expectations of DPs need to be clarified for the government these expectations can be satisfied. DPs are expected to contribute to joint action on policy to a certain extent. Then they (read the Local Development Partner Group – the DP umbrella chaired by WB) must ensure coordination and division of labour that does not relegate the importance of LGD. DP play an important role in institutional capacity building of the MoLG and LGs in order for them to keep LGD prioritized and in order to support the satisfactory implementation of any resulting programmes.
- Districts should take charge of local development in their respective localities ensuring response to local needs and provide the lead and context for harmonisation, alignment and ownership. CG should take charge of providing the policy and planning framework.

### 5.3. Dream Phase – The Desired Situation

Participants were asked to visualize their dreams regarding Harmonisation for LGD.

The first rich picture represents LGD built upon two fundamentals which are LG as drivers of local development and a policy compliance mechanism, that makes sure that all policies in other sectors are in compliance with those of LGD. The roof representing the dream of this group is about trust among stakeholders and dialogue; central government taking charge and facilitating LGD; a shared vision of decentralisation and a central government coordinating.



Important strategies to realize this dream include at the LG level:

- At the LG level: community driven processes, improved financial autonomy, downward accountability, meaning that GoU and LG increasingly become accountable to citizens, and civil society rather than to Development Partners and that CG becomes accountable to LG.
- At the CG level: rationalization of the number of administrative units (LG administration, giving LG more confidence and autonomy, have strong autonomous Local Government Associations capable to defend the interests of Local Governments
- Regarding Harmonisation and alignment: CG to provide a clear cooperation framework, DP & CG to coordinate the Common Budget and support supervision efforts and put in place performant communication mechanisms.

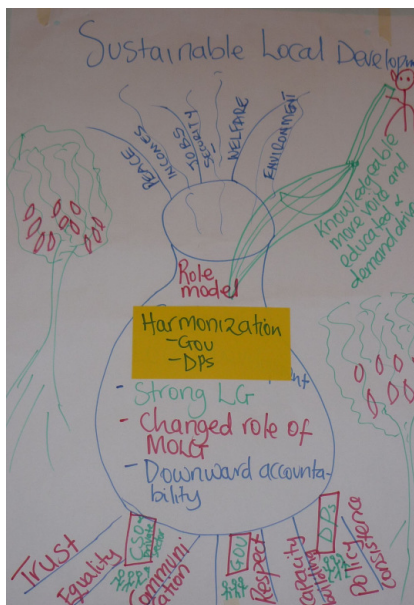
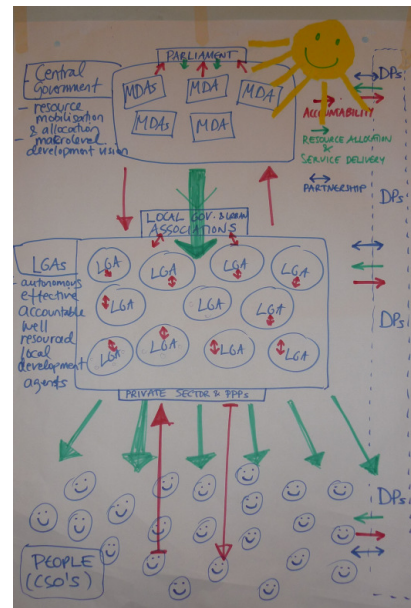
In the second rich picture the sun will be shining if the relations and mutual obligations between different stakeholders are respected and put in place.

LGs are in the driver seat and should turn into an autonomous, effective, accountable and well resourced local development agent. Financial resources (green arrows) should come from CG, from private sector initiatives, from DP who support CG or LGA or civil society initiatives at local level.

Apart from being internally accountable (red arrows), LGAs should be accountable towards their citizens. LGAs should also be accountable towards CG and DPs that support them at the local level. At the same time LGAs should be strong in asking CG to account for LGD policies, instruments, results and public expenditure.

CG plays a central role in resource mobilization and allocation, as well as in the drafting of an enabling environment that includes LGD. Part of its financial resources come form DPs operating at national level. Central government is accountable to the national parliament and to DP at the national level.

Harmonisation and partnerships (blue arrows) between DPs and other stakeholders are organized at the grassroots level (CSO), at local government level and at central government level.



The third dream represents an African cooking pot containing LGD harmonisation between DP and GoU based upon strong downward accountability relations, a changed role of the MoLG, strong local governments who are a role model for development. This content is being steered by a citizen (right upper corner) who is knowledgeable and educated and claim more voice and demand-driven development. The best meal produced creates peace and security, improved incomes and jobs, welfare and a sustainable environment that continues to have rains for trees to grow with fruits.

This meal can not be produced without trust, relations of equality and mutual respect. It requires appropriate communication between an active citizenry, CSO and

private sector organisations, GoU and DPs who ensure capacity building and policy consistency.

During the plenary session it became clear that there were no contradictory dreams and visions regarding LGD and harmonisation. The key elements of such a dream are:

*In terms of drivers of harmonisation:*

An important driver of harmonisation is that of local governments being in the driver seat of development. Local governments preferably develop some 'entrepreneurial' skills that enable them to take charge of development. They should change their mind set and not only rely on CG transfers hence perpetuating the "heaven-manna syndrome".

Central government would be in charge of creating the appropriate institutional environment that enables LGs to be confident and to make autonomous decisions regarding their development priorities. Central government should also provide a clear cooperation framework for DP.

*In terms of forms and agreements on funding modalities and accountability relations*

Downward accountability from CG to LG and from LG towards citizens, CSO and private sector are key elements for the ideal harmonisation for LGD situation. Agreements and financial resources from DP are not only made available through the central government, but also through local governments and non-state-actors. DP & CG will coordinate the common budget and support supervision efforts and put in place communication mechanisms with good performance.

*In terms of platforms for dialogue and communication*

In the ideal situation, a communication and dialogue "system" will make sure that all stakeholders (active citizenry, CSO and private sector organisations, GoU and DPs) are involved in decision making and implementation of LGD policies. Local governments would play a key role in national policy formulation.

*In terms of the roles to be played by DPs and other stakeholders.*

DPs play an important role in resource mobilization, not only at CG level, but also at LG and CSO level. The resource flows would become more diverse. DPs also would be involved in capacity development and play a role (to be identified) in LGD policy formulation.

The role of the MoLG will change and preferably LGD will play a more prominent role in national policies and their implementation.

#### **5.4. Design Phase – How To Realise The Dream**

Under the design phase, participants were required to "co-construct" the future. Starting in pairs and then coming together in subgroups, participants identified core strategies in terms of provocative statements that strengthen harmonisation for LGD in Uganda and that change current practices and routines.

*Drivers*

Important strategies for strong harmonisation for LGD are a central government taking a lead on decentralisation in terms of providing planning and funding framework - with possible shrinkage in its role in favour of local governments. Funding of local governments is to be based upon equitable resource distribution – poverty, size and population & commensurate to service delivery load. Central government promotes policy compliance in the field of LGD.

LGs need to become more robust and autonomous with a voice and stronger local revenue base that champions decentralisation. Therefore they need to advocate for their status and abilities to deliver under decentralisation. They should be involved in national policy formulation, the legal framework should be adjusted and they should demonstrate their capacities.

Harmonisation under LGD calls for people-centred development through enhanced and real time participation which creates a community voice to call for social accountability. Re-invigorating community support through strategic investment in Community Driven Development (CDD) and refining channels for CSO support, which tends to be self negating, are quite vital. Decentralisation must be anchored in the LGs and decentralised co-operation across DPs, LGs and CGs is to be promoted.

Core values to be respected for harmonisation & LGD are

- We trust the people (message to Ugandan government),
- Empower yourselves (message to LG),
- We can deliver (message to councillors),
- United we stand (message to associations),
- People centred development (message to CSO),
- Aligned we are effective (message to DPs)

#### *Forms and agreements*

- Building strong lines of public and social accountability through inclusion of CSOs, communities and the private sector beyond contractual relationships.
- Strong institutional mechanisms for financial management and efficient LGs association systems.
- The need for functional Management Information Systems (MIS), Inspection and monitoring mechanisms that ensures prudent resource use and conformity to stipulated guidelines. This would harmonise service delivery systems and iron out overlaps. It can be achieved through the implementation of the National Integrated Monitoring & Evaluation System (NIMES), coordinated forums, joint inspection and supervision missions and enforcement of the Joint Budget Support Framework (JBSF).

#### *Platforms of dialogue and communication*

More innovative and flexible methods need to be developed to ensure coordination and oversight. At the same time the number of coordination platforms should be reduced, because they are too many and lead to a loss of speed.

#### *Role of DPs*

The strongest message to DPs is that they have to create a supportive development partnership with a clear division of labour and harmonised horizontal relationships. This refers to the Local Development Partners Group chaired by the WB, that is operating as the umbrella group of all DP groups.

DPs have to align themselves to ensure that Harmonisation for LGD takes place through partnership agreements. They should facilitate the diagnostic of the current LGD systems and provide, technical support, all of which reinforce the LGD system.

#### *The very first steps*

The first actions necessary to strengthen Harmonisation for LGD consists of a diagnostic study of the current LGD system, a review of the legislative and institutional arrangements,



and an action plan for the implementation of reforms and empowerment of local governments.



A second step is to strengthen the LGD agenda in the DMTWG and strengthen its position in Public Sector Management Working Group (PSMWG) under PSM.

*The Minister of Local Government Uganda, is taken through the LGD Vision*

## 6. Reflections, Conclusions & Recommendations

The DPWG-LGD's expectation of the Uganda workshop is to create a platform and peer review mechanism that allows its members to develop a shared view on current country specific or regional issues in the field of LGD.

At the same time, the Ugandan workshop aimed at fostering the dialogue (cross-sectoral or cross-countries) in the field and it looked in particular at

- Drivers of harmonisation, alignment and ownership for LGD.
- Forms and agreements between Development Partners and Government of Uganda.
- Strategies and platforms for communication between the DPs and GoU, including the future role and position of the Decentralisation Development Partner's Group (DDPG).
- Role of the Development Partners (DP) in the field of decentralisation and local governance, including the future implementation of the Local Government Sector Investment Plan (LGSIP).

This chapter will address those expectations in terms of providing some food for thought for the DPWG-LGD as well as to draw conclusions for LGD and Harmonisation & Alignment in Uganda. The last section makes some recommendations for both the DPWG-LGD and the DDPG.

### 6.1. Conclusions on Harmonisation, Decentralisation and Local Governance

The meeting in Kampala was quite critical in facilitating the Government and the DPs to re-examine their commitment to LGD. It provided a discussion, for the sector, of the Paris Declaration Principles and the Accra Agenda for Action. The discussion of the detailed principles provided an in-depth understanding of the requirements and rationale of the new aid architecture. There was agreement that local governments provide viable institutional arrangements for aid effectiveness. They can deliver and enforce public and social accountability while facilitating social justice and equity. The weak institutional positioning of local governments in Uganda has led to a constrained voice of local beneficiaries. As such, the LGD consequences of The Paris Declaration and the Accra Agenda for Action principles need to be unpacked and localised in specific country contexts

#### *Drivers for LGD harmonisation*

- A strong legislative and institutional framework to regulate LGD is paramount and enables LGs' need to become more robust and autonomous with a voice and stronger local revenue base that champions decentralisation.
- Decentralisation must be made more marketable and its achievements better communicated as an incentive for stakeholders to keep it resourced: Following the division of labour negotiations DPs pulled out from the 10 year LGSIP financing framework. The MoLG needs to promote its outcomes and achievements to keep decentralisation relevant.
- There must be clear lines of responsibility with regard to who identifies and flags departures from stated/agreed decentralisation principles and pillars. This implies a coordination mechanism within GoU to ensure that policies and programmes are not self negating and in compliance with LGD policies
- Decentralisation (and LGs) should not be looked at as a cost but as an opportunity for economic development and poverty reduction. These opportunities must however be adequately demonstrated in policy reform and based on sound analysis

of long term benefits. Current reforms are perceived to be based on short term opportunistic benefits without adequate analysis. There is need for entrepreneurship skills within LGs to reconstruct this thinking and way of doing things.

- Core values for successful LGD harmonisation are: trust in the people (to Ugandan government), self-empowerment (to local government), we can deliver (to councillors), united we stand (to associations), aligned we are effective (to DPs).
- A potential counterproductive driver of harmonisation in the field of LGD are Sector Budget Support (SBS) and the Sector Wide Approach (SWAPs) who tend to promote recentralization of resources and influence. They should be carefully used in conjunction with other modalities that promote more LG leverage. There is a perceived inertia by sector ministries to devolution.

#### *Forms of agreement and strategies between DPs and GoU regarding funding and accountability modalities.*

- Governments must maintain the trust between them and the DPs – arising out of negotiated positions. On the one hand government must commit to their agreements in terms of reporting, outputs and procedures according to agreed expectations of performance standards. On the other hand DPs need to cease competition and to align their support to existing country systems and plans to the highest extent possible. In the current situation not all DPs have committed themselves to harmonisation and alignment. Participants proposed to use annual reviews for checking progress made towards harmonisation, alignment and ownership principles. In such a process government should raise the red flag if DPs do not harmonise and align to the expected level.
- New collaboration modalities between LGs, national governments, local governments and other stakeholders need to be established in favour of multi-stakeholder harmonisation and alignment for LGD. DPs are encouraged to not only make financial resources available through the CG, but also through LG and non-state actors. In this, programme and system synergy between CG and LGs is critical to ensure coherence and uniformity of purpose.
- DPs should support stakeholders in LGD to develop accountability relations and mechanisms between citizens, non state actors and the public sector..
- Agreement on an M&E system that helps track key LGD milestones accepted by all stakeholders involved is very important for increasing harmonisation and alignment.
- Local Government Performance Grant systems that comprise financial incentives for good performance are a successful strategy to mobilize more DP funding.

#### *Platforms of dialogue and communication*

Involved stakeholders should ensure that the recently established DMTWG can have significant input and oversight in all Government of Uganda reforms relating to LGD. This implies that its position and contribution to the Public Sector Management Working Group (PSMWG) needs to be well defined.

Innovative dialogue for LGD harmonisation should involve a wide range of key stakeholders such as central government, local government, DP, political leaders, civil society, the private sector and local leaders. A framework of cooperation needs to be established that clearly spells out the relationship between the development partners and LGs even as they relate through the Sector Ministries and Intermediating Agencies. This extensive dialogue aims at

- maintaining the right momentum for LGD and to identify emerging challenges and deal with them.

- enhancing mutual respect and joint learning on the part of the DPs and the GoU to isolate what works and what does not work.
- DP and government should undertake joint action on policy. This was said to be happening in Uganda to a reasonable level but needs augmenting. Equally it was argued that policy making is not the role of the DPs but they can only advise unless they detect serious flaws in the process.

#### *Role of DP*

The strongest message to DPs in Uganda is that they have to create a supportive development partnership with a clear division of labour and harmonised horizontal relationships in favour of LGD. This refers to the LDPG chaired by the WB, that is operating as the umbrella group of all DP groups.

DPs in the field of LGD have to align themselves to ensure that harmonisation and alignment take place through partnership agreements. They should facilitate the diagnostic of the current LGD systems and provide technical support, all of which reinforce the LGD system.

The extent to which DPs play an active role in policy dialogue and formulation needs to be clarified and discussed between GoU and DPs. Another issue is related to the extent of which DPs and Governments co-manage LGD policies and programmes. To some the co-management modality refers to the project approach, whereas a SWAP modality asks DPs to sit back and ask governments to account for budget expenditure, outputs, outcomes and impacts.

DPs play an important role in institutional and organizational capacity building and this support needs to be maintained and the quality of the TA ensured. The idea of pooling TA besides that of pooling financial resources needs to be considered by GoU.

## **6.2. Food for thought for the DPWG-LGD**

### *Cross-sectoral harmonisation & alignment – a delicate balance*

DPs in Uganda withdraw their support to the 2007-2016 LGSIP as of 2011. Major consequences of this are that Local Governments will lack financial and human resources (numbers and capacities) to support service delivery by other sectors such as education, water and environment, roads, agriculture. Local Governments will be incapable of providing services supported by sectors through a SWAP modality. The delicate balance between unconditional and conditional grants to LGs has been disturbed, resulting in a decline of local government performance despite increased amounts transferred.

Several arguments were given for the withdrawal of DPs, ie.

- The MoLG argued that DPs withdraw because they are being attracted by more performing sectors. Development Partners need to account for their expenditure to their respective parliaments and this would make it more attractive to invest in high performance sectors.
- DPs argue that they have been asked by the GoU to concentrate on other sectors as the result of the Division of Labour exercise.
- LGD is not a priority of the GoU anymore and DPs withdraw from the MoLG in line with national policies and the ownership principle. This implies that the influence and the position of the MoLG in its own GoU is not enough to keep LGD on the national agenda. Therefore DPs are asked to support other sectors.

In Uganda, LDPG together with PSM and the MoFPED seem to be the appropriate channels and dialogue level to address the delicate balance between unconditional and conditional grants to local governance and the decreasing Local Government Performance.

Unfortunately we were not able to address this issue during the workshop because the LDPG and lead DPs of other sectors did not participate. The key question to ask here is who will raise the red flag and will be able to bring this issue on the DPs and GoU agenda in order to ensure service delivery at local level, inclusive development and downward accountability? What could be the possible role of the DPWG-LGD group in this situation?

#### *Harmonization and alignment within the LGD domain*

The DDPG has 15 DP members and according to their Mandate and Operating principles they accept the “overarching Partnerships Principles agreed between development partners and the GoU in 2003 which states amongst others that donor support will only be sought or provided for programmes that are in line with the Poverty Eradication Action Plan, and that this support is fully integrated into sector wide programmes and is fully consistent with the priorities of each sector programme. Together, the PEAP and LGSIP set the operational context for the activities of the DDPG whilst the Partnership Principles dictate the Group’s modalities”<sup>10</sup>.

Until 2008, a maximum of 5 DPs concentrated on the LGSIP, whereas the others aligned to the PEAP which is the policy document that guides the overall Ugandan Assistance Strategy and is not LGD specific. Besides, major DPs as the EU, WB and ADB continued with project modalities. Those DPs did not attend the workshop and the rationale for their LGD strategy is not known to the authors of the report.

For the DPWG-LGD this experiences shows that harmonisation and alignment is not only an issue across sectors but also within LGD. Within LGD harmonisation & alignment is not only sought between the ministry in charge of Local Government and other Ministries, but also with local governments themselves and other relevant stakeholders. The presentation by Tanzania clearly explains the critical issues for harmonisation and alignment within LGD. In Uganda those issues are still on the agenda of both DPs and the GoU.

What could be the potential role of the DPWG-LGD when important DPs in LGD do not align to national LGD policies and instruments? The relations and mandates between head quarters and their representatives at national level will determine to what extent the DPWG-LGD can play a positive role.

### **6.3. Recommendations**

A recommendation to the GoU is that it needs to re-engineer itself as far as Local Governance and Decentralisation is concerned – to put it back on the overall national agenda especially as Government finalizes the National Development Plan (NDP). This also comprises a diagnostic of the current LGD system, the review of the legislative and institutional arrangements, action plan for the implementation of reforms and empowerment of local governments.

MoLG is invited to urgently initiate dialogue with the DDPG in order to obtain better insights into the current dynamic and work out a plausible way forward that includes a discussion on the functionality of the DMTWG as a platform for dialogue for LGD.

The DDPG in Uganda should intensify its efforts to harmonise and align its interventions to LGD policies and instruments already in place, and start to explore LGD support in a wider context beyond the MoLG, given the fact that other stakeholders such as the LDPG, PSM, MoFPED, sector ministries, local governments and CSO all impact upon Local Government performance.

---

<sup>10</sup> Decentralisation Development Partner Group (DDPG) Mandate And Operating Principles

A recommendations addressed to the DPWG-LGD would be to explore its room for manoeuvre and its influential capacity to address critical issues in country specific situations.



*Hon Adolf Mwesige, Minister of Local Government of Uganda and Mr. Eugen Kaiser of InWEnt, Capacity Building International, Germany*



## Appendix 2: Workshop Programme From Day To Day

### Tuesday 06 October

08.00		Registration
09.00	Chair of DDPG	Welcome address by DDPG
09.15	Minister of State MoFPED	Welcome address by MoFPED
09.30	Eugen KAISER, InWEnt	Introduction to the DPWG-LGD initiative
09.45	Dieuwke Klaver	Introduction to the meeting Getting to know each other
10.30	Permanent Secretary of MoFPED	Decentralisation and local government (LGD) support in the light of National Policies and Division of Labour
10.55		Break
11.10	Charles Magala, DP	DP perspectives on future support to LGD in Uganda
11.35	George Matovu, MDP	Questions and answers
12.00	Dieuwke Klaver	Introduction to the Appreciative Inquiry Methodology and to the discovery phase
12.30		Lunch
14.00	Dieuwke Klaver & George Matovu	Exploring best practices and desires regarding harmonisation, alignment, ownership in the field of LGD – pair wise interviews
15.00	MoLG	Lessons learned in the field of Harmonisation, Decentralisation and Local Governance
15.30		Break
16.00	Dieuwke Klaver	Analysis of findings - subgroup work
17.00		End of session

### Wednesday 07 October

09.00	Rapporteur	Daily report
09.15	Dieuwke Klaver	Exploring best practices and desires regarding harmonisation and LGD – plenary session
10.00	George Matovu, MDP	Harmonisation and alignment of LGD in development cooperation, perspectives from Africa.
10.20	Dieuwke Klaver	Questions and answers
10.40		Break
11.00	Solanus Meinrad NYIMBI, PMO-RALG Iina Soiri, Embassy of Finland & Frank Holtmeier, GTZ	Successful experiences of harmonisation, alignment and ownership in support of LGD in SSA, examples from Tanzania
11.40	Akwasi OPONG-FOSU, MoLGRD – Ghana	Successful experiences of harmonisation, alignment and ownership in support of LGD in SSA, examples from Ghana
12.00	George Matovu, MDP	Questions and answers
12.30		Lunch
14.00	Dieuwke Klaver	Drawing lessons based upon successful experiences.
14.30	Dieuwke Klaver	Introduction the dreaming phase of the appreciative inquiry methodology
14.45	Dieuwke Klaver & George	Imagine the future of harmonisation, alignment,



15.30	Matovu	ownership in the field of LGD – subgroup work
		Break
16.00	Dieuwke Klaver	Imagine the future of harmonisation, alignment, ownership in the field of LGD – plenary session
17.00		End of session

**Thursday 08 October**

09.00	Rapporteur	Daily report
09.15	Eugen KAISER, InWEnt	“Specific Guiding Principles for Enhancing Alignment and Harmonisation on Local Governance and Decentralisation that will apply to specific country contexts”, DPWG-LGD
09.35	George Matovu	Questions and answers
09.50	Anastase Shyaka, RGAC - Rwanda	Joint Governance Assessment as an instrument for enhanced aid effectiveness in the field of LGD
10.10	George Matovu	Questions and answers
10.30		Break
11.00	Dieuwke Klaver	Introduction to the designing phase of the appreciative inquiry methodology
11.15	Dieuwke Klaver	Designing the future – subgroup work
12.30		Lunch
14.00	Dieuwke Klaver	Designing the future – plenary session
15.00		Break
15.30	Rapporteur	Conclusions and recommendations for harmonisation, alignment and ownership in the field of LGD in Uganda
16.00	Minister of State MoLG	Closing ceremony
16.30		Drinks

### Appendix 3: Attendance

Sn	Name	Title	Address
1	Ada K. Muwanga	Director, Human Resources Management, Ministry of Public Service, Uganda	256-41 4 251002
2	Adam Babale	Principal Economist, Local Government Finance Commission	adam.babale@lgfc.go.ug
3	Akwasi Opong Fosu	Ministry of Local Government and Rural Development, Ghana	AOF58@hotmail.com
4	Aladeen Shawa	LED Senior Technical Advisor- UNCDF New York	
5	Alice Mundaka	National Coordinator LOGO, South Millennium Development Goal Program	anmundaka@yahoo.com
6	Anastase Shyaka	Executive Secretary, Rwandan Governance Advisory Council, Kigali	anasano@yahoo.com info@rwanda-gac.org
7	Assumpta I. Tibamwenda	Community Management Specialist Program Support Team Ministry of Local Government, Uganda Lead Rapporteur	assumpta.tibamwenda@molg.go.ug t.assumpta@yahoo.com
8	Charles Drazu	Senior Policy Officer Advisor, Local Governance Netherlands Embassy, Uganda	charles.drazu@minbuza.nl
9	Charles Magala	Chair-PSM Group/Anti Corruption Group, Danish Embassy, Uganda	chamag@um.dk
10	Dieuwke Klaver	Institutional Development, Local Governance and Rural Livelihoods	dieuwke.klaver@wur.nl
11	Drifa H. Krist Jansdottir	Project Manager, KDDP ICEIDA, Uganda	256-41 230984
12	Edward Ssenyange	Policy Officer, Uganda Debt Network	esenyange@udn.or.ug/ esenyange@yahoo.com
13	Eugen Kaiser	Head of Division Promotion of Democracy/Administrative Reforms	eugen.kaiser@inwent.org
14	Eugen Kaiser	Head of Division Promotion of Democracy/Administrative Reforms InWent – Capacity Building International	eugen.kaiser@inwent.org
15	Frank Holtmeier	Priority Area Coordinator Governance /Co-chair LGDPG	frank.holtmeier@gtz.de
16	George Matovu	Regional Director MDP-ESA, Zimbabwe	
17	Graham Smith	Advisor, PSTUNCD, Ministry of Local Government Uganda	grahamsmith@gmail.com
18	Harriet B. Muwanga	Governance Program Advisor USAID Uganda	hmuwanga@usaid.gov
19	Herbert Mugumya	Project Management Specialist USAID, Uganda	256-(0) 77 2 221 686
20	Hon Adolf Mwesige	Minister of Local Government, Uganda	
21	Hon Aston Kajara	Minister of State Investment, Ministry of Finance, Planning & Economic Development, Uganda	

22	James Kiiza	Programme Officer, Urban Authorities Association of Uganda	
23	Jenifer Bukokhe Wakhungu	Chair DDPG National Programme Officer, United Nations Capital Development Fund, Uganda	256-41-251260
24	John M. Behangana	Secretary General, Urban Authorities Association of Uganda	jbehangana@yahoo.co.uk
25	Kalanguka Kayohdho	Commissioner, Investment & Private Sector Development, Ministry of Finance, Planning & Economic Development	Kalanguka.kayondo@fince.go.ug
26	Lina Soiri	Co- chair, DP Cluster on LGD, Embassy of Finland, Tanzania	lina.soiri@formin.fi
27	Ludo Rochette	Counselor/Head of Cooperation Belgium Embassy, Uganda	Ludo.luchelediplobed.fel.be
28	Nadine Umutoni Rugwe	Good Governance Advisor, Netherlands Embassy, Rwanda	nadine.rugwe@minbuza.nl
29	Patrick K. Mutabwire	Commissioner, Local Councils Development, Ministry of Local Government, Uganda	pmutabwire@molg.go.ug
30	Samuel A. Amule	Commissioner, Local Authorities Inspection, Ministry of Local Government, Uganda	samadoketa@yahoo.com
31	Sanyu Clare	Rapporteur Ministry of Local Government, Uganda	mclarep@yaho.com
32	Solanus Meinrad Nyimbi	Director of Local Government, Prime Ministers Office, Regional Administration and Local Governance, Tanzania	snyimbi58@yahoo.co.uk
33	Vincent Maher	Decentralisation Advisor Belgium Technical Cooperation, Uganda	vincent.maher@btcctb.org
34	William Ndolerire	Principal Economist, Budget Policy & Evaluation, Ministry of Finance, Planning & Economic Development, Uganda	william.ndolerire@finance.go.ug
35	Winfred Nabakumbi	Technical Advisor, GTZ RUWASS	
36	Yiga Anthony	Member of Parliament Chairperson, Parliamentary Committee for Public Service & Local Government	

## Appendix 4: Paired Conversations

The paired conversations sought to introduce individual participants to each other through the initial stage of appreciative inquiry – the discovery phase. Participants were required to give accounts and stories on personal experiences highlighting their peaks experiences, the core factors that nurtured these experiences. The exercise provided a basic understanding of harmonisation through the sharing of the biggest and peak experiences between participants not previously known to each other. A synopsis of the peak experiences includes;

- The designing of the decentralisation policy in Uganda.
- Participation and backup to the legislative reforms such as the Land Act in Uganda.
- Design and support to community development.
- Design of fiscal decentralisation (transfers to LGs) in Uganda and Tanzania
- Supporting planning processes in hard to reach districts (Bundibugyo) Uganda.
- Adult literacy programme for the empowerment of women in Kalangala Uganda.
- Designing high level program on LED (Tanzania and Malawi).

### Detailed Paired Conversations

No	Participant/issues	Core factors
1	Harriet Muwanga Governance Adviser - Governance and Democracy Unit, USAID Uganda <ul style="list-style-type: none"> <li>• Worked with the Uganda Lands Coalition towards the enactment of the Land Act which sought inclusion of the rights of tenants and women.</li> <li>• Gained immense experience working with parliament on the land legislation.</li> <li>• Inclusion of major clauses – though it later became unemployment.</li> </ul>	Legislative reform – land.
	Assumpta I. Tibamwenda Community Management Specialist, MoLG Uganda <ul style="list-style-type: none"> <li>• Peak marked by crossing from civil society to government which created complementarities of methodologies between the two systems of governance.</li> <li>• Implementation of the performance assessment system for LGs 1997/98 to inform funding allocation.</li> <li>• Formulation of the DPSF and LGSIP in Uganda which consolidated the conceptual and programming framework for LGD.</li> </ul>	Cross fertilization of CSO and government systems and best practices on LGD.
2	Charles Magala - DANIDA Formulation of the LGSIP in Uganda backed by the enthusiasm of donors, knowledge, confidence and skills of all parties.	Policy reform to support LGD.
	Ndolerire William - MoFPED <ul style="list-style-type: none"> <li>• Formulation of the fiscal decentralisation in Uganda of the FDS.</li> <li>• Decentralised services for local revenue collection.</li> <li>• Harmonizing Participatory Planning and Budgeting.</li> </ul>	Clarifying guidelines for auxiliary LDG services.
3	Charles Matovu <ul style="list-style-type: none"> <li>• Regional Director – MDP EAS – region.</li> <li>• Participated in the design of the decentralisation system in Uganda in 1992. This determined how Uganda would be governed – de-concentration to devolution.</li> </ul>	New policy reform and administration.

	<ul style="list-style-type: none"> <li>Drivers included the new development and a new set of administration. This facilitated the linking of civil servants across the region.</li> </ul>	
	<p>Aladeen Shawa</p> <p>From the New York UNCDF office as Head of Local Economic Development (LED) previous career experience in Philadelphia in the non profit sector.</p>	Conviction that local authorities are LED agencies.
4	<p>Akwasi Opong Fosu Sharal</p> <p>Has undergone evolution as a technical and political leader who worked as Mayor, Central Government staff, Minister of Local Government and head of LGs Associations.</p>	Supporting local levels of government and seeing improvements in service.
	<p>Adda Muwanga</p> <p>Peak career realized after promotion from Principal Officer to Commissioner for Human Resource Development.</p>	Coordination of programmes.
5	<p>Vincent Mayer</p> <ul style="list-style-type: none"> <li>Lived in hard to reach Bundibugyo .</li> <li>Fulfillments in seeing communities participate in development.</li> <li>Supported planning process</li> <li>Growing food crops on the river banks and its subsequent replication</li> </ul>	Co-management.
	<p>Winfred Nabakumbi - Deputy Advisor, WATSAN Sector.</p> <p>Peak marked by completion of Masters in WATSAN services and complimented by training workshop on water – Germany</p>	Education attainment
6	<p>Nadine Umutoni Rugwe</p> <p>Not yet at the peak but worked for the LG Association of Rwanda which provided a negotiating framework for LGs with the Government of Rwanda.</p>	Negotiating framework between CG and LGs.
	<p>Charles Drazu – Netherlands Embassy, Uganda</p> <ul style="list-style-type: none"> <li>Advisor on LGs working with the local people before many and budget support.</li> <li>Peak experience formed by the participation in the formulation of the LGSIP which received a lot of Government support and willingness.</li> </ul>	Policy formulation
	<p>Drifa H. Krist Jansdottir - Project Manager, Kalangala District Development Programme (KDDP) ICEIDA, Uganda.</p> <ul style="list-style-type: none"> <li>Peak experience adult literacy programme – Kalangala and empowerment with MoGLSD</li> <li>Programme strengthened local democracy.</li> </ul>	Communities as drivers of change
7	<p>Eugen Kaiser – Head of Democracy –InWent</p> <ul style="list-style-type: none"> <li>5 year programme with UN</li> <li>In Latin America on Public Service reform</li> <li>Wealth of experience of reform in German – knowing people from the communities.</li> </ul>	Communities as Drivers of Change
	<p>Graham Smith</p> <ul style="list-style-type: none"> <li>Local Economic Development (LED) advisor, MoLG Uganda</li> <li>Micro economic development – Tanzania, Malawi</li> <li>MTWALA development Programme 2003/07</li> <li>Enjoyed support from highest political leader in Tanzania.</li> <li>Strong accountability systems</li> <li>Unpacking production potentials of LGs.</li> </ul>	Local Government as Development Agencies

## **Appendix 5: Terms of Reference for subgroup work – AI**

### **Conversation guidelines**

#### *What is the conversation about?*

The Decentralisation Development Partners Group and the Decentralisation Sectoral Working Group (DSWG) within the Ministry of Local Governance are closely collaborating using national policies and laws as guiding principles<sup>11</sup> for the implementation of their policies. Five Development Partners pool funding in the Local Governance Sector Investment Plan (LGSIP) basket fund. As of 2010 the number of Development Partners that will contribute to the LGSIP will decrease. In line with this, the amount of money allocated to the MoLG will decrease in 2010 and the Decentralised Managed Technical Working Group (DSWG) within the MoLG has been replaced by the Decentralised Managed Technical Working Group (DMTWG) attached to Public Sector Management.

As of 2009, the Government of Uganda (GoU) has been drafting a new National Development Plan that will replace the former Poverty Eradication Action Plan (1997). At the same time the Government and DPs have been working on a Medium Term Expenditure Framework (MTEF), and a new division of labour of DP according to the sectors defined by the GoU.

In the light of these new realities we want to explore how harmonisation, alignment and ownership of the Local Governance and Decentralisation Agenda and its practical implementation in Uganda can be organised in the coming years.

At the end of this workshop we would like to formulate answers and recommendations regarding Harmonisation and LGD in Uganda, in particular about:

- The strongest drivers of harmonisation, alignment and ownership
- The best forms and agreements between DPs and GoU regarding funding and accountability modalities
- The most appropriate strategies and platforms for communication between DP and GoU
- The optimal roles of DP in the field of decentralisation and local governance.

#### *How to do this conversation?*

This conversation is meant to be an appreciative interview with another participant in the workshop. You will interview each other mutually.

The aim of this conversation is to learn from your colleague – workshop participant about things at their best, the successes, in order to find out what works and find ways to infuse more of the positive core in the Harmonisation & LGD agenda.

At the core of the Appreciative Inquiry is the art and science of asking powerful and unconditional positive questions. Another powerful art is also the ability to listen carefully to what the other person has to tell.

Below you will find three questions that you can use as the guidelines for your conversation. You are kindly requested to probe for further information and to let the interviewee tell his or her story.

---

<sup>11</sup> Poverty Eradication Action Plan (1997), Decentralization Policy Strategic Framework (2006), the Local Governance Sector Investment Plan (2006-2016) and the Local Government Act (1997)

Your role is to take notes and listen carefully for great quotes and stories; to be curious about the experiences, thoughts and feelings of the person you are interviewing. Prepare yourself as an interviewer to be able to present the stories and information provided by your colleague- workshop participant.

#### *Question 1*

Regarding the Harmonisation and LGD agenda, think back to a time that you recall as a very positive experience for Harmonisation and LGD, or a moment that you remember as having left you with an intense sense of pride, excitement, or involvement in having been a part of something that was meaningful, a time that you truly believed that you had contributed to the improvement of the Harmonisation and LGD agenda.

Describe that experience. What was going on, who was involved, and what made it so memorable?

#### *Question 2*

Regarding that time, what are the things you valued most about harmonisation, alignment and ownership of the Local Governance and Decentralisation Agenda and its practical implementation? What are the core factors that made this agenda and its implementation effective and successful? Look for instance at

- the drivers of harmonisation, alignment and ownership,
- the forms and agreements made between DPs and GoU regarding funding and accountability modalities,
- the most appropriate strategies and platforms for communication between DP and GoU
- the roles of DP in the field of decentralisation and local governance.

What of these core factors will contribute positively to the future organization of LGD and aid effectiveness in Uganda?

#### *Question 3*

Imagine the Harmonisation & LGD agenda 10 years from now, when everything is just as you always imagined it would be. What has happened? What is different? How have you contributed to this future? How would the following issues for instance look like?

- the drivers of harmonisation, alignment and ownership,
- the forms and agreements made between DPs and GoU regarding funding and accountability modalities,
- the most appropriate strategies and platforms for communication between DP and GoU
- the roles of DP in the field of decentralisation and local governance.

*Conversation summary sheet*

Name of the interviewer (your name) .....

Name and organization of Interviewee .....

What is the most quotable quote that came out of this interview?

What is the most compelling story that came out of this interview?

What two positive core factors related to each of the following stood out most to you during the interview?

Issues	Core factor 1	Core factor 2
Drivers of harmonisation, alignment and ownership		
Forms and agreements made between DPs and GoU regarding funding and accountability modalities		
Strategies and platforms for communication between DP and GoU		
the roles of DP in the field of LGD		
Others?		

Vision of the future?

Issues	Theme 1	Theme 2
Drivers of harmonisation, alignment and ownership		
Forms and agreements made between DPs and GoU regarding funding and accountability modalities,		
Strategies and platforms for communication between DP and GoU		
the roles of DP in the field of LGD		
Others?		

**Discovering the resources and strengths concerning Harmonisation & LGD in Uganda – group work**

*Purpose:* To appreciate and welcome each other and to learn about the special experiences and core factors that contribute positively to the future organization of LGD and aid effectiveness in Uganda.

*Self-manager:*

Select a recorder, timekeeper, discussion leader and reporter



### *Steps*

1. Identifying the core factors
  - each person briefly shares the best story he or she heard from his or her interview partner. Group members take note of the core factors they noticed in the stories.
  - After all stories are told, make a list of all core factors in the stories. Look for the most positive experiences and ideas that grabbed you.
  - List all the core factors on coloured cards and stick them to flipchart paper.
2. Select 3-5 major core factors
  - From your group's list, come to agreement to the two to four most important core factors per issue (the drivers, forms and agreements made, strategies and platforms for communication, roles of DP)
3. Prepare for a presentation of max 3 minutes to the plenary.

### **Dreaming the future – group work**

*Purpose:* To imagine and define the future you want to work toward – optimal organization of the Harmonisation & LGD agenda and its implementation, including the following issues:

- The strongest drivers of harmonisation, alignment and ownership
- The best forms and agreements between DPs and GoU regarding funding and accountability modalities
- The most appropriate strategies and platforms for communication between DP and GoU
- The optimal roles of DP in the field of decentralisation and local governance.

### *Self-manager:*

Select a recorder, timekeeper, discussion leader and reporter

### *Steps*

Put yourselves 10 years into the future. It is 2019. Visualize the optimal organization of the Harmonisation & LGD agenda that you want to see in place. Every one shares his or her vision as discussed during the pair wise conversation.

1. Use the “optimal organization of the Harmonisation & LGD agenda” as the starting point.
  - Who will be the stakeholders and how will they contribute to the realization of this future?
  - What are their relations to each other?
  - How do you imagine the cause-effect relations will be?
  - How do you visualize the linkages to the 4 main issues mentioned above?
2. What are the core factors that make this vision – dream happen?
3. What makes this vision exciting to you? What results do you envision?
4. How does this vision help to generate new opportunities for the Harmonisation & LGD agenda? What entry points do you see?
5. For future reference, make a written story about the picture using numbers to link the pictures to explanations is needed.
6. Prepare for a presentation of max 3 minutes to the plenary

### **From Dream to Design – Provocative propositions**

A provocative proposition is a statement that bridges the “best of what is” and “what might be”. It is provocative to the extent that it stretches the realm of the status quo, challenges common assumptions on routines, and helps suggest desired possibilities for the Harmonisation and LGD agenda and its implementation. At the same time, it is grounded in what has worked in the past.

The following questions serve as a guideline or checklist for crafting engaging provocative propositions:

- It is provocative? Does it stretch, challenge, or interrupt the status quo?
- Is it grounded? Are examples available that illustrate the ideal as a real possibility, based upon the ‘best of what is’?
- Is it desired? Do you want it as a preferred future?
- Is it an acceptable proposition, that will be supported?
- Is there balanced management of continuity, novelty and transition?

### *Steps*

After the Dream session, brainstorm in plenary on provocative propositions for the way forward to Harmonisation and LGD agenda and its implementation.

1. In pairs brainstorm for opportunity areas for change – 10 minutes
2. Regroup in groups of 4 persons and exchange opportunity areas for change: - 20 minutes
  - Select 2 provocative propositions
3. Groups of 8 persons and exchange opportunity areas for change – 50 minutes
  - Select 2 provocative propositions and work them out. Tell the story of your provocative proposition. What is it about, how does it take into account the best of what is? And how “what might be”.
  - Make your provocative proposition more operational.
    - What are one-year targets or goals that can be achieved and demonstrated, showing progress towards the provocative proposition.
    - Who should do what?
  - Sell your idea to the plenary session → make your idea as attractive as possible, able to convince others.

## **Appendix 6: Speeches**

### **Opening Speech By Hon Aston Kajara, Minister Of State For Finance, Planning And Economic Development (Investment), Uganda**

- Your Excellencies, representatives of Donor Community,
- Permanent Secretaries,
- Representatives from the Governments of Zambia, Ghana, Tanzania and Rwanda
- Representatives of Civil Society Organizations,
- All Invited Guests,
- Ladies and Gentlemen

I wish to take this opportunity to welcome you all to this important workshop on Harmonisation, Decentralisation and Local Governance that strives to Enhance Aid Effectiveness.

In a special way, I also welcome the participants who have travelled from other countries to participate in this workshop. The Government of Uganda is endowed with natural scenery of flora and fauna. I therefore call upon you to take time off and visit these places and relax your mind after the hectic discussions and experience sharing on Decentralisation.

The Government of Uganda adopted the Decentralisation policy in 1992. The Decentralisation policy was further strengthened by the enactment of the Local Governments Act, which has consolidated and streamlined the interventions under a decentralised system to make them consistent with the Constitution of the Republic of Uganda. In this framework, many functions and responsibilities have been devolved to Local Governments including the provision of primary education, primary health care, water supply and other critical service delivery functions. Through this, Local Governments have played a significant role in the development of Uganda.

In 2004, the Government of Uganda held its First Annual Review of Decentralisation. One of the key findings of the Annual review was that there many actors involved in Decentralisation process and it required coordinated interventions in the field of Decentralisation.

Accordingly, in 2006 Government launched a ten year Local Government Sector Investment Plan (LGSIP) from 2006 - 2016. This plan was linked to the Decentralisation Policy Strategic Framework and addressed key challenges and opportunities for deepening decentralisation. In collaboration with the development partners, Government has implemented the interventions under LGSIP for three years from 2006 to June 2009.

This workshop on Harmonisation, Decentralisation and Local Governance is timely as regards to decentralisation implementation in Uganda. It has come at a time when the Government of Uganda is finalizing the review of Local Government Sector Investment Plan (LGSIP) implementation and the design of the next phase.

As you are aware, the Accra High Level Forum on Aid Effectiveness reformed the way developed and developing countries work together, to ensure that development assistance is well-spent and that it helps build sustainable economies that lift people out of poverty. After three days of intense negotiations (Accra, Ghana, 2-4 Sept 2008) developed and developing countries endorsed the Accra Agenda for Action (AAA). These action plans set out how donors and partner countries plan to make progress on the Paris Declaration agenda. Top on the agenda was to ensure harmonisation and alignment of aid to country systems. It was agreed that development partners should strive to use country systems to

the fullest possible level. I am therefore, hopeful that this three days workshop will come up with proper strategies of harmonizing and aligning all donor assistance and in particular UNDP assistance to the country systems.

It is my sincere hope that the sharing of experience and recommendations that will come out of this Workshop will go along way towards providing light on the focus for the next phase on LGSIP for Uganda in particular and for other participating countries in general.

Secondly, I have no doubt in my mind that the outcomes of this workshop will further provide interesting perspectives and ideas to strengthen the strategies and interventions that the Government of Uganda is finalizing under the five year National Development Plan.

Finally, I thank the organizers of the workshop for selecting Uganda to host this workshop. In particular, I am happy on the choice of the workshop theme: Harmonisation, Decentralisation and Local Governance. The Government of Uganda is emphasizing Decentralisation. Secondly, the government emphasis is on Good Governance, which is also one of the key interventions under African Peer Review Mechanisms (APRM); and lastly, as earlier stated the LGSIP through its institutional and coordination arrangements has facilitated the Harmonisation of Support from stakeholders aligned to the policies of the Government of Uganda.

I strongly believe that the recommendations by this workshop will strengthen this linkage; and increase the donor support in a harmonised and coordinated manner.

This modality will strengthen the interventions under the Joint Budget Support Framework (JBSF), which the Government is strongly advocating as an appropriate modality to harmonise and align their support with the Government's policy- making and budget cycle.

With those few words, I wish you all successful deliberations in the coming days and therefore take this opportunity to declare this workshop open.

Thank you.

**Closing Speech By The Hon Adolf Mwesige, Minister Of Local Government, Uganda**

- The Head of Decentralisation Development Partners Group
- The Head of United Nations Capital Development Fund Uganda
- The Head of the Wageningen International
- Distinguished Delegates
- Ladies and Gentlemen

At this official closing of the multi-stakeholder meeting on harmonisation, decentralisation and local government, it is my honor and pleasure to welcome you all. I have been made aware that the meeting seeks to exchange experiences, best practices and lessons learnt, explore possibilities to strengthen the harmonisation, alignment and ownership of development assistance. This comes at a critical time, when as a country, we are taking stock of the decentralisation efforts and redirecting energies through the National Development Plan. Your exploration of future possibilities for joint learning and knowledge sharing will be vital in our endeavours.

I wish to recognize the efforts of the development partners and other stakeholders here for increasingly underlining the importance of decentralisation and local governance in

contributing to improved service delivery, inclusive development, accountability and poverty reduction.

The objective of the decentralisation reforms in Uganda has been to create a local government system that is democratic, participatory, efficient and development oriented, through transfer of political and administrative control over resources to the point where they are actually delivered. This would promote accountability and effectiveness, and promote people's ownership of programs and projects. Decentralisation has improved accountability and responsibility through devolved decision-making facilitated by national-grassroots governance structures. It has led to major improvements in the capacity of local governments to plan, finance and manage the delivery of services to their constituencies. It has built democratic government structures that are responsive and accountable to the public.

I am pleased to learn that during your deliberations you have explored salient issues that will be the main drivers of harmonisation, alignment and ownership in the field of decentralisation and local governance, and what is needed in order to ensure good quality service delivery, inclusive development, poverty eradication and local accountability mechanisms at the local government level.

I have no doubt that your deliberations are cognizant of the challenges that face the implementation of decentralisation across your respective countries and agencies. For us in Uganda, there are challenges occasioned by the new division of labour amongst development partners who previously supported decentralisation. This has led to an unpredictable funding of Local Governance and Decentralisation (LGD) efforts in the country, as elaborated in the Local Government Sector Investment Plan (LGSIP).

The LGSIP was a development effort of the Government and the Development Partners as a way of creating a single 10 year (2006-2010) planning and resource framework that focuses on the strategic direction of Local Governance and Decentralisation in the country. The LGSIP recognizes and re-organises the major factors that will propel decentralisation into the future and its implementation has given supremacy to critical areas such as;

- urban planning and governance
- dealing with the conflict situation in Northern Uganda as part of the Peace Recovery and Development Plan (PRDP)
- creating a more responsive planning and budgeting framework for local governments and
- turning decentralisation from a cost to a development conduit.

Ladies and Gentlemen,

The virtues and importance of decentralisation to Uganda cannot be overemphasized. As a government we have unequivocal support to the decentralisation policy not only through legislative backup in the Constitution and the Local Government Act but as a major policy and institutional reform that spans the whole latitude of our governance, planning programming – both at Central and Local Government levels. These achievements notwithstanding, there have been challenges to the overall implementation. As a Ministry, we are mandated to examine emerging issues, through the Joint Annual Review on Decentralisation (JAR) and other processes, and propose remedies. Some of the commonly cited issues include but are not limited to responding to a rising demand by the citizens and local political leadership to create new administrative units at district, municipal and lower

levels. This action comes in the spirit of further deepening decentralisation and extending services to the closest point of use.

This is in keeping with our original objectives of decentralisation and correctly corresponds to the needs of the underserved areas. Whereas it is true, that this has led to an upshot in administrative costs in the short to medium term, the long term service delivery dividends and great involvement of the population override this fear.

The appointment of Chief Administrative Officers by the Public Service Commission; is often misconstrued as an effort by Government to recentralise. This shift was made as a way to salvage this important function from compromises arising out of some weak and compromising political situations. The new policy ensures standards, cross fertilization of ideas and systems across the country.

I wish to inform the delegates present, that this shift is so far yielding very good results in stemming conflicts between the technical and political officers and in spreading best practices.

It is important that during the meeting you developed a shared vision regarding the future position of the decentralisation and local governance agenda public sector management, and that in coming to this shared vision, participants explored different scenarios that take into account:

- Drivers of harmonisation, alignment and ownership
- Forms and agreements between development partners and government of Uganda regarding funding and accountability modalities
- Strategies and platforms for communication between development partners and government of Uganda
- Role of development partners in the field of decentralisation and local governance

On our, part, the Ministry is aware of its role as a facilitator and coordinator of all decentralisation effort in the country. We take full recognition of our call to strengthen local governments and non-state actors in order to take full charge of decentralisation. In the interim, however, care must be taken to mentor and guide the LGs and play our mandated role for policy coordination in order not to fracture this young policy. We call upon all of you to support the ministry in order to foster this policy which provides the overall frame for service delivery and governance in this country.

I thank the multi-lateral development partners working group on local governance and decentralisation for helping to organize this and similar meetings. I wish to congratulate all of you individually for the work that you are doing in contributing to improved services delivery, inclusive development, poverty reduction, and improved accountability at local level. It is now my humble duty to declare this donor meeting on harmonisation, decentralisation and local governance officially closed. I wish you safe a journey home.

For God and My Country