



## Governance and Democracy

# Decentralisation

### The challenge

Governments and public authorities face the major challenge of using scarce public resources effectively, so as to meet the needs of their citizens and underpin the legitimisation of the state. In many countries, though, state structures are still not particularly transparent, efficient or citizen-oriented. The result is that public services often fail to address the genuine needs of citizens and state facilities enjoy a very low level of acceptance by the population. The administrative structures do not reach the level of effectiveness needed to put into practice the urgently needed reforms. Decentralisation can enable the state to master this challenge, but the reforms themselves bring new challenges. Firstly, the increased number of decentralised, self-governing local authorities require a greater degree of consultation, coordination and cooperation at all levels. Secondly, decentralisation is a highly complex reform process, which must be effectively managed. Thirdly, the redistribution of power, responsibilities and resources can also engender resistance, which must be taken into account.

### Our approach

By taking a holistic approach to supporting decentralisation, GIZ makes important contributions to promoting good governance. Our advisory approach integrates all three types of decentralisation (deconcentration, devolution and delegation) as well as all three dimensions thereof (political, administrative and fiscal). At the heart of our approach is the responsive reorganisation of responsibilities, resources and political autonomy between and within levels of government, in line with the principle of subsidiarity (multi-level governance).

The pertinent negotiation and implementation processes are shaped jointly by state and non-governmental stakeholders (multi-stakeholder approach). Our advisory services strengthen in particular the country's own capacities to plan and realise reforms. We see capacity development as a holistic process, which enables individuals, organisations and societies to make their development sustainable while supporting them along the way. To this end we combine policy, technical, methodical and process advisory services. We advise stakeholders at all levels, thus enabling experience gained at district and municipal level to be incorporated in the national reform dialogue, and contributing to the nationwide dissemination of best practices.

### Our services

Our advisory services are tailored to the specific situation on the ground, and embrace a combination of different services:

- **Support for national decentralisation policy and strategy:** We advise governments and elected bodies at all levels on how best to reorganise political decision-making authority, administrative responsibilities and the allocation of financial resources between the different levels of government and administration.
- **Strengthening management and oversight within the decentralisation process:** We advise governments, public authorities and elected bodies at all levels on how to negotiate national decentralisation policy and strategy, how to consult and coordinate actions, and how to put concrete measures successfully into practice.



- **Preparing decentralisation in individual sectors:** Our advisory services help put in place an enabling environment for decentralisation in individual sectors, such as water, education and health. In this way we help improve transparency, efficiency and responsiveness in the delivery of public services.
- **Strengthening regional and local government and administrative structures:** We support national programmes in order to build the capacities of reformed or newly established regional and local government and administrative bodies to perform the duties entrusted to them.
- **Promoting cooperation between state and non-governmental stakeholders:** We promote citizen participation in political processes, by explaining to citizens and civil servants alike their rights and duties, and by mainstreaming participatory procedures for subnational public, civil society and private-sector actors in decision-making.

### The benefit

GIZ's advisory services in the field of decentralisation make an important contribution to improving access to public services and fostering democracy. The establishment and consolidation of decentralised government and administrative structures as well as functional relations within the state encourage political engagement and state-society relations in general. They enhance transparency and accountability on the part of the state and help ensure the delivery of effective, efficient, responsive services.

If you choose to work with GIZ, you will benefit from our long-standing experience in supporting and monitoring decentralisation processes around the globe, as well as from our experience within the German federal system and the integration of the German government and administrative system into the European Union.

We facilitate negotiation processes between different levels and actors and encourage knowledge- and experience-based design of decentralisation. Conflicts of interest are defused, acceptance raised and thus the success rates of complex and politically sensitive reform processes boosted.

### An example from the field

In Indonesia, GIZ is working on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) to help the central government manage decentralisation reform, and draft and put into practice a constitution at subnational level. With the support of GIZ, the reform has been devised and facilitated in such a way that the decentralisation policy reflects the interests of various groups within society, and responds to the needs of these groups. Between 2006 and 2008 the number of ministries, subnational governments, associations, NGOs and universities contributing proposals to the political decision-making process, and judging the process as participatory, jumped from 1 to 32. In particular, 71 per cent of those associations which were expressly barred from acting as partners by the Indonesian Interior Ministry at the outset of the project are now satisfied with the participatory approach taken by the ministry.

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