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Localizing the 2030 Agenda and the SDGs:
Strengthening Local Government Action in Central Africa

United Nations Development Programme – Regional Service Centre for Africa

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One United Nations Plaza
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Acknowledgements

This report is a compilation of results from one of the two studies that were commissioned by the United Nations Development Programme (UNDP) Regional Service Center (RSC) for Africa to develop knowledge on the state of Local Governments in West and Central Africa. The project was led by Ms Mylène Lavoie, Programme Specialist for Local Development, Economic Recovery and Livelihoods of the Inclusive Growth and Sustainable Development Cluster led by Mr Mansour Ndiaye in collaboration with the Governance and Peacebuilding Cluster led by Mr Ozonnia Ojielo. A consulting team was contracted by UNDP to undertake the study on the state of local government in the eight (8) countries of Central Africa: ***Cameroon, Central African Republic (CAR), Chad, Democratic Republic of Congo (DRC), Equatorial Guinea, Gabon, Republic of Congo (Congo) and São Tomé and Principe***. A validation workshop of the initial findings of the study was held in May 2014 in Dakar, Senegal, bringing together representatives of the national and subnational governments of West and Central Africa. Taking stock of the knowledge developed by the study and considering the adoption of the Sustainable Development Goals (SDGs) in 2015 and the New Urban Agenda in October 2016, Ms Lavoie then worked with a consultant in 2017 to develop this report to propose recommendations for enhancing the action of Local Governments for the SDGs localization process.

In line with the increasing recognition of the importance of local action for SDGs implementation, the report is expected to contribute to the implementation of the 2030 Agenda for sustainable development and the Agenda 2063 for Africa to be more responsive and relevant to local needs. The report establishes the baseline, highlights best practices, identifies key challenges and proposes strategies and policy options under the four following areas of local governance and local development: ***1) Decentralization and Local Governance Legal and Policy Framework; 2) Local Finances and Inclusive Services Delivery; 3) Local Economic Development; and 4) Capacity Development***. In line with the current context and security issues prevailing in the subregion, each section also includes a set of special considerations and recommendations for ***Fragile and Conflict-Affected States***.

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Government Representatives

Cameroon: Ms Balesse Victorine Sassongo, Mr Biloa Embolo
Central African Republic: Mr Georges Petrokoni Zeze
Gabon: Mr Isidore Toukou Moubedi
Republic of Congo: Mr Fidel Kanza
São Tomé and Principe: Mr Cílcio Bandeira Pires dos Santos, Mr Celasié Ferreira Trindade

Representatives of Local Governments and their Associations

Central African Republic: Mr Jules Abezoua
Chad: Mr Annaïm Oumar Abderrahman
Gabon: Mr Roger Valère Ayimambenwe
Republic of Congo: Mr Banga Luncien

African Union Representative

Executive Secretary General of the Former African Ministers Conference on Decentralization and Local Development (AMCOD): Ms Reneva Fourie

UNDP Country Offices in Central Africa

Cameroon: Mr Emini Zéphirin
Central African Republic: Ms Rokhaya Paquita
Chad: Mr Tom Brahim Mbailemdana
Democratic Republic of Congo: Mrs Anastasie Manzanga
Equatorial Guinea: Ms Leticia Carmen Asumu Bengo
Gabon: Mr Mactar Fall
Republic of Congo: Ms Claude Angella Mabassy
São Tomé and Principe: Mr António de Lima Viegas
Senegal: Mr Francis James

UNDP Regional Service Center for Africa

Mr Ozonnia Ojielo, Mr Mansour Ndiaye, Ms Odette Kabaya, Ms Viviane Ralimanga, Ms Pascale Bonzom, Ms Renata Nowak-Garmer, Ms Sophie Baranes, Mr Fabrice Boussalem

UNDP Headquarters

Mr Kodjo Mensah-Abrampa, Ms Amita Gill

UNCDF

Ms Christel Alvergne, Mr Christian Fournier, Mr Axel De Ville, Mr Djoumé Sylla, Mr Katiella Mai Moussa, Ms Nisha Schumann


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Foreword

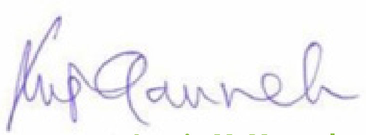
At the United Nations Sustainable Development Summit on 25 September 2015, world leaders adopted the 2030 Agenda, which defines the opportunities, objectives and challenges of Sustainable Development. The implementation of this ambitious Development Agenda is guided by 17 Sustainable Development Goals (SDGs). The new goals, along with the broader sustainability agenda, address the root causes of poverty, the problems affecting the planet, the interconnected nature of both challenges and solutions, and the universal need for development that works for all people.

Two years earlier, at the African Union (AU) Summit of May 2013, the Heads of State and Government of the African Union laid down a vision for the "Africa they want", including eight ideals, which were later translated into the seven aspirations of Agenda 2063. Member states thereby reaffirmed the importance of supporting the African Union's Agenda 2063 in the 2030 Agenda. Studies conducted by UNDP clearly show a high degree of convergence between the Global 2030 Agenda and Africa's 2063 vision. SDGs implementation in Africa must, therefore, also consider the continent's aspirations that are articulated in Agenda 2063.

Development goals can, however, only be achieved if local actors fully participate in their implementation and monitoring. Top-down policies have revealed their limitations in promoting sustainable and equitable development. In many cases, public policies, in the context of such approaches, lead to increased individual and territorial disparities. Decentralization is, therefore, being increasingly considered as an essential avenue for poverty reduction and sustainable development strategies as it redesigns territorial balances in a more coherent way, as close as possible to the socio-spatial realities. It also contributes to localizing the Development Agenda and the SDGs. By transferring competencies related to different sectors of the SDGs, decentralization is creating the conditions for the type of development in which local actors can play a leading role and further promote and support development at a local level.

Local Development plays an important role in the development of local economies, enhancing job and livelihoods creation as well as aiding in the provision of basic services to the population, thereby having a significant impact on achieving the SDGs and fostering communities' well-being. Local governments are well positioned to play a catalytic role in involving local actors and enhancing local action in the strategies to achieve the SDGs. As stressed in the 2014 Synthesis Report of the UN Secretary General (A/69/700), "many of the investments to achieve the sustainable development goals will take place at the subnational level and be led by local authorities". The "localization" of the Global Development Agenda and the SDGs therefore aims to empower local actors and make sustainable development more responsive to local needs.

The search for the most appropriate means of localizing the SDGs is critical to the successful implementation and optimization of Agenda 2063 and the 2030 Agenda in Africa. Drawing from research on the state of local governance in Central Africa, the report's outputs are expected to contribute strategically to the localization of the SDGs by providing a set of recommendations for fostering inclusive services delivery, enhance local economic development and reinforce related capacities of Local Governments in Africa. The report's findings and recommendations are expected to further promote regional and national dialogue on local governance, local development policy and institutional frameworks as a means to achieving Sustainable Development that "leaves no one behind".



Lamin M. Manneh
Director, UNDP Regional Service
Centre for Africa, Addis Ababa


PHOTO : UN PHOTO/SYLVAIN LIECHTI/DEMOCRATIC REPUBLIC OF THE CONGO

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Acronyms and abbreviations

ACEP	Agence de Crédit pour l'Entreprise Privée/Credit Agency for Private Business
AFD	Agence Française de Développement/French Development Agency
AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
AIMF	Association Internationale de Maires Francophone/International Association of Francophone Mayors
AMCA	Association des Maires de Centrafrique/Association for Central African Mayors
AMCOD	All Africa Ministerial Conference on Decentralization and Local Development
ASDP	Agribusiness Supplier Development Programme
BOT	Build, Operate and Transfer
CAR	Central African Republic
CASAGC	Comité d'Action pour la Sécurité Alimentaire/Système d'Alerte Précoce/Food Security Action Committee/Early Warning System
CECAB	Cooperative for the Export and Market of Organic Cocoa
CEFAM	Centre de Formation des Collectivités Locales/Centre for the Training of Local Governments
CND	Conseil National de la Décentralisation/National Council for Decentralisation
COREF	Comité de réforme des finances publiques
CSMOD	Cadre Stratégique de Mise en Oeuvre de la Décentralisation/Strategic Framework for the Implementation of Decentralisation
CSO	Civil society organization
CTAD	Cellule Technique d'Appui à la Décentralisation/Technical Unit supporting Decentralisation
CTD	Collectivités Territoriales Décentralisées/Public Finance Reform Committee
CVUC	Communes et Villes Unies de Cameroun/Cameroon's United Cities and Municipalities
DFID	Department for International Development
DRC	Democratic Republic of Congo

EADs	Entités Administratives Décentralisées/Decentralized administrative bodies
ECLAC/CEPAL	United Nations Economic Commission for Latin America and the Caribbean
EITI	Extractive Industries Transparency Initiative (DRC)
ENAM	École Nationale d'Administration et de Magistrature/National School for Administration and the Judiciary
ENAP	École Nationale d'Administration Publique/National School of Administration
EU	European Union
FAD	Fonds Africain de Développement/African Development Fund
FCAS	Fragile and conflict-affected states
FEICOM	Fonds Spécial d'Equipement et d'Intervention Intercommunale/Equipment and Intermunicipal Intervention Special Fund
FIC	Fundo de Infraestruturas Comunitárias/Fund for Communitarian Infrastructure
FPCL	Fonds de péréquation des collectivités locales/Local equalization fund (Gabon)
GDP	Gross domestic product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit/German Corporation for International Cooperation
Habitat III	UN Conference on Housing and Sustainable Urban Development
HIV	Human immunodeficiency virus
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
KfW	German development bank
LDCs	Least-developed countries
LED	Local economic development
LEDNA	Local Economic Development Network of Africa
LGLD	Local governance and local development
M&E	Monitoring and evaluation

MDGs	Millennium Development Goals
MF	Microfinance
MML	Multiple modes of livelihood
MSMEs	Micro-, small and medium-sized enterprises
NGO	Non-governmental organization
OECD	Organisation for Economic Co-operation and Development
PADDL	Programme d'appui à la Décentralisation et au Développement Local/Decentralisation and Local Development Assistance Program
PADL/GRN	Projet d'Appui au Développement Local et à la Bonne Gestion des Ressources Naturelles/Support Project for local development and natural resources good management
PAPFA	Programa de Apoio Participativo à Agricultura Familiar et à Pesca Artesanal/Program for Participative Support to Family Agriculture and Artisanal Fisheries
PARSEGD	Projet d'appui à la réinsertion socioéconomique des groupes défavorisés/Support project for socio-economic reintegration of disadvantaged groups
PB	Participatory budgeting
PCGD	Programme Cadre de Gouvernance Démocratique et Décentralisation/ Framework Program for Democratic Governance
PDUE	Projet de Développement des secteurs Urbain et de l'approvisionnement en Eau/Urban and Water Development Project
PNFMV	Programme National de Formation aux Métiers de la Ville/Cameroon's National Training Programme for Urban Professions
PPP	Public–private partnership
PRCG	Programme en Renforcement de Capacités en Gouvernance/Programme for the Strengthening of Government Capacities
PROADEL	Projet d'appui au Programme de développement local/Local Economic Development Support Project
PRSP	Poverty Reduction Strategy Paper
PwC	PricewaterhouseCoopers
RFA	Regional Forest Tax (Cameroon)
SDGs	Sustainable Development Goals
SGBV	Sexual and gender-based violence
SME	Small and medium-sized enterprise
UCCC	United Councils and Cities of Cameroon
UCLG	United Cities and Local Governments

UCLGA	United Cities and Local Governments in Africa
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDAF+	United Nations Development Assistance Framework Plus
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNV	United Nations Volunteers Programme

PHOTO: UN PHOTO/ESKINDER DEBEBE/ DEMOCRATIC REPUBLIC OF THE CONGO

Executive summary

In September 2015, the UN General Assembly unanimously adopted the 2030 Agenda for Sustainable Development, which introduced a new set of global development objectives captured as the Sustainable Development Goals (SDGs) to be achieved by 2030. These new development goals present major challenges for the Central Africa region, given low levels of human development, fragile and conflict-affected settings, rural–urban migration and limited economic development. The UN Conference on Housing and Sustainable Urban Development (Habitat III), held in Quito in October 2016, led to the adoption of the New Urban Agenda (Quito Declaration on Sustainable Cities and Human Settlements for All), which seeks to address the way cities, towns and villages are planned, designed, financed, developed, governed and managed. The New Urban Agenda establishes the important contribution of cities and human settlements to the implementation and localization of the 2030 Agenda for Sustainable Development and the achievement of the SDGs, including, but not limited to, Goal 11 of making cities and human settlements inclusive, safe, resilient and sustainable.

Localization of the SDGs refers to the process of defining, implementing and monitoring strategies at the local level for achieving global, national and subnational sustainable development goals and targets.[1] This approach consists of mechanisms, tools, innovations, platforms and processes to effectively translate the development agenda into results at the local level. The concept should therefore be understood holistically, beyond the institutions of local governments, to include all local actors through a territorial approach that includes the broader set of actors of the local development ecosystem, including central and regional governments, civil society, the private sector, traditional leaders, religious organizations, academia and others.

While recognizing that multi-level and multi-sector partnerships will be required to achieve the SDGs at the local level, as highlighted in the New Urban Agenda, a central premise of this report is that strong and capable local governments play a fundamental role

1 UNDP, UN-Habitat and UCLG, 2015. Localizing the Post-2015 Development Agenda.

as key drivers and enablers of sustainable and resilient local development. Amidst the discussion on the role of local governments for the localization of the SDGs, an important debate is required on whether local governments have the required autonomy, competencies, resources and capacity to effectively monitor and achieve the SDGs.

The objective of this report is to characterize the state of local governance and local development in Central Africa and to propose recommendations to strengthen local governments as a precondition for implementing the SDGs and the New Urban Agenda at the local level. Drawing from research on the state of local governments in the Central Africa region, this report assesses the current state of the enabling environment for local governments in four key areas: i) the legal and policy framework (Chapter 1); ii) financing and delivering services (Chapter2); iii) local economic development (Chapter 3); and iv) capacity development (Chapter 4).

Based on an assessment of baseline conditions, this report identifies the following four key enabling conditions needed to strengthen local governments in the region:

i. Establishing a clear legal framework and supportive policy environment;

ii. Ensuring that mandates are adequately funded and inclusive service delivery is promoted;

iii. Local governments play a greater role in local economic development (LED);

iv. Adequate capacity development is delivered and responds to needs.

These are underpinned by a cross-cutting, enabling condition on social cohesion and peace.

For each of these enabling conditions, this report identifies a set of recommendations for the replication and scaling up of innovative and successful strategies, mechanisms and models that can be adopted into local government frameworks to strengthen the role that local governments can play as key promoters of sustainable and resilient local development.

Introduction

PHOTO: UN PHOTO/ESKINDER DEBEBE/DEMOCRATIC REPUBLIC OF THE CONGO

Context and objectives

The Sustainable Development Goals and New Urban Agenda context

In September 2015, the UN General Assembly unanimously adopted the 2030 Agenda for Sustainable Development, which introduced a new set of global development objectives captured as the Sustainable Development Goals (SDGs) to be achieved by 2030.[2] The SDGs, which came into effect in January 2016, comprise a set of 17 universal goals and 169 targets that build on the Millennium Development Goals (MDGs) by seeking to complete what was not achieved by 2015. The SDGs aim to go beyond the MDGs by not only continuing to focus on development priorities such as poverty eradication, health, education, and food security and nutrition, but also by adding a wide range of economic, social and environmental objectives. These new development goals present major challenges for the Central Africa region, given low levels of human development, fragile and conflict-affected settings, rural–urban migration, and limited economic development.

As one of the first global summits following the adoption of the SDGs, the UN Conference on Housing and Sustainable Urban Development (Habitat III), held in Quito in October 2016, led to the adoption of the New Urban Agenda (Quito Declaration on Sustainable Cities and Human Settlements for All), which seeks to address the way cities, towns and villages are planned, designed, financed, developed, governed and managed. The New Urban Agenda establishes the important contribution of cities and human settlements to the implementation and localization of the 2030 Agenda for Sustainable Development and the achievement of the SDGs, including, but not limited to, Goal 11 of making cities and human settlements inclusive, safe, resilient and sustainable.

Table 1: Sustainable Development Goals

2 Detailed SDGs goals and targets can be found on the UN Sustainable Development Knowledge Platform at: https://sustainabledevelopment.un.org/?menu=1300.

Localization of the SDGs refers to the process of defining, implementing and monitoring strategies at the local level for achieving global, national and subnational sustainable development goals and targets.[3] This approach consists of mechanisms, tools, innovations, platforms and processes to effectively translate the development agenda into results at the local level. The concept should therefore be understood holistically, beyond the institutions of local governments, to take into account all local actors through a territorial approach that includes the broader set of actors of the local development ecosystem, including central and regional governments, civil society, the private sector, traditional leaders, religious organizations, academia and others.

The importance of multi-stakeholder partnerships in promoting local development has been highlighted in the joint UNDP, UNCDF, UNV framework on supporting local governance and local development (referred hereafter as the 'LGLD Framework'), which seeks to promote "territorial development that is endogenous and spatially integrated, leverages the contribution of actors operating at multiple levels and bring incremental value to national development efforts".[4] Table 2 details the inputs, outputs and outcomes of the LGLD Framework.

An important contribution of the LGLD Framework is to highlight the crucial linkage between resilience in the face of disasters, conflicts, and in state–society relationships on the one hand, and sustainable development on the other. The Framework notes that sustainable local development is a key premise for building resilience in risk-prone areas.[5] This is particularly

Table 2: Integrated framework to support local governance and local development (UNDP, UNCDF, UNV, 2016)

Inputs	Outputs	Outcomes
1. The facilitation of democratic accountability 2. Strengthening rule of law and security 3. The development of necessary administrative capacity for development management and service delivery 4. The facilitation of necessary fiscal empowerment and resources 5. The availability of spatial information 6. The crucial acceleration of social capital formation	1. Local and Regional Associations (LRAs) empowered with meaningful autonomy and embedded in effective accountability networks 2. Equitable and effective delivery of goods and services 3. Inclusive decision-making processes involving women and men 4. A secure environment where the rule of law prevails 5. The sustainable use and management of natural resources 6. Increased economic opportunities (and jobs) for women and men	1. Improving the quality of life for local residents 2. Building resilient state–society relationships at the local level

3 UNDP, UN-Habitat and UCLG, 2015. Localizing the Post-2015 Development Agenda.
4 UNDP, UNCDF and UNV, 2016. *An Integrated Framework to Support Local Governance and Local Development.*
5 UNDP, UNCDF and UNV, 2016. *An Integrated Framework to Support Local Governance and Local Development.*

relevant to the Central Africa region, which includes a number of fragile and conflict-affected states, and is the rationale for this report to connect sustainability and resilience as the central elements of local development (UNDP, UNCDF and UNV, 2016).

The LGLD Framework identifies six mutually reinforcing areas of capacity development to operationalize this framework: 1) capacity for the national visioning process (including the capacity to conduct a thorough institutional and context analysis); 2) capacity for managing an integrated development planning process at the sectoral level; 3) capacity for subnational/local development planning and implementation; 4) capacity for managing territorial partnerships and relationships; 5) capacity for fostering social cohesion and managing heterogeneous communities; and 6) capacity for knowledge management and advocacy.[6]

The role of local governments in localizing the SDGs

While recognizing that multi-level and multi-sector partnerships will be required to achieve the SDGs at the local level, as highlighted in the New Urban Agenda and the LGLD Framework, a central premise of this report is that strong and capable local governments play a fundamental role as key drivers and enablers of sustainable and resilient local development.

In the past three decades, amidst a growing global trend for decentralization, local governments have been given increasing roles and responsibilities. This is often grounded in the economic rationale that empowering local governments is a more efficient way of investing in local development. This is based on evidence of *production efficiencies*, where local public investment has been shown to have higher rates of return than those provided by national agencies, and *allocative efficiencies*, where decision-making at the local level tends to better reflect local preferences identified through local planning processes.[7] The growing role of local governments has also emerged in the context of increasing global demands for democratic advances at the local level, in the form of representative democracy through the election of local officials, but also including more direct forms of democratic practices, such as citizen engagement in planning and budget decision-making.

As a result of their expanding responsibilities, local governments will in many cases be directly responsible for delivering a large part of the national governments' commitments to the SDGs. They will also play an important leadership role in bringing stakeholders of the local development ecosystem together to achieve the SDGs. As such, the LGLD Framework labels local and regional governments as the "key promoters" of an integrated multi-partnership framework at the local level.[8]

The enabling environment for local governments to foster sustainable and resilient local development

Amidst the discussion on the role of local governments for the localization of the SDGs, an important debate is required on whether local governments have the required autonomy, competencies, resources and capacity to effectively monitor and achieve the SDGs. In many cases, local government capacity to enable sustainable local development is constrained

6 UNDP, UNCDF and UNV, 2016, Ch. 5.
7 Oates, W., 1999. An Essay on Fiscal Federalism. *Journal of Economic Literature* Vol. XXXVII pp. 1120–1149.
8 UNDP, UNCDF and UNV, 2016, p. ix.

by lack of clarity in mandates, lack of appropriate resources to implement transferred responsibilities, lack of transparency and predictability in funding flows, limited technical capacity, lack of tools for stimulating LED, and limited initiatives to build multi-sector and multi-level partnerships. Without addressing these underlying challenges, the capacity of local governments to participate in achieving the SDGs will inevitably be curtailed. A United Cities and Local Government World Council motion adopted in December 2015 stressed that "the localization of the 2030 Agenda is not the implementation of a global or national agenda at the local level; but rather building adequate conditions at the local level to achieve the global goals",[9] thus highlighting that localization is strongly anchored in providing adequate competencies, capacities and resources to local governance mechanisms.

The objective of this report is to characterize the state of local governance and local development in Central Africa and to propose recommendations to strengthen local governments as a precondition for the implementation of the SDGs and the New Urban Agenda at the local level. Drawing from research on the state of local governments in the Central Africa region, this report assesses the current state of the enabling environment for local governments in four key areas: i) the legal and policy framework; ii) financing and delivering services; iii) local economic development; and iv) capacity development.

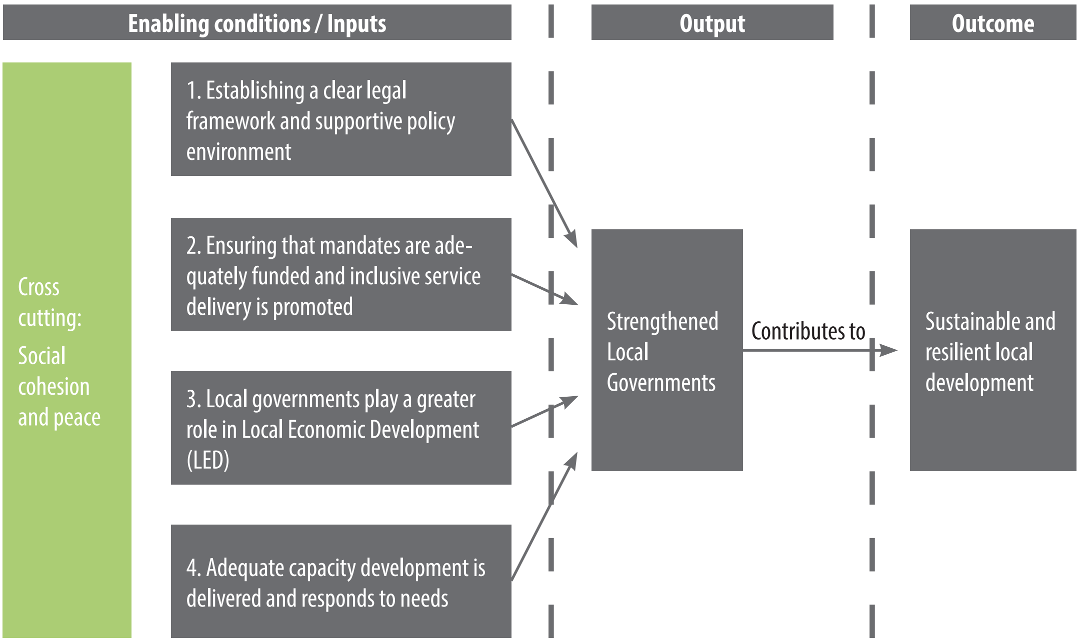
Through an assessment of the baseline conditions and the identification of key bottlenecks and deficiencies in these four areas in the eight countries of the region, this report identifies the key enabling conditions that will be critical in order to strengthen local governments to enable them to play their role as key promoters of sustainable and resilient local development. This report identifies the following four key enabling conditions to achieve this in the region: 1) establishing a clear legal framework and supportive policy environment; 2) ensuring that mandates are adequately funded and inclusive service delivery is promoted; 3) local governments play a greater role in local economic development (LED); and 4) adequate capacity development is delivered and responds to needs. These are underpinned by a cross-cutting, enabling condition on social cohesion and peace (see Figure 1).

For each of these four enabling conditions, this report identifies a set of recommendations for the replication and scaling up of innovative and successful strategies, mechanisms and models that local government frameworks can adopt to strengthen their role as key promoters of sustainable and resilient local development. These recommendations will be based on highlighting good practices, as well as identifying gaps and capacity challenges of local governments in the Central Africa region.

As mentioned above, while this report focuses on the specific role of local governments, it is important to recognize that they are not the sole actors of local development, but are part of a broader local development ecosystem. This includes both local-level stakeholders (including the private sector, civil society, and traditional leaders, which all play a key part in collectively identifying and fulfilling the local development potential), and other tiers of government (as multi-level governance is paramount to articulate national and local development policies as well as sectoral and place-based policies, in order to maximize their impact). These vertical and horizontal interactions and partnerships play an important role

9 UCLG, 2015. 'The Local Dimension of the 2030 Agenda', motion adopted by the World Council of the UCLG, Paris, December 2015.

Figure 1: Enabling conditions to strengthen local governments to promote resilient and sustainable local development in Central Africa



in setting overall policies, targets and planning, which impacts the mobilization and allocation of resources across the territory. As appropriate, the recommendations provided in this report seek to include local government-specific recommendations, as well as drawing in the interactions of local governments with other local-level actors and multi-level governance structures to promote sustainable and resilient local development.

Considerations for fragile and conflict-affected states

Social cohesion and peace represent a cross-cutting theme that underpins the other four enabling conditions for strengthening local governments and are the necessary elements for achieving SDG 16 (peace, justice and strong institutions). In fragile and conflict-affected states (FCAS), local development is considered a key premise for building resilience in risk-prone areas.[10] Some Central African states have recently been involved in a conflict or civil war; for example, after a violent civil conflict in 2013, the Central African Republic (CAR) remains in the grips of instability and sporadic unrest, despite significant progress and successful elections.[11] Chad has recently emerged from a five-year civil war (2005–2010) and a civil war took place in Congo between 1997 and 1999. These wars have left deep scars in the region's consciousness.

10 UNDP, UNCDF, UNV, 2016.

11 UN News Center, January 13th 2017, Central African Republic: UN-backed humanitarian plan aims to save 2.2 million lives, available at: http://www.un.org/apps/news/story.asp?NewsID=55967#.WIS3A3eZPBK.

Democratic Republic of Congo (DRC) is recovering from many years of conflicts that caused the loss of almost three million lives. This is a significant loss in terms of human resources at the provincial and local level. According to the Economic Commission for Africa's report on conflict in DRC (2015), the conflicts and their aftermath remain a major cause for concern, as they pose a multi-dimensional challenge to economic and human development in DRC and in the region as a whole. While the conflicts have claimed hundreds of thousands of lives and have inflicted significant material damage, the more long-term consequences have undoubtedly been in the arena of the functioning of central and local institutions in the states of Central Africa.

Local governance is one of the main factors contributing to the process of peacebuilding and post-conflict reconstruction in the region, as it is widely accepted that the empowerment of local authorities helps reduce conflict. Local governance is supposed to meet the needs of different communities by giving them a stake in local government management. This is one of the ways of overcoming what may be perceived as unfair treatment of minority or disadvantaged groups by the majority or ruling communities. As such, well-managed and inclusive local governance can reduce potential conflicts.

Countries that have experienced ethnic conflicts, including Central African states, are more likely to adopt a decentralized system of government. A study by UNDP (2007) states that "in certain situations of conflict and post-conflict, decentralization can be useful in resolving tensions, ensuring the involvement of stakeholders and ensuring better access to the decision making. It can also encourage local authorities to assume their leadership role in leading the development of a local development strategy and mobilizing partners and resources for implementation." This has also been reinforced in a 2016 UNDP publication that builds on the LGLD Framework and applies it to fragile and conflict-affected settings, called 'Guide to Local Governance in Fragile and Conflict-Affected Settings', a practical guide to building a resilient foundation for peace and development.[12]

12 UNDP, 2016. *Guide to Local Governance in Fragile and Conflict-Affected Settings.*

Strengthening local governance has been a significant element of the wider conflict-prevention agenda and has acted as an important confidence-building measure. Weak local governing institutions have posed difficulties for Central Africa in furthering the aims of development. Inefficient and ineffective local governance has caused instability and unpredictability, which has affected the economic development of the region. Corruption, a likely result of weak local governance, has caused the inefficient allocation of resources, and undermined legitimate economic activities.

The conflicts that have occurred in some Central African countries have resulted in the loss of control over part of the territory and have led to political and economic stagnation. As a result, in some areas the rule of law did not extend to all parts of the region. Decentralization reform became an important factor in Central Africa's endeavours for post-conflict reconstruction. In this context, building local government capacity has taken on a new shape and urgency: it has become one of the most important tools to enhance security, to strengthen governance structures, and to promote further democratization.

As already stated, consideration of fragile and conflict-affected states is a cross-cutting element in this report. For each set of recommendations on supporting the enabling conditions for fostering strengthened local governments, an additional set of recommendations is provided for FCAS. For a more detailed analysis of local governance options in FCAS settings, readers are encouraged to consult the aforementioned dedicated UNDP publication focusing on the matter, 'Guide to Local Governance in Fragile and Conflict-Affected Settings' (UNDP, 2016).

Methodology

The methodology of this study consists of qualitative and case-study research. The main source of information includes a review of the existing literature and documentation (books, journals, official documents, legislative materials, and strategy documents) on the state of local governments in Central Africa. The first phase of the study included a literature review (desk study) of the existing work on the local governments in Central Africa, from a series of publications. Second, relevant news obtained from international and local newspapers, journals and news agencies was considered. Third, interviews with key informants were also conducted. Finally, an analysis was carried out on policies, examining how and to what degree new policies had been adopted and implemented.

Political, economic and social data, where available, were widely used. Previous works produced in the same series on the state of local governments in East and Southern Africa were also taken into account. A validation workshop of the initial findings of the study was held on 21–22 May 2014 in Dakar, Senegal, bringing together national and subnational government representatives of many countries of West and Central Africa.

Taking stock of the knowledge developed by the study and considering all new developments in the area of local development with the adoption of the Sustainable Development Goals (SDGs) in 2015 and the New Urban Agenda in October 2016, the current report has been developed in 2017 to propose recommendations for enhancing the action of local governments for the SDGs localization process.

Geographical scope

This regional study focuses on the eight states of Central Africa: Cameroon, Central African Republic, Chad, Congo (Republic of Congo/ Congo-Brazzaville), Democratic Republic of Congo, Equatorial Guinea, Gabon, and São Tomé and Principe.

Central Africa, also known as Middle Africa, is a core subregion of the African continent. Central African states comprise the Economic Community of Central African States. Other subregional organizations include the Monetary Community of Central African States and the Bank of Central African States. These are regional integration initiatives, and have been a pillar of reforms in the region. Historically these regional initiatives have significantly facilitated reforms in Central African countries and their role will be considered in various parts of this study.

Central Africa is characterized by diversity in economic development: for example, of the eight countries in this study, five belong to the middle-income category, while Chad and the Central African Republic are low-income countries. Some countries in the region are large natural-resource exporters and are considered resource economies, while five countries belong to the category of least-developed countries (LDCs). The region also comprises fragile and conflict-affected states (FCAS).

Nevertheless, Central Africa boasts a strong and young demographic composition as well as linguistic, geographic and ethnic diversity. The region is generally considered to be stable politically, but to be fragile below the surface as there are political, security and societal challenges that threaten the existing stability. The political and security situation in some countries remains very fragile, for example in the Central African Republic. Although multi-party systems are in place, electoral democracy is limited and Central Africa has one of the worst human rights records in the world. The region is endowed with significant natural resources, including agriculture, forestry, gas, and oil, yet despite this abundance, the population in general is poor. Progress was made towards the achievement of the Millennium Development Goals (MDGs), however, these were limited to only a few areas; health and education indicators are particularly alarming, including a low life expectancy at birth. The improvement of governance, including functioning local governments, is one of the greatest challenges faced by Central Africa and consequently concerted efforts will be required for the region to achieve the SDGs by 2030.

Historical evolution of local governments in Central Africa

Central African countries have a relatively short history of existence as independent states. Almost all Central African states became independent in 1960, with the exception of Equatorial Guinea (1968) and São Tomé and Principe (1975). Their history as independent countries currently spans little more than 50 years. All of them have faced different challenges in establishing themselves as nation states and their divergent history has led to varied relationships with their local governments.

Local governments first attracted attention in Central Africa in the 1950s and 1960s when colonial administrations prepared their colonies for independence by devolving responsibilities for certain sectors to local authorities (Adeyeye, 2010). In the 1980s, decentralization gradually came to the forefront of the agenda when these Central African states started to open up internationally and when they started seeing decentralization as a means to build a unitary state or promote national unity (Ebel and Yilmaz, 2001). The development of local governments in Central Africa can therefore be divided into two periods: first, the post-independence years that were characterized by inadequate action in instituting a decentralization framework and second, the period just before the end of 1980s and early 1990s, which witnessed a favourable domestic and regional environment for undertaking decentralization reforms.

In the post-independence period starting in the 1960s, decentralization in Central Africa was mainly seen as a technique of administrative organization. This was confirmed with the adoption of local government laws that devolved limited competencies to local government units and mainly made the subnational governments function as deconcentrated or delegated units of the central government, or extensions of central executives, a tendency that remains a reality to this date in many Central African countries. This post-independence regime of local government was unsustainable due to serious deficiencies: namely, it did not provide for democratically elected local authorities and it only afforded a limited transfer of responsibilities and resources to local governments. The most pronounced functional deficiency, as in the example of Gabon, included the insufficient operationalization of provisions for the laws on decentralization; or, as in the example of Cameroon, the dominance of the representatives of the central government in running local affairs.

The late 1980s and early 1990s, however, saw a significant evolution in the political and administrative environment within which local governments operated. The rapid growth of revenues and the emergence of a reformist elite allowed the implementation of reform programmes, including for local governments. The concept of decentralization in the region was in part promoted in the early 1990s when Central African states were negotiating structural adjustment programmes with the IMF and World Bank, which included the adoption of further measures for decentralization. Thus, from its inception, decentralization in Central Africa has been developed also in response to external pressures and shocks. At this time, decentralization also became a highlight of the "stickiness" of institutional and policy arrangements in Central African countries, which have observed patterns of incremental change. Nevertheless, the policy of "incremental change" towards decentralized governance and local development has occasionally been interrupted by seismic events in the region, namely wars in CAR, DRC, Congo and Chad, coups attempts in São Tomé and Principe and Equatorial Guinea, political crises in Gabon, and substantial economic growth in Equatorial Guinea.

The current framework for local governments in the region varies from country to country, depending not only on factors such as the specific state formation, the occurrence of conflicts, access to natural resources, the patterns of policy-making, exposure to international experiences, and the political culture, but also the balance of power between central government on the one hand and subnational units on the other. Most Central African countries have experienced both responsive and intended decentralization processes, defined as follows:

- ***Responsive decentralization*** – this is where decentralization has developed spontaneously as a response to the pressures of extraordinary events or of the conditionality of the international commu-

PHOTO : UN PHOTO/ESKINDER DEBEBE/DEMOCRATIC REPUBLIC OF THE CONGO

nity. While there has been outside support, there have also been endogenous initiatives to support strengthening local governments. Internal crises, such as the coup attempt of 2003 in São Tomé and Principe, have had a major impact in this regard.

» ***Intended decentralization*** – this is where there has been an intention and thus a purposefully framed scheme by political actors to transfer the logic, dynamics, organizational traits, behavioural and regulatory patterns associated with the concept of decentralization into their political systems. Another determining factor is that of national leaderships increasingly being inclined to new ideas in the push for change.

It has been observed that countries prone to experience conflicts, such as those of Central Africa, have been more likely to adopt a decentralized system of government. For Central African countries, with their strong regional divisions and where people speak distinct languages and practice different religions, a decentralized system of government is an important option.

Regional development and local economic development, as a result of pressure from local communities due to their abundant natural resources, are additional important factors in the drive towards more decentralization in Central Africa. Examples include regions of Cameroon endowed with abundant forestry resources, and a wealth of petroleum resources and minerals in Chad, DRC, Equatorial Guinea, Gabon, and São Tomé and Principe, where these constitute major export commodities of these countries.

In some cases, the impetus for decentralization of Central African states was also determined by the decentralization experience from other parts of Africa. Because Central African countries have had to react rapidly to numerous political and economic crises, many have had limited time to develop novel or endogenous approaches for their political governance; instead, they have drawn on existing practices. In these cases, the launch of decentralization has also been based on experiences from other parts of the world, mediated by international organizations. This has partly come in the form of a "snowball" effect of decentralization in Africa: the Eastern and Southern African experiences have been important models for local government reform in Central Africa. Domino-style influences of the changes in Eastern and Southern Africa encouraged the countries of Central Africa to follow and institute reforms in the local government sector. Also, the increased interest of Central African countries in decentralization and the growing readiness of the international financial institutions and donor agencies to assist them in decentralization reforms, such as Germany's GIZ funding decentralization programmes in Cameroon (GIZ, 2013), have further strengthened this agenda.

At the regional level, the perspective offered by the 2014 African Charter for Decentralization, Local Governance and Local Development and the All Africa Ministerial Conference on Decentralization and Local Development,[13] have given an overarching philosophical underpinning to Central Africa's decentralization process: that decentralization is a world standard and an African value to which states of Central Africa aspire. Thus, there are also regional initiatives underlined by the African Charter and the All Africa Ministerial Conference that have also set the vision and impetus for decentralization reform in Central Africa.

13 The All Africa Ministerial Conference on Decentralization and Local Development, a pan-African forum that promotes social and political reform processes and decentralization throughout Africa, was founded in 2000 and is based in Cameroon.

Chapter 1:
Legal and policy framework

PHOTO: UN PHOTO/SYLVAIN LIECHTI/DEMOCRATIC REPUBLIC OF THE CONGO

1.1 Overview

The legal and policy framework for local governance and local development plays an important role in establishing the rules and responsibilities of local governments and multi-level coordination mechanisms. These are particularly relevant for SDGs 1 (no poverty), 2 (zero hunger), 3, 4, 6 and 7 (for access to basic social services), 5 (gender equality), 8 (decent work and economic growth), 10 (reduced inequalities), 11 (sustainable cities and communities), 16 (peace, justice and strong institutions) and 17 (partnerships for the goals). They also play an essential role in the implementation of the principle of "leaving no one behind."

Central African countries have laid the basis of the principles for the functioning of local government units and have empowered central governments to oversee the work of local governments through legal provisions: constitutions, laws, and implementing legislation have defined the authorities, tasks and structures for local governments. With the advent of the decentralization reform agenda, six of the eight Central African countries have chosen to enshrine the principle of decentralization in their constitutions.

More recently, African countries have also adopted international and regional strategic frameworks and policies for decentralization. Central African countries' commitment to supporting decentralization, local governance and local development is backed by recent policy documents that incorporate elements and issues related to decentralization processes and local authorities' roles and responsibilities. The African Ministerial Conference on Decentralization and Local Development has developed the 2014 African Charter on the Values and Principles of Decentralisation, Local Governance and Local Development. Other instruments and declarations include the Yaoundé Declaration and the Kampala Call to Action. At the international level, important initiatives include the Aberdeen Agenda and the New Urban Agenda.

At the country level, there have also been policy initiatives supporting the strengthening of local governments. At a high level, this includes National Development Plans and/or Poverty Reduction Strategies. At a more operational

Table 3: Constitutional references to decentralization in Central African countries

Countries	Constitutional references
Cameroon	1972 Constitution (Article 1)
Central African Republic	2004 Constitution (Article 61)
Chad	1996 Constitution (Articles 2, 36–39, 48, 203–215)
Congo	1992 Constitution (Preamble, Article 1)
Democratic Republic of Congo	2006 Constitution (Article 3)
Equatorial Guinea	1996 Constitution (Article 101–102)
Gabon	1991 Constitution (no reference to decentralization)
São Tomé and Principe	1975 Constitution (no reference to decentralization)

Table 4: International and regional policy initiatives supporting local governance

Strategies	Year of adoption
New Urban Agenda	2016
African Charter on the Values and Principles of Decentralisation, Local Governance and Local Development	2014
Kampala Call to Action	2010
Aberdeen Agenda: Commonwealth Principles on Good Practice for Local Democracy and Good Governance	2009
Yaoundé Declaration	2005

level, sector-specific strategies have also been developed. However, no Central African country has a specific sectoral strategy on local government reform, but Central African Republic, Chad and Democratic Republic of Congo have designed decentralization programmes. Nevertheless, these changes are gathering momentum as local government reform is established in the National Development Plans and Poverty Reduction Strategies of many Central African countries.

DRC has a Strategic Framework for Implementation of Decentralization, supplemented by a multi-year Priority Action Plan. The Framework was adopted at the end of a National Workshop held in June 2009. The roadmap for implementation of the national strategy for the transfer of powers and resources was validated in a November 2013 workshop that brought together more than 300 national, provincial and local actors.

Table 5: National strategic frameworks

Countries	Strategies
Cameroon	Vision 2035; the Growth and Employment Strategy/Poverty Reduction Strategy 2009–2019
Central African Republic	Poverty Reduction Strategy Paper; Framework Programme for Democratic Governance and Decentralization (Programme Cadre Gouvernance Démocratique et Décentralisation 2008–2011)
Chad	Poverty Reduction Strategy Paper; Decentralization Master Plan
Congo	Poverty Reduction Strategy Paper
Democratic Republic of Congo	Plan National Stratégique du Développement (2016)
Equatorial Guinea	National Plan for Economic and Social Development, (2008–2020): Horizonte 2020
Gabon	Strategic Plan for Emerging Gabon (Plan Stratégique Gabon Emergent)
São Tomé and Principe	Poverty Reduction Strategy Paper

1.2 Functional assignments of local governments

Central African countries, despite some similarities in their development levels, cannot be considered a homogenous region with regard to adopted policies and practices for local governance. The system of decentralization in Central Africa often contains sectoral devolvement from the central government to local government units. Major policy and management responsibility lies with the central government or its deconcentrated, subnational units, or with its representatives at the local level that function next to decentralized units. Decentralization in Central Africa, as Cabral notes, is widespread, but not deep, and experiences in the region have consisted mainly of the deconcentration of administrative functions, rather than a true devolution of power (Cabral, 2011). While primary education is typically a decentralized function in many countries, for instance in Cameroon, local governments have limited effective responsibilities in this area. Under the recent changes, local governments can only build additional classrooms at the direction of the central Ministry of Basic Education (World Bank, 2012). Decentralization in Central Africa is not yet complete, even on paper, and in reality, few sectors have experienced true devolution of power and resources to local governments.

Policy areas that have been devolved from central to local levels differ from country to country. For example, in many countries, local governments do not have competencies in areas such as health, education, sanitation, transport, and water.

1.3 Political decentralization

The concept of decentralization often entails a degree of accountability of local governments to local people, through an electoral process. Without political decentralization with broadly elective local political processes, it would be difficult to consider the countries of Central Africa as possessing de-

Table 6: Functional assignments of local governments in Central Africa

Countries	Functions of local governments
Cameroon	Economic development, health, education, culture, sports, social issues, water
Central African Republic	Education, health
Chad	Education, health
Congo	Education, health
Democratic Republic of Congo	Education, health, agriculture, rural development
Equatorial Guinea	Implementation of social and economic development projects initiated and directed by the central government
Gabon	Economic and social development; implementation of nationwide programmes in the fields of health, education, sports and tourism
São Tomé and Principe	Execution and support of central government projects

Table 7: Election of mayors in Central Africa

Countries	Forms of municipal elections
Cameroon	Direct election of municipal council members; indirect election of mayors
Central African Republic	Limited political decentralization; indirect election of mayors
Chad	Direct election of municipal council members; indirect election of mayors
Congo	Direct election of municipal council members; indirect election of mayors
Democratic Republic of Congo	Direct election of municipal council members; indirect election of mayors
Equatorial Guinea	Provinces' governors and district administrators appointed by central government. Mayors of local governments and chairs of the village councils and the residents' associations elected by municipal council members, elected by universal suffrage
Gabon	Governors, prefects and sub-prefects appointed by central government. Mayor is indirectly elected. Elections are held for county, municipal councils and district bodies and the election of senators who represent the local communities
São Tomé and Principe	Members of district assemblies are elected by the population that later elects mayors

centralized systems (Cabral, 2011). However, most local government units in Central Africa currently function as instruments for administering the interior by the central executive (Ndegwa, 2002) and mayors are not elected directly in any of the countries. The current system in Central African countries is one in which the members of municipal councils are directly elected, and they in turn select their mayors.

As decentralization in the region of Central Africa has been seen as a technique of administrative organization to ensure uniform administration of the territory by central governments, the process has led only to a rationalization of administrative structures, and not to a change in the operations of national governance. Central government representatives often dominate local-level affairs more than locally elected mayors.

1.4 Levels of subnational governance and types of local governments

All eight Central African countries have subnational governance structures in place, however, there is often limited autonomy for local governments, and central government is still dominant in policy affairs. Central Africa's decentralized systems of government have two different levels of local government: regional and local. They also have two different versions of local government: decentralized and deconcentrated subnational units.

The types of structure include provinces, regions, districts, town, communes, municipalities, and municipal councils or municipal assemblies. Most of these structures are not new and they date back to the pre- and directly post-independence era. These structures function as both devolved and deconcentrated subnational units. Devolved units are headed by indirectly elected mayors, while deconcen-

Table 8: Type and number of local subunits in Central Africa

Countries	Type and number of local governments
Cameroon	Local councils (366) and regions (10). Local councils are of three types: rural or urban councils, city councils and subdivisional urban councils within the cities
Central African Republic	Regions (7), prefectures (16), sub-prefectures (66), municipalities (175), villages or neighbourhoods (8,800)
Chad	Regions (23), counties (*départements*) (67), municipalities (282), rural municipalities (more than 800)
Congo	6 Municipalities (Brazzaville, Pointe Noire, Dolisie, Nkayi, Mossendjo, Ouesso) and 12 departments. Brazzaville and Pointe-Noire are both municipality and department
Democratic Republic of Congo	1,117 subunits, including 71 cities, 309 municipalities, 480 sectors, 257 chiefdoms
Equatorial Guinea	Regions (2: continental and insular), provinces (7), districts (30) and municipalities (41), village councils, traditional chiefdoms and residents' associations (1,000)
Gabon	Provinces (9), departments or prefectures (37), sub-prefectures (8)
São Tomé and Principe	Provinces or islands (2) and districts (7)

trated authorities are part of the central government and are headed by functionaries appointed by the central state.

1.5 Key findings and recommendations

The rules governing local governments in Central Africa are in the midst of an immense change that is moving in the direction of the continued establishment and enhancement of local government structures. Progress has been uneven in Central Africa and although legal frameworks are often in place, the overall assessment is that only moderate progress has been made in putting these into practice. And although Central African countries differ in their use of the term "decentralization", current efforts are moving towards more devolution than the previous generation of decentralization reforms.

In view of these findings, this report suggests that the key enabling condition to strengthen local governments in this area is to establish clear legal frameworks and provide supportive policy environments to promote SDGs localization, in particular for SDGs 5, 10, 11 and 16. The following recommendations are formulated with these objectives in mind.

Recommendation 1.1: Introduce or update legal provisions to provide clarity to subnational entities

Broad legal frameworks are generally in place for the functioning of local governments in Central Africa, however, the current model of legislation in these countries is designed for a centralized environment and could be inefficient and inapplicable in future with further autonomy of local governments. Legislative regulations that will guarantee legal certainty to the subnational players in the strengthened decentralization process and avoid the possibility of day-to-day political meddling in the decentralized governance are often yet to be delivered or adequately applied. It is also important to address the numerous am-

biguities and in some cases contradictions in the roles and responsibilities of local governments.

Recommendation 1.2: Launch political processes in the form of national multi-stakeholder conferences on the adequate transfer of resources and competencies to local governments

To achieve further progress in the decentralization agenda, a number of major challenges need to be addressed, the first being the political willingness to launch a strengthened decentralized agenda. A political process should be initiated in the form of national conferences that will lay the groundwork for further transfer of competencies and resources to local governments. These conferences should set the parameters for the elaboration of strategies and plans for making local governments more effective, to allow for a comprehensive reform of governance in Central African countries, from centralized to decentralized, including consideration of the role of the local level in the achievement of the SDGs. Decentralization of powers to local governments would release additional capacity to the central government to deal with policy-making issues rather than the day-to-day coordination of local service delivery. These national conferences would also be an opportunity to broaden sensitization and understanding in line with the role of local governments and SDGs localization. Citizens are often not adequately informed about the advantages of decentralization and what it offers in the way of bridging national divides and cleavages, allowing citizens to benefit from the deployment of new, innovative and competitive local services, and participating in the renewal of the social contract.

Recommendation 1.3: Develop national strategies on local development and SDGs localization

Drawing on the political process suggested in recommendation 1.2, Central African countries should develop national strategies for local development and SDGs localization. An absence of strategies blurs and undermines the reform agenda. The strategies can not only establish the role of local governments as key promoters of local development, but also be an opportunity to better define the role of other key actors in the local development ecosystem (private sector, CSOs, other levels of government, etc.) The strategies empowered with actions plans and the necessary financial resources should not be abstract and remote from specific, forseeable problems, and should give due attention to gender equality. Operative content should be adapted to the specific country conditions, including specifying roles, responsibilities, processes and timeframes to encourage local development.

Recommendation 1.4: Set up coordination mechanisms that will guide the work on multi-sector and multi-level partnerships for local development and SDGs localization

A further challenge is to design coordination mechanisms that will guide the national processes for local development and SDGs localization. There is a current lack of inter-ministerial coordination mechanisms that would guide the process and tackle the challenges faced along the way. These should include a central-level coordination mechanism as well as local-level coordination, with local governments acting as facilitators. The line ministries and governmental agencies should be represented in these coordination mechanisms, and other important local development actors, such as the private sector and civil society, should also be included. These mechanisms should lead to more coherence and harmonization in the national, sectoral and subnational planning and budgeting exercises. Multi-level and multi-sector planning should also be promoted with an offer of adequate related capacity building.

1.5.1 Fragile and conflict-affected states

FCAS Recommendation 1.1: Carry out appropriate situational analysis in programming local governance and local development interventions in FCAS

Particular attention should be placed on carrying out situational analysis in interventions in FCAS in order to build knowledge of the political economy of the overall local governance system, including formal and informal actors, the quality of state–society relations and understanding how fragility at the local level can fuel violence.[14] Some key elements of a situational analysis include: mapping of local governance; conflict and violence; local governance processes; service delivery; peace, justice, security and social cohesion; land, environment and livelihoods; and the enabling framework. This analysis is critical in ensuring that the policies and plans introduced do not exacerbate conflicts, and to lay the groundwork for sustainable peace.

FCAS Recommendation 1.2: Target quick wins and phase in legal and policy reforms

In FCAS settings, rather than targeting legal and policy challenges, the simplest issues should be addressed before the most complex, which can mean, for example, dealing with immediate capacity needs. Before policy reforms are introduced, it is advisable to start with building the capacities needed for the most basic functions. When reforms are introduced, it is also useful to take an approach that tests or pilots a few options before long-term choices are made.

14 UNDP, 2016. *Guide to Local Governance in Fragile and Conflict-Affected Settings*, p. 41.

Chapter 2:
Financing and delivering services

PHOTO: UN PHOTO/EVAN SCHNEIDER/ CENTRAL AFRICAN REPUBLIC

As highlighted in the legal framework discussion in Chapter 1, Central African countries have undergone processes of change on decentralization, which in turn have resulted in a changing environment for the financing and delivery of services by local governments. The general view of this study is that the decentralization of services has resulted in an improvement in local services, and the quality and efficiency of service delivery outcomes is closely related to the availability of financial resources and local government capacity. As services are increasingly delivered at the local level, it will be essential to put the appropriate funding mechanisms and effective service-delivery modalities in place for the achievement of the SDGs in the region. This section discusses the current practices of local government financing and the delivery of local services, and formulates a set of recommendations for strengthening these.

2.1 Local government financing

An essential element of effective local government is clear and predictable financial flows to local governments, also referred to as "fiscal decentralization". The policy framework of fiscal decentralization includes the transfer of resources and revenues, as well as the assignment of rights for raising taxes and retaining financial resources to fulfil service delivery responsibilities at the local level (Cabral, 2011).

The important role of local finances is highlighted in SDGs 11 (sustainable cities and communities) and 17 (partnerships for the goals). The latter has a specific target on domestic resource mobilization (17.1), which includes improvement of tax collection and revenue collection.

The extent of decentralization of fiscal resources, size of transfers from central to local governments or intergovernmental transfers, and size of local revenue bases varies from one Central African country to another. In terms of measuring the extent of fiscal decentralization in Central Africa, the following aspects are key measures: the extent of the share of public expenditure controlled by local governments; whether countries have regulated fiscal decentralization in legislation; whether countries have set-down mechanisms or grants for the transfer of financial resources to local governments; whether the countries concerned possess an established formula for fiscal transfers; whether local governments have the authority to raise and set the rates of municipal taxes; whether the local authorities have the fiscal autonomy to exercise their functions; and whether the national legislation provides for fiscal autonomy of the local authorities. These criteria are assessed for the eight countries of this study in Table 9.

Fiscal decentralization has been part of the reforms undertaken in the framework of overall local government and decentralization reform processes in Central Africa. Local authorities ideally would have autonomy to prepare and execute their own budgets and independently dispose of their own sources of revenue. The challenge in this regard is the extent to which local governments have the discretion to determine and address their local needs with the resources they have.

In general, local governments in Central Africa are extremely underfunded as they have limited sources of revenue. No clear information is available on the share of local revenues and expenditures as a share of GDP, or as a share of all public revenues, but reviewing the budgets of the individual Central African countries shows that there are imbalances between the central government and local governments (known as vertical imbalances), and imbalances among

Table 9: Extent of fiscal decentralization in Central Africa

Countries	Cameroon	Central African Republic	Chad	Congo	DRC	Equatorial Guinea	Gabon	São Tomé and Principe
Legislation in place on fiscal decentralization	Yes	Yes	No	N/A	Yes	Yes	Yes	No
Grants in place for fiscal transfer to local governments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Formula exist for fiscal transfers	Yes	N/A	No	N/A	Yes	No	No	No
Local governments can raise taxes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Local governments can set tax rates	Yes	Yes	No	Yes	Yes	No	Yes	No
Local authorities endowed with autonomy to prepare and execute their own budgets	Yes	No	N/A	Yes	Yes	No	N/A	No
Local authorities endowed with autonomy to dispose of their own source revenues	Yes	N/A	No	Yes	Yes	No	Yes	No
Local authorities can own property	Yes	Yes	N/A	N/A	Yes	No	N/A	N/A
Local authorities can borrow	Yes	Yes	N/A	Yes	No	Yes	Yes	Yes
OVERALL ASSESSMENT	Good progress	Some progress	Limited progress	Some progress	Good progress	Some progress	Some progress	Limited progress

the local governments themselves (referred to as horizontal imbalances). Most of the municipal revenues in Central Africa derive directly from the transfers from national government. There is a high proportion of local governments with per-capita revenues well below the national average. In some cases, such as Cameroon, a large amount of debt is owed by local governments to suppliers of goods and services.

Some Central African countries have no dedicated legal frameworks governing local government finances. Instead, the rules governing the revenues, budgets, and financial reporting obligations are embedded in a wider set of laws and orders. There is also a lack of good data on the current financial situation of local governments.

For sound financial management at the local level, the following are key issues to articulate in a coherent framework: revenue raising and taxation; intergovernmental transfers; equalization systems; and budgeting and borrowing. These are discussed in turn below.

2.1.1 Revenue raising and taxation

The local authorities in Central Africa have very few own-source revenues. Local government sources of revenue include a share of national taxes, and local taxes, some of which are a legacy of colonial times, such as dog ownership fees in Equatorial Guinea. In most places, property tax belongs to local governments. However, as most countries in Central Africa lack cadastre, the basis of the property tax is quite limited, thus collections of these local taxes and fees are poor since the highest-quality revenue sources are economic activity-related taxes (such as natural resource revenue taxes), which are available only to central authorities and mainly benefit localities with large economic activities.

The possibility of local authorities being funded by the revenues from local fees and taxes according to rates that they define themselves is very limited. In general, most revenues are collected by central governments which also set the taxes rates as well as the percentage to be reallocated to the local authorities. The current system is that most revenues are collected by regional or local branches of the central government, paid to the account of the central budget or treasury, and the funds are then redistributed to the local governments, as in the case of Congo. It is rare to find local governments being able to assess and collect their own revenues.

Table 10: Tax revenues of local governments in Central Africa

Countries	Local taxes
Cameroon	Direct council taxes, cattle tax, licences, business levy, market trading licences, public transport licences, patent, forestry tax, property tax, sale tax of immovable property, taxes on games, betting and lotteries, taxes on cars, local business tax, automobile registration, VAT and corporate income tax
Central African Republic	Patent, licence and property taxes, permits to carry a gun and hunting permits, forestry tax, fines imposed by the courts, permits for gambling, hunting tax, farm tax, annual fee for research of a mining area
Chad	Property tax, mining tax
Congo	Property tax, mining tax
Democratic Republic of Congo	Property tax, mining tax for artisanal exploitation
Equatorial Guinea	Direct Taxes such as property taxes; Indirect taxes, such as licences for cars; Public fees such as construction permits, and renting taxes; VAT, customs duties, tax on dog or pet ownership, tax for bicycle ownership
Gabon	Patents, licences, property taxes, land ownership taxes, specific taxes relating to mining, logging and oil, hotel accommodation tax, revenue tax, municipal tax on tobacco
São Tomé and Principe	Property tax

However, there has been growing evidence of improved collection of existing taxes following decentralization in a number of countries. The improvement appears to be partly due to increased motivation on the part of local government officials, but also to improvements in administrative efficiency. This has not been the case everywhere and there are instances where difficulties in tax collection in Chad, Congo and DRC have been noted. However, evidence from Gabon, Equatorial Guinea and São Tomé and Principe suggests that there has also been considerable progress in the collection of taxes in some countries (PwC, 2013). Evidence from Cameroon also suggests that when local authorities are involved in establishing the tax rates and collection, the situation improves.

Country examples

Cameroon

In Cameroon, the local authorities raise revenue from taxes and fees, and receive transfers from the national government. The regions and councils are mostly financed by funds generated by FEICOM, a central decentralization fund. Local councils are empowered to levy taxes and charges, including direct council taxes, cattle tax and licences, a business levy, market trading licences, and public transport licences. The main local government sources of tax revenue in Cameroon are from shared or concurrent sources, such as patent and forestry tax. Twenty percent of six local taxes and one local fee collected go to FEICOM for redistribution to rural or urban local governments, or special intercommunal purpose districts (World Bank, 2012).

Tax collections are centralized and redistributed to all rural and urban local governments. The redistribution criteria and formula are fixed through central regulation. Local governments can decide the tax rates, within legally specified brackets, for three taxes: patents; licences; and tax at source on activities. Four other taxes (immovable property; sale of immovable property; games, betting and lotteries; and taxes on vehicles) are only local in the sense that the yields are attributed to local governments, but are totally managed by the central government that also fixes the tax rates. The local business tax goes directly to local governments, and although shared, it is their main own-source revenue. Revenues from automobile registration accrue to FEICOM rather than the locality in which the vehicle is registered.

Property taxes generate relatively little revenue in Cameroon, even in the better-off metropolitan areas, including Yaoundé and Douala. A large share (60 percent) is assigned to the metropolitan area rather than the decentralized local governments (World Bank, 2012). There are fees and charges applied that restrict inter-regional trade and commerce, which also generate very little or no revenues. Since 2009, the macroeconomic crisis has led to a curtailment in revenues and transfers, which has adversely affected local governments. Compounding this effect, a repeated build-up of local government debt and arrears has resulted in their amnesty or assumption by the central government (World Bank, 2012).

Central African Republic

Taxes collected by local governments in the case of the Central African Republic include patent, licence and property taxes; permits to carry a gun and hunting permits; forestry tax; fines imposed by the courts; permits for gambling; hunting tax; farm tax; annual fees for researching a mining area, etc. These taxes, although local, are collected by the central tax authority in the capital Bangui, and returned to the Treasury, which is then responsible for returning part of the revenue collected to the local governments.

Equatorial Guinea

The 2003 law on decentralization in Equatorial Guinea provides for different taxing powers to local governments. However, these powers are limited as the tax system establishes a specific requirement that any local government tax initiative must be approved in advance by the central government. Local tax authorities still retain the tax structure established during colonial times, whose efficiency is questionable. The types of taxes include a tax on dog or pet ownership, and a tax on bicycle ownership. Thus, the majority of local taxes have a colonial origin and do not meet current requirements (Ariza Duarte, 2012). A local government in Equatorial Guinea is entitled to collect the following taxes: direct taxes such as property taxes; indirect taxes such as licences for cars; public fees such as construction permits; and renting taxes (Ariza Duarte, 2012). The local tax system is very complex and inefficient. The conditions and formalities required for taxpayers to meet their obligations are tortuous and there are no standardized formats for payment settlement.

Gabon

Some local taxes in Gabon are administered by the central services of the central government on behalf of local authorities. These include contributions from patents and licences, and land taxes. These taxes are collected by the state tax service and are then returned to the Treasury to be made available to local authorities. Other local taxes are directly managed by the local authorities, with local legislative bodies setting the rate in the range imposed by the legislature. Specific taxes relating to mining, logging and oil extraction also provide benefit to local communities in the form of natural resources taxes.

2.1.2 Intergovernmental transfers

Intergovernmental transfers play a critical role in closing fiscal gaps as well as in alleviating inter-regional resource disparities. With regard to intergovernmental transfer systems, there are numerous problems that hinder their proper functioning in Central African countries. Most local governments in the region rely on central government grants for financing local activities, yet these transfers are mostly very limited and are provided as conditional grants – local governments have limited autonomy to dispose of the transferred funds. Local governments mainly act as agents for the implementation of central government projects at the local level. Transfers or grants from the budget of the central government provide additional revenue for local governments to finance their competencies. However, the transfers are often project-bound and local governments have no autonomy in spending decisions for the funds; local governments are therefore limited in their ability to allocate resources based on their constituents' specific needs as the funds allocated by the state are for dedicated uses.

Normally, the determination of the volume and design of the transfer system are important reform issues. In Central Africa, in countries such as Cameroon, there is a mechanism to determine the volume of transfers, and a distribution formula. However, in other countries these do not exist. The introduction of a rule-based transfer system is an important challenge. The economies of Central Africa often function with a planned economy approach that resembles communist republics of the former Soviet Union (specifically in the case of Equatorial Guinea, which for number of years lived under communist rule). This has introduced a number of distortions and inequities which means that fiscal transfer systems in these countries cease to be an efficient institutional arrangement.

Table 11: Grants allocated from the central level to local governments in Central Africa

Countries	Grants given to local governments
Cameroon	Share from forest tax (RFA)
Central African Republic	Share from forest and mining taxes
Chad	Share from mining taxes
Congo	Shares from national taxes
Democratic Republic of Congo	40% on paper, 10% in practice share from taxes from the mining sector
Equatorial Guinea	10% from central government revenues in the form of grants funding local projects
Gabon	Equipment endowments, grants, donations, support funds, salary subsidies, special equipment grant, grant for maintenance and garbage collection, grant for maintenance of vehicles
São Tomé and Principe	Shares from national taxes

Transfers are also subject to political manipulation by central governments. There is an emerging convergence in the region of Central Africa that political variables representing the incentives of central political agents are significant determinants for resource distribution across subnational governments. Thus, politically weak subnational governments generate weak political incentives for central resources to be transferred towards them, and risk having lower per-capita allocations and a resulting lower capacity for service delivery. Several countries, such as Cameroon, have established an independent commission to oversee and protect fiscal transfers from the central to the subnational level. However, the performance of these commissions has been mixed; for example, in Cameroon, the Finance Commission, while playing an important role in the early years of its establishment, has progressively lost its influence.

Country examples

Cameroon

There is a legal requirement in Cameroon that financial resources transferred to local governments must match decentralized competencies. However, there is no precision about the nature of the transferred resources, and it is not specified whether these should be taxes or transfers. Cameroon's law of 2004 states that the financial burden of the decentralized competencies must be assessed before their transfer. Since estimating this burden is quite subjective, the line ministries actually in charge of the assessment should play an important role. The law also stipulates that the general transfer should be decided annually with the central budget – which means that it will likely be adjusted to the financial circumstances of the central government, as often seen in recent years as a result of the global financial crisis. Weaknesses in budget controls allow a local government to run overdrafts, as well as arrears in terms of commitments made, but with outstanding payments (World Bank, 2012).

In Cameroon, there is a considerable emphasis on equality in the design of the allocation of shared taxes. The basis appears to be per-capita equality of transfers, however, the use of the population basis for transfers poses a number of significant difficulties. A major source of dissatisfaction with the transfer system is that it is based on out-of-date information on the population. An equal per-capita transfer may not generate equal access to public services. The per-capita basis for the allocation of the shared taxes is to ensure "equality", but, given the differences in infrastructure and unequal capital endowments, this is not normally achieved. Another area of concern is the provision for marginalized and ultra-poor minorities, for instance in the resource-rich but poorly served forest region. There may not be enough political support at the local level for targeted provision for marginal groups, such as the Baka (World Bank, 2012).

Central African Republic

The principle of distribution of funds in the case of the Central African Republic is a function of the size of the population of a municipality or commune, and as such some local governments are provided with very small amounts. There is a large discrepancy between taxes collected in the capital Bangui and other provinces. The majority of the 177 local governments are impoverished, while the budget of towns located in forest areas depends on the forest tax by more than 70 percent. This extreme dependence creates significant challenges in sustaining local services in the medium and long term. In Central African Republic, there is a budget allocation from the state to provide for operating costs and the investment capacity of local governments are very limited. The small amounts transferred often do not allow local governments to finance investment projects or to provide social transfers to those living in poverty. Another problematic area is the late payment of transfers.

Equatorial Guinea

The initial system specifying the redistribution of transfers between different levels of government in Equatorial Guinea was adopted in the late 1990s. In 2003, the proportion of state revenue for financing the functions of local governments was set at 10 percent and the criteria for its distribution were established. These criteria included: 25 percent equal distribution; 25 percent based on the size of population; 25 percent in direct proportion to tax revenues generated by the local governments in the previous year; 15 percent according to the number of existing village councils; and 10 percent in inverse proportion to their own tax revenues generated by the local governments in the previous year. Initially, 4 percent of the revenues were transferred in 2003 and then gradually increased to 10 percent by 2005. At least 90 percent of transfers were conditioned for investment and for the training of local officials.

However, later in 2005 the distribution of the 10 percent was linked to the fact that it gave authority to the central government to negotiate on behalf of local communities to fund investments for local governments. This change radically transformed the intergovernmental transfer system in Equatorial Guinea because it was contrary to the original intention of providing unconditional grants to local government, and resulted in the funding of projects selected by the central government. Thus, there was a return to a centralized budget system, with investment decisions being made away from the towns, and local governments found themselves in a difficult position between the powers conferred on them and the lack of resources. The change also meant that transfers shifted from direct to indirect sources of revenue, from the transfer of a percentage of the state budget to local governments (intergovernmental transfers), to the financing of local investment projects. Additionally, the distribution criteria of "in proportion to the population", "the number of villages" or territory, and

PHOTO : UN PHOTO/MARIE FRECHON/DEMOCRATIC REPUBLIC OF THE CONGO

the "fiscal effort" were replaced by the ability of proposals and projects to be chosen at the national level (Ariza Duarte, 2012).

In this context, small towns that have no technical capacity for project design and submission have little or no access to national funding. The decision to make the transfer is left to the ability of mayors to influence or lobby the central authorities. This change has negatively transformed the intergovernmental transfer system in Equatorial Guinea, yet despite these challenges, further investments were made in municipal infrastructure, including roads, water supply and landfill sites.

Gabon

Financial resources of local governments in Gabon are divided into two parts: regular resources and extraordinary resources. Regular resources include own resources, e.g. transport activities; rental equipment and spaces; sand mining; local taxes and duties, including taxes on hotel accommodations; and taxes on revenues. These common resources also include the general operating grant allocated by the state, covering commercial land sales and a municipal tax on tobacco. This allocation is expected to cover the annual costs for transferred competencies.

Extraordinary resources include equipment endowments; grants and loans; donations and support funds (Ikoghou-Mensah, 2012). Local governments receive state grants each year for their operational costs, namely: salary subsidies; special equipment grant; a grant for maintenance and garbage collection; and a grant for the maintenance of vehicles. As in other countries, the question of autonomy of local governments in the management of their local resources remains. The definition of decentralization under the law of 1996 in Gabon provides for supervision of the use of the resources by the central government (Ikoghou-Mensah, 2012).

Democratic Republic of Congo

The transition from a largely deconcentrated structure to a system of decentralization in DRC is mandated by the 2006 constitution, however, it lacks clarity on fiscal decentralization. There has been a sizeable increase in resource transfer to subnational governments. Accordingly, fiscal decentralization may generate large vertical as well as horizontal imbalances, and entails significant macrofiscal risk. Fiscal decentralization in DRC has been viewed as a way to hold a vast and diverse country together following a long civil war. According to the existing organic public finance law, four categories of local governments, called *Entités Administratives Décentralisées* (EADs), maintain a separate legal personality, have their own budgets, and have the right to raise local taxes. Local authority decisions were subject to provincial-level control and their budgets had to be approved by the Interior Ministry (for the provinces) or by the governor (for other EADs).

The transfer system was de facto based on largely arbitrary revenue sharing. Revenue transfers from the central government to provinces were supposed to be calculated based on the amount of central government taxes and duties collected in the provinces by the three revenue collection agencies, and were to be paid into the provinces' accounts at the central bank. Since 1998, transfers have been officially set at 20 percent of revenues collected in the provinces, out of which 15 percent were supposed to be transferred automatically by the central bank to the provinces. However, actual revenue transfers were 6.4 percent and 6.5 percent of total domestic revenue in 2006 and 2007, respectively. Moreover, there were important differences in the distribution of transfers between provinces. The three richest provinces (Kinshasa, Katanga, and Bas-Congo), which together account for 76 percent of total domestic revenues, benefited from the highest absolute transfers, albeit being affected by the largest shortfall with respect to the 15/20-percent rule (IMF, 2009).

The new constitution stipulates that 40 percent of "national revenues" collected in each province will be devolved to them. However, the legal framework has not yet assigned responsibilities for revenue collection to the different government levels nor does it provide clarity on the methodology, including the definition of the tax base, for calculating the 40 percent of revenues to be transferred to the provinces. The constitution also lacks clarity on expenditure assignments across government levels, thereby increasing the risk of a duplication of responsibilities and unfunded mandates in areas with competing legal competence.

Three laws promulgated in 2008 contribute little to clarifying the fiscal relations between the central and the provincial governments. They specify the legislative powers and the organization and functioning of public administration at the level of the provinces and the local authorities. However, they leave the methodology for implementing the constitutionally mandated revenue-sharing mechanism undefined; and instead of providing for a more precise delineation of expenditure assignments in areas with competing competencies, these laws repeat the definitions in the constitution.

Fiscal aspects of the decentralization process are regulated in the law of public finance published in July 2011. Several texts on public finances with a direct impact on the provinces were enacted recently: general regulation of public accounting; regulation of accounting administration; statutory law on public services; organic law on the organization and operation of services of provinces; organic law determining the boundaries of the new provinces and those of the city of Kinshasa; and the act on the status of traditional leaders and their place in the current configuration of territorial governance. An organic law establishing the organization and functioning of the National Equalization Fund is currently under analysis at the parliament.

2.1.3 Fiscal equalization

Systems for equalizing the financial situation of local authorities are emerging in the region of Central Africa. Currently, examples of instruments being envisaged for the purposes of this equalization include the Regional Forest Tax in Cameroon, forest and mining taxes in the Central African Republic, and the *Caisse Nationale de Péréquation* (National Equalization Fund) in the Democratic Republic of Congo. In DRC, 10 percent of national revenues are assigned to an investment fund with equalization purposes (*Caisse Nationale de Péréquation*) in charge of reducing the development differential between provinces. In Equatorial Guinea, the government pledged 10 percent of oil taxes to a Solidarity Fund for local governments (Revenue Watch, 2013).

The Regional Forest Tax in Cameroon, which can be treated as the most significant equalization fund in Central Africa, if not the only functional equalization fund in the region, suffers from insufficient funds. There are objective criteria set for the allocation of this tax in Cameroon and they are based on quantitatively defined criteria. However, there is a high level of central government discretion, mainly political, in the final decision for the transfer of funds to the local governments. Political considerations and mismanagement dominate the financial equalization system in Cameroon, which otherwise could be considered as the only Central African country to have a functional specific tax for equalization purposes among local governments.

Other Central African countries lack specific financial equalization mechanisms. In Equatorial Guinea and Gabon, funds distributed to all local governments for the implementation of centrally planned projects can be considered as fulfilling the equalization function. However, these funds are earmarked mainly for investments and for specific use, and local governments have no discretion in their utilization. Most of these transfers are allocated by the central governments. The 1996 law of Gabon set up the local equalization fund (FPCL), which provides local governments with resources to meet the tasks assigned to them. This grant is intended to cover the cost of equipment as part of competencies transferred (Sciences-Po

Table 12: Existence of fiscal equalization mechanisms in Central Africa

Countries	Fiscal equalization grants given to local governments
Cameroon	Regional Forest Tax
Central African Republic	Forest and mining taxes
Chad	N/A
Congo	N/A
Democratic Republic of Congo	Caisse Nationale de Péréquation (National Equalization Fund)
Equatorial Guinea	Solidarity Fund
Gabon	Local equalization fund (FPCL)
São Tomé and Principe	No fiscal equalization grants

Bordeaux, 2013). Due to a lack of objective and quantitatively defined criteria in distribution and allocation, these transfers in Equatorial Guinea and Gabon do not constitute a proper and functioning equalization system. In DRC, the planned equalization fund is unable to mitigate horizontal imbalances generated by revenue-sharing, as it is limited to investment financing (IMF, 2009).

The forestry tax (RFA) in Cameroon is fairly centralized, with collection and use determined by the central government. This has led to conflicts and tensions between the decentralized entities and local communities on the one hand, and the logging companies and the central government on the other. Prior to 1994, very little of the forestry revenue benefited the local communities, which also bore the environmental costs of logging and deforestation. The establishment of the RFA as an equalization grant was a partial response to these tensions, and stipulated a share to be redistributed to the municipalities and rural villages. Although RFA funds are distributed to subnational entities, the amounts are not very predictable and have been changed by the central government without warning. Moreover, the funds are not entirely under the discretion of the local and regional governments (World Bank, 2012).

In other Central African countries, the methods of fund allocation have not removed disparities among local governments, as allocations provided from central to local governments are not based on acceptable standards for the provision of public services, nor do they take into account municipal fiscal capacities. The system of allocating transfers from the central budget to local governments in Central Africa suffers from a number of deficiencies typical of developing countries that lack financial equalization mechanisms. Large local governments are the largest beneficiaries of funds transferred from the central government, while, at the same time, there are frequent cases in which smaller local governments receive resources well beyond their fiscal needs. The system is also not sufficiently transparent nor based on objective criteria, as the funds are mostly transferred on the basis of the political and personal connections of the mayors or prefects.

2.1.4 Budgeting and borrowing

Local governments in Central Africa generally do not have significant control of their budgets. Instead, municipal budgets are composed of an administrative budget, and a number of off-budget funds that are referred to as projects or programmes of the central government, implemented locally. In many cases, local governments have no autonomy to prepare and execute their own municipal budgets. For example, the content of the local governments' budget in Cameroon includes: fiscal revenues; proceeds from exploitation of municipal property and services; endowments and grants; other operating revenues; investment revenues; and loans (World Bank, 2012). However, these local budgets in Cameroon are often quite unrealistic; the gap between budgeted figures and actual spending is enormous. This is a significant problem in the accountability of local governments in general (World Bank, 2012).

In Gabon, a budget cap is imposed on local communities: for each year, the maximum amount is determined by calculating the average community recoveries made over the previous three years. Local authorities are obliged to take into account the maximum amounts as determined by the central government because only it has the power to approve local budgets.

Recently, Central African countries have seen the emergence of innovative participatory budgeting mechanisms, in particular in Cameroon and DRC. Originating from the Brazilian city of Porto Alegre in 1989, participatory budgeting (PB) can be broadly defined as the participation of citizens in the decision-making process of budget allocation and in the monitoring of public spending. Experts estimate that up to 2,500 local governments around the world have implemented PB, from major cities such as New York, Paris, Seville, and Lima, to small and medium-sized cities in countries as diverse as Poland, South Korea, India, and Bangladesh. Participatory budgeting has been shown to deliver significant impacts, including an increase in tax collection (see for example Beuermann and Amelina, 2011), as citizens are more willing to pay taxes when they perceive that their preferences are properly taken into account by public institutions, and when there is an increase in the level of "pro-poor" spending (Touchton and Wampler, 2013). In Cameroon, participatory budgeting was launched in Yaoundé in 2012, on 10–15 percent of the municipal budget, and has been met with considerable enthusiasm.[15]

Municipal borrowing is very limited in Central Africa. Borrowing in general is limited to the funds of the general budget of Central African countries and to their domestic market. For example, the decentralization law in DRC requires the Interior Ministry to authorize all subnational borrowing operations, but does not specify the criteria to implement control on subnational borrowing (IMF, 2009). Borrowing by local authorities in Congo is only possible with the prior approval of the supervisory authority, which is the representative of the central government in the local area (*Préfet*).

In Gabon, local governments may resort to borrowing as the ability to borrow is granted to local authorities by law. It is subject to prior authorization from councils and in some cases from the central government. Local authorities in Gabon are authorized within the limits of their actual debt capacity to borrow from domestic and international financial institutions. However, if they constitute over 30 percent of the budget, the loans are subject to the prior approval of the central government. In other words, the state endorses the local authorities in their borrowing process (Sciences-Po Bordeaux, 2013).

2.2 Delivering local services

Providing inclusive and quality services is central to achieving the SDGs and is a major challenge for the Central Africa region. The provision of services at the local level is particularly relevant to SDGs 1 (no poverty); 2 (zero hunger); 3 (good health and well-being); 4 (quality education); 5 (gender equality); 6 (clean water and sanitation); 11 (sustainable cities and communities); 14 (life below water); and 15 (life on land).

Central African states made some progress towards achieving the MDGs, such as in the fight against non-communicable diseases, universal primary education, improving maternal health and reducing child mortality. However, the MDGs were largely not achieved in the region and the eradication of poverty, promotion of gender equality, and environmental sustainability remain key development challenges. Tens of millions of citizens in Central Africa live below the poverty line, in both rural and urban areas. The net primary school enrolment rate is low in CAR, Chad and Equatorial Guinea. Wom-

15 A detailed description of the Yaoundé participatory budgeting experience is provided in the Africa Research Institute report: 'The Booklovers, The Mayors and the Citizens: Participatory Budgeting in Yaoundé, Cameroon' available at: http://www.africaresearchinstitute.org/newsite/wp-content/uploads/2014/05/ARI-Cameroon-Paper-online.pdf.

en are generally excluded from political and economic life, while infant mortality remains high in CAR and Chad, and maternal mortality is very high in Cameroon, CAR, Chad and Congo. Three of the eight countries have a high HIV incidence rate. Access to drinking water is limited and the coverage of wastewater treatment and sanitation remains very low. Several countries have a high to very high proportion of urban population living in slums (the highest rate is in CAR, with 95.9 percent of the urban population in these conditions).

Based on lessons learned and in order to support the implementation of the SDGs at the local level through the provision of inclusive access to basic services, governments across the Central African region are engaged in efforts to devolve power and resources to local bodies, which are increasingly assuming responsibility for managing the delivery of health, education and other essential services, such as sanitation and water, to the populace. Decentralized service delivery is now seen as a key determinant of the scope for Central African countries to achieve the SDGs, since many of these goals are premised on outcomes that are increasingly within the realm of responsibility of local governments. Most efforts to promote decentralization are based on the assumption that local governments will be more responsive to the needs of the citizens and take their preferences into account in determining the type of services to be provided, the level of resources required, and the optimal means of ensuring effective delivery.

Importantly, SDGs localization will entail planning and delivering services, as well as establishing adequate monitoring and evaluation (M&E) systems to track progress and ensure accountability. Monitoring refers to the systematic collection of data on specified targets to measure progress, and evaluation is based on the collected data to inform implementation and assess results in terms of SDGs implementation, with consideration for relevance, effectiveness, efficiency, impact and sustainability.[16] SDG 17 (partnerships for the goals) also highlights the importance of M&E systems, and states as a target (17.9) the intention to by 2030 "build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries".[17]

Evidence suggests that decentralization of authorities and resources to local governments has increased access to affordable public services and this has contributed to achieving part of the MDGs, such as the increase of access to clean water and reduction of infant mortality. The transfer of resources and authority from central to local governments has been associated with positive impacts, however, it is often difficult to link these improvements solely to decentralization processes. In most cases, in Central Africa the quality of public services has in principle either remained unchanged or has improved, but it is difficult to attribute this solely to decentralization. Nevertheless, the evidence collated and reviewed in this report suggests that decentralized service delivery has started to improve people's access to and the quality of services provided in the region.

Service examples

Education

Overall, there have been improvements in educational achievements in Central African states,

16 The OECD framework for evaluating development interventions is a useful evaluation framework; more information is available at: http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm.

17 SDGs goals and targets can be found online at: https://sustainabledevelopment.un.org/sdgs.

and this progress has coincided with the ongoing decentralization process in the region. Despite this improvement, significant disparities remain among social groups in terms of enrolment and completion of schooling. Urban/rural and boys/girls differences persist. Considerable success has been achieved with specific education initiatives, however, significant inefficiencies arise from the unclear demarcation of responsibilities between local and central governments. In the education sector there are also marked disparities in the availability of resources for service provision between different localities. Increased funds that have been made available to finance school infrastructure through local governments have led in most cases to positive results.

Health

Unlike the education sector, health indicators in Central Africa are of concern. The Central African Republic remains one of the countries where the mortality rate of children under age five is highest. The country now ranks ninth among the world's 24 most AIDS-affected countries and is the leading country in this regard in Central Africa. In DRC, infant and child mortality levels are very high. In Gabon, maternal mortality remains high. In Cameroon, of a thousand children born alive, more than a hundred die before the age of five (UNDP, 2010). In Cameroon, local governments are responsible for health services, however, their effectiveness is often hindered by national sector-based policies that tend to privilege deconcentrated local authorities rather than decentralized local government units (UCLG, 2008).

It is striking that the quality of key services has declined in Douala and Yaoundé; particularly striking is the increase in poverty in the North, Far North, and East, as well as declining access to clean toilets, drinking water, and an increase in child mortality. Even in the richest regions there have been declining indicators – especially in Yaoundé – for access to drinking water, clean toilets, and an increase in infant mortality. For indicators such as child mortality and life expectancy at birth, Cameroon does worse than the average for sub-Saharan Africa (World Bank, 2012). In Equatorial Guinea, there is a lack of primary healthcare with a preventive approach at the municipal level and a lack of a social protection system extending to all groups of the population for access to care in health centres and hospitals.

In many cases, local governments are unable to fulfil their healthcare provision responsibilities due to the absence of adequate resources. Positive health outcomes in the context of decentralization have been seen in cases where, for example as in São Tomé and Principe, there have been accompanying reforms in healthcare funding. In the case of decentralization of public service delivery in primary healthcare accompanied with appropriate funding flows, there has been a positive correlation with the reduction in child mortality. However, health services in Central Africa are generally under the jurisdiction of central governments and local councils have limited influence over the use of resources or deployment of personnel. In addition, local councils have limited discretion over the use of resources for developmental purposes, which are largely earmarked for schemes and programmes determined by state and central governments. It is only in Cameroon that decentralization of expenditure for basic services has taken place on a significant scale, by placing substantial untied funds at the discretion of local councils for developmental purposes.

2.3 Special feature: Natural resources management

There is increasing pressure for recognizing the right of subnational governments to claim economic rents from their natural resources. Rents from natural resources can form an important share of subnational budgets in countries where such resources are in abundance. Minerals, petroleum, forests, hydropower energy, and fisheries are the main types of natural resources that generate revenue for local governments. Other assets, such as cultural heritage and natural attractions, may be treated akin to natural resources, and also have potential for generating revenue. The SDGs give due attention to natural resource management through SDGs 14 (life below water) and 15 (life on land).

Central Africa is home to significant oil reserves as well as mineral resources, and to the world's second most important forest ecosystem after Amazonia. Thus, it is important to consider the management of natural resources in the framework of decentralization as some Central African countries have an abundance of natural resources: oil and gas in Cameroon, Chad, Equatorial Guinea, Gabon and São Tomé and Principe; forests in Cameroon and the Central African Republic; and mines as well as minerals in Cameroon, Chad, Central African Republic, Congo and the Democratic Republic of Congo.

The oil industry contributes 50 percent of export earnings in Cameroon, while sales of oil account for around 80 percent of Chad's revenue. Cobalt reserves in DRC account for approximately 47 percent of the world's supply and the mining and mineral processing sector accounted for an estimated 13.4 percent of the country's GDP in 2009. São Tomé and Principe has started to exploit oil in recently discovered fields and companies are expected to pay significant "signature bonuses". In 2010, the Central African Republic was ranked 14th among the world's leading producers of rough diamonds by volume, and 12th by value. The country also produces gold and the mining sector accounts for approximately 7 percent of GDP; rough diamond and timber are the country's leading export products. Oil provides a major share of government revenues and exports, and has supplanted forestry as the mainstay of the economy. Congo also has gold and other mineral resources, while Gabon's mineral industry is dominated by the production of manganese and petroleum. In 2010, Gabon ranked 4th among the world's leading producers of manganese, accounting for approximately 11 percent of world production. Crude petroleum production accounted for approximately 75 percent of the country's total exports, 60 percent of government revenue, and 40 percent of the country's GDP (EITI, 2013).

The sharing of revenue from natural resources among levels of government is a crucial issue for decentralized systems in the natural-resource-rich countries of Central Africa. Not properly addressing this point of contention in the past has contributed to rivalries between the constituent units of almost all Central African countries and has put a great strain on discussions about devolving power to local governments, as well as playing a role in exacerbating tensions in fragile and conflict-prone areas.

Another issue is the potential sustainability challenges of over-reliance on a single source of revenue that natural-resource-dependent economies can face. For example, in Equatorial Guinea, the oil and gas industry is the main contributor to the country's revenue and also supports many local development initiatives. These contributions are made directly through the oil companies' contribution to state revenues, and through direct investment in communities, such as schools, hospitals, water facilities, parks and playgrounds; skills-building initiatives are financed by oil companies through corporate social responsibility. Cur-


PHOTO : UN PHOTO/SYLVAIN LIECHTI/DEMOCRATIC REPUBLIC OF THE CONGO

rently some initiatives are being discussed with the UN, notably a US$6 million grant allocated to UNFPA by Nobel Energy to finance a maternal health programme. In terms of potential challenges, the long-term sustainability of these programmes is questionable as Equatorial Guinea's economic structure is heavily dependent on the oil industry, and shocks in this sector directly affect the economy and the corporate sector's ability to continue to finance development initiatives. This has already been demonstrated with the recent falls in oil price, which have driven the country into an unprecedented recession and many projects have either slowed or stopped.

The two case studies that follow illustrate the opportunities and challenges of managing natural resources in the context of strengthening local governments. The case studies, which cover forestry management in Cameroon and mining and minerals in DRC, describe the ramifications for local government finances and service delivery of natural resource management.

Case study 1: Forestry management in Cameroon

The process of forest management decentralization in Cameroon is considered a pioneering experiment in the Central Africa region (Nguinguiri, 1997). The forestry sector in Cameroon has experienced numerous disturbances, including challenges to the monopolistic form of management implemented by the state. In these unsettled circumstances, many occasionally violent conflicts broke out between logging companies, generally backed by the state, and local communities (Oyono, 2003a). The latter rose up to challenge the monopoly of the state over the forests and they demanded direct access to the financial benefits of commercial logging. Conflicts between local communities and logging companies are nothing new, but since the 1990s the climate has been nourished by the "winds of freedom" generated by democracy and the feeling amongst local communities that it was time to claim their rights over forests. Other than the democratization of political life, through the introduction of political pluralism in 1990, and economic liberalization, three developments were important in establishing the relationship between policy change in general and the decentralization of forest management: i) the law on freedom of association, promulgated in December 1990; ii) the reform of the Forestry Code in 1994; and iii) the 1996 constitutional revision. There were also progressive rewritings of the forestry taxation system (Bigombe, 2003) for which the fundamental provisions were laid down in the 1994/95 forestry reform.

Cameroon's forestry code divides the country's forests into two types: i) the "permanent forest estate" that includes protected areas, Council Forests, and areas allocated to *concessionaires* for commercial logging; and ii) the "non-permanent forest estate", which describes forests that can be used either for purposes other than protection/conservation, or for commercial exploitation, such as farming and small-scale logging. Cameroon has transferred powers to peripheral actors (Council Forests and Community [or Village] Forests) for the management of forestry fees. The law on freedom of association allowed social actors in rural Cameroon, long excluded from public life, to organize themselves in "common initiative groups" (Oyono, 2004).

The forestry reform launched in Cameroon in 1994, considered by the World Bank as a "laboratory" of innovation in Central Africa (Karsenty, 2002), was a landmark in the decentralization of the management of Cameroon's forests. After decades of state monopoly, the 1994 revision of the forestry code opened the way for the institutionalization of local management on the one hand, and access for village communities to greater income from the commercial logging of their forests on the other. The first innovation brought by the reforms was the transfer to local authorities – specifically, the rural local governments – of powers to establish and manage Council Forests. Under Cameroon's forestry legislation, a Council Forest is a forest classified for use by a local government, a "commune", or planted by that local government.

The establishment of Community Forests is the second aspect of the decentralization of forest management in Cameroon. This innovation is aimed at giving village communities responsibilities and powers for the management of their forests and any financial benefits accrued. A Community Forest is a forest in the state's non-permanent estate, subject to a "management agreement", signed between the village community concerned and the forestry administration. The forestry legislation specifies that this is "a contract whereby the Administration entrusts part of the national estate with a view to its management, conservation and use for the benefit of the community" (Article 3 of the implementing Decree). The income generated by marketing the lumber from Community Forests must be invested in village-level projects for social and economic development. There are dozens of Community Forests currently being exploited and managed in the country, with hundreds of applications for Community Forests having been submitted to the Ministry of Environment and Forests by village communities over the last few years.

The decentralized forestry taxation system, the third major component of the new forest policy, has resulted in innovative strategies for the allocation of a share of forestry revenue to local communities. Prior to 1994, the village communities benefited only from the construction of social and economic infrastructure, which was included in the logging companies' specifications. The new system for the redistribution of forestry income, established since 1994, is based on two principles: 1) the payment of forestry fees, by a company logging a given concession, to the local communities (10 percent of the total amount), to the relevant rural local government (40 percent), and to the central state (50 percent); and 2) the allocation of a "village tax", in fact an "eco-tax", to the village communities bordering small forest concessions.

Between 1994 and 1998, 10 percent of the total sum allocated to each local government was duly transferred to the village communities concerned. Originally intended to promote local development, these royalties, like the "village tax", were to a large extent allocated to consumables since the village communities considered that "it was now their turn to drink and eat with the money from their forests" (Oyono and Temple, 2003). In 1998, the Ministry of Economy and Finance and the Ministry of Territorial Administration published a joint order laying down the terms for the use of revenue from logging. The order states, primarily, that the 10 percent previously directly transferred to the villages would henceforth be managed by the local government, at the regional level. However, as described by Bigombe (2003), once these funds were paid out at the regional level, they often ended up being used for questionable purposes. Many socio-economic village-level projects planned were not funded and the money tended to end up unaccounted for. Equally, Kouna (2001) reports on the proliferation of fictional projects, the funding for which was released but then misappropriated by the municipal and administrative authorities.

As the situation led to anomalies, the central government established a "central equalization fund" from the forestry fees, the *Fonds d'Equipement et d'Intervention Communale* (FEICOM), a state fund placed under the supervision of the Ministry of Territorial Administration and Decentralization. In practice, this means that the 10 percent of forestry fees allocated to the village communities and the 40 per cent allocated to local governments are now transferred to the central level, from where FEICOM is managed. The establishment of this equalization fund was provided for in the 2000/01 finance law. The aim of the fund is to extend distribution of forestry revenue throughout the country, and no longer only in areas with forestry concessions, as was previously the case.

Case study 2: The management of mines and minerals in DRC

The mining sector in DRC is a key driver of the country's economy, contributing to employment, fiscal revenues, and secondary economies. Though DRC is endowed with one of the richest natural mineral resources in the world, its population subsists on an estimated GDP (PPP) of US$ 700 per year. The trade of minerals in DRC begins in remote mining sites of the eastern part of the country in Ituri, Kasai Oriental, Maniema, (Northern) Katanga, North Kivu, Orientale, and South Kivu, from where the minerals are often first transported by foot, then by car or truck and finally by plane to the main export centres, such as Goma. From there, they are exported throughout eastern Africa.

Gold is the primary export mineral. While gold is of significantly higher value and is also the principal rebel-traded mineral, it is estimated that as much as 95 percent of Eastern DRC's gold production is traded informally. The production of gold as well as other minerals and precious stones in Eastern DRC is exclusively artisanal or from subsistence mines. A World Bank report suggested that up to one fifth of the population of DRC is dependent on artisanal mining (World Bank, 2008). The fiscal contribution of the trade in minerals from Eastern DRC has increased over time but remains low, with tax revenues from the trade accruing to US$4 million in 2008 (Garrett and Mitchell, 2009). Analysis of the returns to individual workers for different mining value chains has shown that earnings are extremely low, but in comparison with other options available in the country, they appear to offer a good cash return – up to US$ 10 or more per day for the actual miners.

Only a relatively small percentage of the financial benefits of natural-resource exploitation return to the communities living and working at the resource-extraction sites. There is a real opportunity to constructively engage with the trade in minerals to assist with positive decentralization reform. The cost of failure or the wrong approach should not be underestimated; with up to one million people in the region dependent on the trade for their livelihood, the minerals trade represents the single biggest opportunity for poverty reduction and development in the region (Mitchell and Garrett, 2009).

A large statistical anomaly suggests a gap in the amounts of taxes actually received and the amounts that should be received. The DRC's Mining Code, adopted in 2002, and its accompanying Mining Regulations, including the *Code de Conduite de l'Exploitant Artisanal* adopted in 2003, provide the legal basis for mining. The Mining Code aims to ensure the development of the DRC's mineral resources, largely through the private sector. The code makes provisions for artisanal mining zones: artisanal miners have the right to exploit these specially designated areas on a renewable one-year basis, through an Artisanal Exploitation Card. The establishment, authorization and closure of artisanal mining zones are subject to an order from the Ministry of Mines. In cases where artisanal miners intend to upgrade to small-scale mining, priority in title allocation is granted to residents of mining communities. The Mining Code and the accompanying Mining Regulations define what the minerals sector is obliged to pay the government in licence fees, tax payments and export charges. The Mining Code sets out separate payment regimes for artisanal mining and for small-scale mining. Small-scale mining is subject to a flat tax rate of 10 percent of turnover and this flat rate exempts small-scale operations from the payment of mining royalties, taxes on movables, taxes on profits, the exceptional tax on expatriates' remuneration, and domestic turnover tax.

The principal objection to tax payments voiced by miners is that there would not be any revenue streams flowing back to their mining community. The revenue collection capacities of the provincial authorities remain low and it therefore remains to be seen whether political decentralization, as stipulated in the DRC's new constitution, will be a success. Political decentralization will entail fiscal decentralization, with 40 percent of all collected revenue earmarked to flow back to provincial administrations, meaning that the different provinces will be confronted by a sudden increase in fiscal revenue. At the local level, the largest part of taxes and licences outlined in the Mining Code is not collected because the Mining Code, as statutory law, is currently not enforced. The majority of miners are not aware of it and, at least for the miners, the provisions of the Mining Code are completely inappropriate in light of their meagre income and the remoteness of their workplaces. Instead, taxes and profits continue to be collected by customary and traditional authorities, such as landowners and traditional chiefs, as well as unsavoury, exploitative elements, such as mafia networks and armed groups and those who control mafia networks and armed groups (EITI, 2007; EITI, 2009).

Neither the central government nor provincial authorities publish data on subnational revenue transfers. According to the Constitution, 40 percent of all taxes from the mining sector are to be collected directly by the provinces where extraction takes place. However, this contradicts the Mining Code, which states that the central government is to collect all taxes and then transfer a percentage to provinces. In practice, revenues are centralized before being shared and, according to provincial tax agencies, only 10 percent of the funds are effectively transferred (Revenue Watch, 2013).

2.4 Key findings and recommendations

This brief review of the experience of local government financing and service delivery in Central Africa leads to the following key findings related to SDGs localization. First, improved outcomes from decentralization have generally been realised for local citizens, particularly in the education sector. However, outcomes have not been as encouraging in the health sector. Second, the quality of public service provision has in some places improved as a result of the allocation of funds at the local level for local service delivery purposes. Gains have been realised, usually as a result of the delegation of financial responsibility for service provision from central to local governments, though resources have often not been adequate to ensure effective coverage and quality. The availability of financial resources is a critical determinant of the equity, quality and efficiency of public services, and the inadequacy of financial resources often contributes to poor service delivery outcomes.

Although decentralization is still in its infancy in Central Africa, there is some evidence to suggest that the quality of services has improved, and that there has been improved targeting and delivery, particularly in the education sector. However, it is difficult to establish a causal link between better local service outcomes on the one hand, and decentralization on the other, as this has not been the subject of empirical studies in the region. Yet decentralization has clearly contributed to improved participation and accountability, which in turn has indirectly led to improved service delivery outcomes. There has been a major shift in responsibility from centralized government-only provision, to the present-day situation in which state and municipal governments share responsibility with central government for providing the services in health, education and social infrastructure.

These insights tend to give rise to two types of policy prescription, which may be closely compatible with the current phase of decentralization in Central Africa: 1) services such as education, health and water are better administered by local authorities, and expanding the financial resources and autonomy in managing the resources can improve quality and efficiency of services provided; and 2) successful local service delivery is premised on participation and accountability, as well as having the appropriate financial resources.

In view of these findings, this report suggests that the key enabling condition to strengthen local governments in this area is to ensure that systems are put in place for adequate funding of local government mandates and that inclusive service delivery is provided to promote SDGs localization, in particular for SDGs 1, 2, 3, 4, 5, 6, 11, 14, 15 and 17. The following recommendations are formulated with these objectives in mind.

Recommendation 2.1: Adopt a phased-in approach to transferring resources to local governments

In Central Africa, the fiscal and service delivery responsibilities of local governments should be transferred gradually. There should be a phased-in approach over a number of years, with local governments initially assuming sectoral responsibility for the operation and maintenance of infrastructure, and later for finances and service delivery. The general principle for the phased decentralization process is a gradual shifting of responsibilities in line with greater demonstrated capacity of local governments. In phase two, the local governments assume a larger financial role in managing the devolved competencies.

For a local government to progress to the next phase, it will need to fulfil relevant conditions. Local governments can be set up to have sufficient human resources in the fields of tax calculation and collection; have an adequate staff capacity for financial management; adopt participatory governance mechanisms, such as participatory budgeting; show good financial results; inform the ministries in charge of state finances of the good results in a timely manner; and have no significant arrears to suppliers or creditors exceeding the ordinary terms of payment. The fulfilment of each criterion would be assessed and would gradually qualify local governments to gain increased responsibilities and resources to be assigned by the central government.

Recommendation 2.2: Establish transparent and predictable grant systems to transfer financial resources to local governments

The system of decentralization encompasses the transfer of various types of grants, including grants for delegated competencies, earmarked grants, capital grants, and block grants to fund education, health, welfare, water, sanitation, fire protection, sports and cultural institutions, and for other sectors devolved to local governments. Grants are instruments used by the central government to provide additional revenue to ensure the smooth performance of local government competencies. For example, a block grant is used for payment of salaries; an earmarked grant is for financing a special activity; a capital grant is for financing investment projects; and a grant for delegated competency is used to finance a delegated competency of a mayor's central state-management functions.

To enhance local government effectiveness, the grant system should be geared towards giving increasing predictability and responsibility to local governments. The transfers should be based on an objective formula with transparent criteria and be increasingly provided as unconditional grants, to allow local governments to allocate resources to sectors most needed in their locality. Good results have been achieved in cases where these grants are tied to set performance metrics where local governments need to demonstrate basic good management and then compete to increase their performance to access additional grant resources.[18]

Recommendation 2.3: Design equalization mechanisms to correct vertical and horizontal imbalances in the region's intergovernmental fiscal frameworks

Intergovernmental transfers generally are used to moderate horizontal imbalances within each government level. Some local governments may generate high levels of revenue while others can hardly pay their own essential administrative costs. General intergovernmental grant transfers may not address differences in own-source revenue capacity; it is therefore recognized that revenue disparities should be addressed through the designation of formula-based equalization grants to tackle the differences in revenue capacities among local governments. In light of these revenue dispar-

18 UNCDF (2010a). *Performance-Based Grant Systems, Concept and International Experiences.*

ities, equalization grants would ensure that an increase in the flow of funds would be more pronounced for local governments with a below-average level of revenue base.

In a decentralized framework, there may be insufficient federal/central funds for proper equalization to mitigate inter-regional inequalities. The equalization instrument can be designed from the revenue that is transferred from the yield of natural-resource taxes, Value Added Tax, Personal Income Tax, or from corporate taxes. Also, specifically for the purposes of equalization, special funds such as the Solidarity Fund or Joint Fund can be established and financed by various tax revenues. Block grants can also be considered as instruments for the equalization of the financial situation of local governments. Regarding the distribution of equalization transfers, the system should be objective and transparent, i.e. using a formula to determine the funds to be received by each local government. Furthermore, the total transfer amount should be defined in advance, to avoid ad-hoc decisions that might jeopardize overall fiscal discipline and to allow sufficient time for local development planning and budgeting processes.

Recommendation 2.4: Develop multi-stakeholder "inclusive service delivery" practical toolkits to be distributed among local authorities

In order to promote SDGs localization and achieve inclusive and universal access to basic public services, such as education and health, local governments need to play a significant role in the effective provision of essential public services. Local governments have experimented with different forms of delivery for public services, including public–private and community partnerships through cooperation with civil society organizations. Public–private partnerships (PPPs), community management schemes and partnerships with informal producers and dwellers can improve conditions in many local governments. Establishing platforms for mobilizing local governance actors (farmers, entrepreneurs and civil society groups) can result in increased development results. In cases where local government resources are insufficient to cover even basic needs, community-based organizations and village associations can be mobilized to play a key role in supporting the provision of important community infrastructure services. Networking outside local government with public and private actors to arrange funding can help to meet community needs. PPPs, especially the Build, Operate and Transfer (BOT) principle, should also be considered as service delivery options. But local governments need to have strong oversight ability and capacity to negotiate effectively for fair and transparent contracts.

The necessary information on practices, tools and approaches for the diverse service-delivery modalities at the local level should be captured in practical how-to guides for the various inclusive service-delivery options in the different countries. This can promote the adoption of participatory governance mechanisms, such as participatory budgeting, which has shown good results in the region. This would help to identify and promote more diverse and responsive forms of local service delivery that promote gender equality, which will be key to achieving the SDGs by 2030 in the region.

Recommendation 2.5: Establish monitoring and evaluation systems of local government performance and local development

Like any other change process, implementation of decentralization and promotion of local development requires continuous monitoring and evaluation. It is important to develop and implement M&E mechanisms and indicators in order to follow the impacts of decentralization, local development and service delivery with disaggregated data collection activities, including as related to SDGs targets at the local level. These will inform progress made on achieving SDGs and be a key input to informing the financing and delivery of services at the local level, as well as the broader policy dialogue discussed in Chapter 1.

Recommendation 2.6: Establish clear and transparent mechanisms for sharing revenues from natural resources between central and subnational levels

Central Africa is home to significant oil reserves, as well as mineral resources, and to the world's second most important forest ecosystem after Amazonia. Thus, it is important to consider the management of natural resources in the framework of the decentralization process as some Central African countries have an abundance of natural resources, including oil and gas in Cameroon, Chad, Equatorial Guinea, Gabon and São Tomé and Principe; forests in Cameroon and Central African Republic; and mines as well as minerals in Cameroon, Chad, Central African Republic, Congo and the Democratic Republic of Congo. The sharing of revenue from natural resources among levels of government is a crucial issue for decentralized systems in natural-resource-rich countries of Central Africa. Due to this issue not being properly addressed in the past, it fed rivalries between the constituent units of almost every Central African country and put a great strain on the discussions on devolving power to local governments.

2.4.1 Fragile and conflict-affected states

FCAS Recommendation 2.1: Involve local governments in transitional service delivery frameworks, as appropriate

In fragile and conflict-affected settings, after service delivery mechanisms have either partially or completely broken down, service delivery often urgently needs to be reinstated through transitional frameworks. Local governments can significantly contribute to these transitional frameworks by acting as coordinators, if they have the capacity, or can be enabled to do so. They can play an important interface role between formal and informal networks and different levels of government and agencies. This can be operationalized through the establishment of local service delivery coordination platforms.

FCAS Recommendation 2.2: Support local finances and strengthen financial integrity and anti-corruption measures at the local government level

Without strengthened local finances, the UNDP Guide to Local Governance in Fragile and Conflict-Affected Settings notes that the capacity of local governments and local actors to produce peace dividends and restore confidence in a sustainable manner is seriously compromised.[19] Local governments can be empowered to carry out specific conflict-mitigation or resolution activities through capacity and grant mechanisms focusing on women's empowerment, peacebuilding, and restoration of economic activities. Accompanying grants with activities to strengthen local finance oversight is critical in fragile and conflict-affected settings where corruption can be widespread, especially if war economies prevail.

19 UNDP, 2016. *Guide to Local Governance in Fragile and Conflict-Affected Settings.*

Chapter 3:
Local economic development

PHOTO: UN PHOTO/SYLVAIN LIECHTI/DEMOCRATIC REPUBLIC OF THE CONGO

Economic development is a key pillar of sustainable local development. Without consideration of economic opportunities and the competitiveness of territories, gains in the provision of social services are unlikely to be sustainable as sources of funds for the provision of social services that may not be sustained. Local economic development is identified as a key sustainable development issue through SDGs 1 (no poverty); 8 (decent work and economic growth); and 9 (industry, innovation and infrastructure).

At the local level, local economic development (LED) is a key factor in improving the local economy and competitiveness, the rate and quality of employment, and in achieving inclusive and sustainable economic growth. A sustainable LED approach goes beyond the economic perspective because it also strengthens local participation, connecting citizens to improve their quality of life. LED involves actors from the state, the private sector and civil society, and involves supporting structural development at the local level, on methodologies, techniques and skills development.

This section looks at LED programmes in the eight Central African countries studied, and gives a review of the current situation and recommendations. The issue of local economic recovery is discussed in the Recommendations section, through the special considerations for fragile and conflict-affected states.

3.1 The role of local governments in LED

First, some conceptual definitions are necessary to define LED. A first observation is that LED is not the same as local development or local economy. The Cardiff Consensus for Local Economic Development defines the term as "a process which brings together different partners in a local area to work together and harness local resources for sustainable economic growth" (Cardiff Consensus, 2011). LED is a participatory process in which local people from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy. It is a way to help create decent jobs and improve the quality of life for everyone, including the poor and marginalized (UN-Habitat, 2005).

According to Smoke (2003), local governments can contribute to LED in several ways. First, local government can provide services that promote the production and distribution of inputs for local firms and entrepreneurs. Second, they can contribute to a legal and institutional environment that is conducive for development. Third, they can help to coordinate key local public, private and community actors in creating partnerships that promote development. Local governments cannot provide certain types of large-scale infrastructure, therefore local economic development is also dependent on larger macroeconomic and institutional coordination for aspects over which local governments have no independent control.

3.2 Importance of the role of other actors in LED

According to UN-Habitat, LED strategies are only successful when the participants are informed and committed, and where there is a practical understanding of the local context. Other key actors in LED initiatives are the private sector, the informal sector and youth. These are discussed in turn below.

3.2.1 Private sector

The private sector is a key player in the development of successful LED initiatives. For instance, small and medium-sized enterprises play a crucial role in this regard, for example, through job creation. However, it is important to stress that the private sector also mainly seeks to generate profit in its investments, which differs from the logic of the public sector. An emerging area in this space is also a more socially-minded private sector based on a notion of inclusive business and social enterprises that can contribute to social and environmental goals and often deliver public services in relation to health, education, and access to water, sanitation and energy.

Inclusive business is the integration of low-income people in business value chains. The UNDP report 'Realizing Africa's Wealth: Building Inclusive Businesses for Shared Prosperity' developed a framework for inclusive business that is based on the "4Is" of Information, Incentives, Implementation support and Investment as the four Ecosystem Functions that support businesses that include low-income people in their value chain (UNDP, 2013a).

Rogerson (1996) studied LED in South Africa and identified four key spheres where private sector participation and involvement are important:

- as participant and occasional initiator of local development processes;
- as major partner in the development of activities for public–private partnerships;
- as lead role player in certain direct initiatives for revitalizing South Africa's inner cities; and
- as promoter and facilitator of local small business development.

Private sector participation and investment can involve both direct and indirect contributions to LED (Rogerson, 1996) and they tend to focus on commercially active options for investment. In this regard it is also interesting to mention the role of public–private alliances that are being promoted, specifically in the promotion of service delivery.

One of the main challenges is how best to involve the private sector in LED processes. This can partly be addressed through the role of local governments, but often involves broader multi-level coordination to ensure adequate conditions are present to attract the private sector, including adequate infrastructure, incentives, an enabling environment from a rules-and-regulations point of view, access to finance, public–private dialogue platforms, and information on opportunities.

3.2.2 Informal sector

The informal economy has long been seen as a non-permanent and small sector that was going to disappear following modernization and effective industrialization in developing countries (ILO 2013; Ojong, 2011). This vision failed to recognize and understand the importance and effects of the informal economy on the overall economy; the informal economy has continued to be substantial and important for national economies, remaining the main source of employment in many countries (ILO, 2013) and having a key role to play in LED initiatives.

Typical informal sector activities include unpaid work in family-related companies, casual wage labour, home-based work, street vending, own-account workers, domestic workers, rural workers, members of producer's cooperatives, petty trading, informal vending, artisanal manufacturing and other activities. Informal employment is often the largest component of the workforce in developing countries and it accounts for 66 percent of the workforce in sub-Saharan Africa. This percentage does not take into account rural work, and thus the proportion between informal and formal employment is likely to be even bigger.

Bridging the formal–informal divide is a central challenge to developing inclusive businesses (UNDP, 2013b). In the context of developing inclusive business value chains, the informal sector can be brought in by private sector companies that can opt to purchase goods and services from informal enterprises operating in low-income communities. Another option is to support the transition from informal economic activities to formal inclusive business models.

The informal sector not only represents a source of employment, but also contributes to the production of goods and services. According to ILO (2013), the informal sector in sub-Saharan Africa accounts for 50 percent of the share of non-rural Gross Value Added (the contribution to the economy of each individual producer), as compared to 14 percent in Eastern European and Central Asian countries.

World Bank data presents vulnerable employment as unpaid family workers and own-account workers as a percentage of total employment. Cameroon is the only Central African country having data for this indicator; in 2010, vulnerable employment in the country was 76 percent. Cameroon also presents data on the type of employment according to sector, where a high percentage of informal non-agricultural and agricultural activities (90.4 percent combined) is observed, as shown in Table 13.

Table 13: Breakdown of employment in Cameroon by sector

Employment sector	Percentage
Public sector	4.9
Formal private sector	4.7
Informal non-farm activities	35.2
Informal agriculture	55.2

Source: National Institute of Statistics Cameroon, 2010, quoted by Ojong, 2011

From an analytical perspective, the multiple modes of livelihood (MML) approach can serve as a tool to better understand the dimensions and role of the informal economy, explaining the strategies used by households to deal with the economic situation. Ojong (2011) stresses that in several African cities, the inhabitants involved in a broad range of economic sectors seek multiple sources of income to ensure survival and capital accumulation. For instance, part-time formal employees can have part-time informal employment; this means that there is often an "absence of demarcation between the formal and informal economy" (Ojong, 2011).

3.2.3 Youth

Youth represents a very important opportunity and challenge for Central African countries. Africa has the youngest population in the world and youth unemployment in Sub-Saharan Africa, at 12.8 percent, is almost double the rate of the adult population (UNDP, 2012a). In this regard it is important to consider the role of youth when it comes to creating sustainable LED interventions, given the pressing need to create youth employment opportunities.

An ILO report suggests that there is a youth employment crisis in the region (ILO, 2012).

Youth are employed predominantly in the agricultural sector and in the informal economy since opportunities in other sectors are scarce, and in the case of Central African countries, these are mainly rural. Policy documents such as the African Youth Charter (AU, 2006) and the Decade Plan of Action for Youth Development and Empowerment (AU, 2011) at the African Union Summit of Heads of States and Governments in Equatorial Guinea in 2011, are examples of how this issue is seen as a priority.

Central African countries' data on youth employment, labour force participation and unemployment from six of the eight countries (Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo and Gabon) are presented in Table 14.

Mapping done by ILO on 47 interventions for youth employment in Africa suggests that for the Central African countries, there is a need to ensure better coordination for more effective youth employment projects.

3.3 Examples of successful programmes

The Local Economic Development Network of Africa (LEDNA) considers that the recent rise of LED in Africa can be attributed to three factors: globalization, decentralization and urbanization. Globalization relates to the importance of business strategies and the role of the private sector, while for decentralization there is a window of opportunity to develop more inclusive LED projects, and finally urbanization presents a challenge in some Central African countries in creating sustainable job opportunities.

According to the findings of this study, LED initiatives in the eight Central African countries studied vary considerably by size, implementation modalities and levels of complexity. The following subsection describes LED projects and programmes already implemented that are particularly interesting and can serve not only as examples for debate about the challenges and bottlenecks, but also as good-practice scenarios that can be scaled up and transferred to other countries.

Table 14: Youth employment indicators in Central Africa

Countries	Employment to population ratio ages 15–24, total (%)		Labour force participation rate (% ages 15–24)	
	F	M	F	M
Cameroon	27.4	42	43.2	60.2
Central African Republic	50	63.6	63.1	77.4
Chad	53.1	45.2	57.6	54.2
Congo	34.9	54.2	47.7	69.1
Democratic Republic of Congo	50.1	71.4	61.8	81.9
Gabon	30.8	37	54.4	66.5

Source: ILO, quoting ILO; Key Indicators of the Labour Market, 6th edition, 2011

Cameroon

Cameroon has the most LED projects of the eight countries in this study. An ILO study from 2008 shows that Cameroon's LED projects mainly focus on basic service provisions and rural community development (ILO, 2008). In the economic development area, local government entities promote small and medium-sized industries, crafts, agriculture and fishing. Local authorities are expected to promote crafts and fishing, and pastoral and agricultural activities, as well as promoting tourism and organizing local trade fairs. They are also responsible for planning, regional development, housing and urbanization, development of local government council investment projects, and for construction and maintenance of roads. These basic infrastructures lay important foundations for stimulating private sector investments.

Examples of LED projects in Cameroon:

» The Ministry of Employment and Professional Training, with funding from the French Development Agency (AFD), implemented a project related to centres for sectoral training (*Centres de formation sectoriels*) that aims to support youth employment. According to AFD data, the programme trains 40,000 to 150,000 youths per year.

» AFD supports microcredit programmes in Cameroon through the ACEP Cameroun (*Agence de Crédit pour l'Entreprise Privée*) and Advans Cameroun. The Advans program is also supported by the European Union. According to Advans Cameroun, Cameroon's micro-, small and medium-sized enterprises (MSMEs) employ around 4.5 million people. An evaluation commissioned by the European Union in January 2012 on the Advans Cameroun programme, among other microfinance projects, suggests that results have been good. The EU oriented its support to the programme through capacity-building components, and Advans Cameroun received training by Horus International, a development finance company working also in Congo, DRC and Chad.

» A UNDP poverty reduction programme focusing on local economic development from 2003–10 had women's economic empowerment as a core objective. The project focused on local development initiatives in rural areas targeting vulnerable populations, in particular women, and population affected by HIV and AIDS, to improve their living conditions through income-generating activities in the agricultural sector. The projects provided support to community-based groups working through micro-projects.

Central African Republic

Examples of LED projects in CAR:

» In 2009, the European Union and UN-Habitat financed an infrastructure development project in CAR. The project was funded for one year with a budget of US$1 million, aimed at reigniting sustainable local development in ten cities. The project was aimed at improving housing conditions, environment, infrastructure, basic social services, and security.

» Mercy Corps and Western Union have offered the Western Union Innovation Award in the Central African Republic since early 2013. The project, which is also being implemented in Timor-Leste, aims at setting up savings and loans associations in rural villages.

Chad

The Master Plan for Decentralisation in Chad (*Schéma Directeur de la Décentralisation au Tchad*, 2012) does not mention local economic development as a specific issue. However, the term "local development" is used and one of the programme pillars is to install a mechanism to finance local development. In the Master Plan, the role of local radios is mentioned as a factor in strengthening local development and promoting participative democracy.

According to UNDP, officials in Chad have no planning or management tools for local economic development translated into a policy or planning document for the local authorities. UNDP and other development partners are therefore planning to support local governments in developing this strategic document.

UNDP has also supported four local governments in preparing Municipal Development Plans (*Plan de Développement Communal, PDC*) where local economic development will be an important pillar.

Food safety remains an urgent issue in Chad and discussions on LED could include this dimension. Decentralisation and the transfer of competencies could improve local governance for agricultural development and rural strategies. According to UNDP, implementing the regional and county-level committees of the Action Committee for Food Safety/Early Warning System – CASAGC (*Comité d'Action pour la Sécurité Alimentaire/Système d'Alerte Précoce*) – would assure closer monitoring, and improve crisis prevention.

Examples of LED projects in Chad:

» The PADL/GRN (*Projet d'Appui au Développement Local et à la Bonne Gestion des Ressources Naturelles*) project to support local development and good governance of natural resources is financed by the European Union, the World Bank and German bilateral cooperation. The programme aims to strengthen local development participation and management of natural resources through institutional support. In this regard, it is important to note that Chad has a legal framework for decentralized management of natural resources (EU Law No. 14/PR/2008). The State has full sovereignty over natural resources, however, some competencies for the environment are devolved to local government entities (*Collectivités Territoriales Décentralisées, CTD*).

» Chad has a collective entrepreneurship programme on inclusive finance that supports the development of a cooperative movement (UNDP, 2012b).

» The Chadian government via the World Bank and the French Development Cooperation Agency supported project PROADEL, have implemented "community-driven development" initiatives in approximately 100 villages. This approach allows local communities to manage their own development funds that can help not only basic service delivery to function, but also helps to implement local economic development activities.

Congo

As concerns LED in Congo, the study 'Étude *sur les mécanismes de la décentralisation et du développement local au Congo – Constat et* éléments *d'orientation'* (2012) documents that there is no specific transfer of funds from the state to the counties and local governments for LED, and the implementation of socio-economic projects.

In order to address these challenges, two important financial instruments have been implemented by the central government to support local economic development: the Road Fund (*Le Fonds Routier*) and the Agriculture Support Fund (*Le Fonds de Soutien à l'Agriculture*).

The Road Fund was set up in 2004 to ensure the availability of resources for road management. The Fund itself is not directly linked to LED, but the local communities/government are encouraged to communicate with the Fund in order to establish priorities for road construction and improvement within the counties.

The Agriculture Support Fund was established in 2005 and gives support to different kinds of agricultural activities for groups and associations, professional promoters and small farmers.

PARSEGD is a project to support socio-economic reintegration of disadvantaged groups, which was initiated in 2007 to create jobs and improve access to local socio-economic services. PARSEGD has received financing from international donors, for instance the African Development Fund (*Fonds Africain de Développement, FAD*).

Examples of LED projects in Congo:

- The Road Fund
- The Agriculture Support Fund
- PARSEGD

Democratic Republic of Congo

Examples of LED projects in DRC:

- The ILO-supported Kinshasa Youth Employment Capacity Building Project aims to develop and implement policies and programmes for youth in DRC (ILO, 2013). The project also aims to establish a National Policy of Employment and Training, integrating the young population. So far the programme has defined a framework for the promotion of employment and a programme has been established for youth employment, including activities for cooperatives and SMEs in rural and urban settings.

- The aforementioned microfinance (MF) institution Advans has also been active in DRC since 2008 and opened its first branch in Kinshasa in 2009. The shareholders of the Bank are KfW, IFC (International Finance Corporation, part of the World Bank Group) and the AfDB (African Development Bank). DRC has one of the lowest banking rates in the world (3 percent of the population; 1.9 million out of 70 million inhabitants) and the MSMEs employ 95 percent of the population, according to Advans Group.

- The PADDL UNDP/UNCDF project ran from 2008 to 2013 with the support of DFID and was one of the first reform projects in DRC. The project supported 3 provinces and 24 local entities in planning, participatory budget and local development, and accountability. The experience helped DRC to implement many tools and to pilot a decentralization and local governance scenario; the resultant manuals, guides and other supporting tools enabled DRC to begin the decentralization process. Another project currently running is *Uongozi na Maendeleo Bora* in North Kivu: the targets are three local entities with a focus on peacebuilding and conflict management in the post-crisis context, with the accent on youth and women who were victims of conflict in this area.

- Stabilization in Eastern DRC was supported in 2015–2016 through a Joint UN Reintegration Programme and provides an interesting approach to local economic development in a fragile post-conflict setting. The purpose of the project was to contribute to the stabilization and security of the targeted areas through reintegration into the local communities of children associated with armed forces or groups, vulnerable groups, and displaced persons. The project was based on an innovative "3x6 approach" which has shown good results (see the information box for details on the 3x6 approach).

São Tomé and Principe

Example of an LED project in São Tomé and Principe:

- The International Fund for Agricultural Development (IFAD) and other development partners support a project in São Tomé and Principe aimed at revitalizing the cocoa industry and producing organic and fair-trade certified cocoa beans. Due to the international cocoa crash in 1998, São Tomé and Principe farmers were forced to abandon cocoa plantations, or even

3x6 approach in DRC

The 3x6 approach was used in DRC to promote reintegration in a fragile post-conflict situation. The approach includes four phases, as follows.

Phase Zero – Promotion of dialogue (1–3 months)

During this phase, communities are prepared and a favourable environment is created for reintegration, conflict resolution and participatory governance, including gender aspects and raising awareness of SGBV. Although this is the initial phase, most of the activities will continue during the other phases. Socio-economic infrastructures are identified, which will be rehabilitated in Phase 1.

Phase 1 – Inclusion (3–6 months)

Voluntary members of target groups will rehabilitate socio-economic infrastructures through a process of high-intensive labour. These infrastructures will be identified through a participatory approach and could be the rehabilitation of markets, reforestation, anti-erosion works, road improvement, etc. Over three to six months the members will work on these aspects, but a part of their time will also be dedicated to sensitization on issues such as HIV and AIDS, SGBV, gender, local governance, and on technical training (business plans, management of local groups, and so forth). They will receive payment (cash for work), but part of their salaries will be transferred into a savings scheme. Experience has shown that this cash-for-work phase improves social cohesion as people from different backgrounds work and talk together. This phase also helps to identify, together with the beneficiaries, the economic activities that will start in Phase 2, including market and financial analysis of the proposed activities.

Phase 2 – Appropriation (6–12 months)

The beneficiaries, who are organized into solidarity groups, will start their economic activities by investing their savings (from Phase 1) that will be doubled or tripled by the project. The project will accompany the beneficiaries during this phase, not only technically, but also on issues such as management of associations, business plans, etc. The identification of economic activities should also be placed in a more sustainable economic development context and for this a value chain analysis, indicating not only the possible economic activities but also bottlenecks, is essential and measures should be taken to tackle these challenges.

Phase 3 – Towards sustainability (12–24 months)

Strengthening of the capacities of the solidarity groups and support to the development of value chains constitutes the main part of this phase. Links with microfinance institutions and support in evolving towards small or medium-sized enterprises are additional elements.

Source: UNDP (2015) Stabilization in Eastern DRC through a Joint UN Reintegration Programme in DRC, Project Document, Annexe 2.

cut down cocoa trees in order to plant maize and other crops. In 2000 an IFAD programme launched a pilot project that involved 500 farmers in 11 communities, including training in the use of solar cocoa dryers and storage facilities. An international certifier started a process to certify the cocoa as organic. Today the programme is led by the government and numbers from 2010 show that the country's 2,200 farmers are growing cocoa certified organic and/or fair trade for the international chocolate industry, exporting 600 tons of organic and fair-trade certified beans per year.

- The project is currently run by the Cooperative for the Export and Market of Organic Cocoa in São Tomé and Principe (CECAB) and the buyers are Kaoka or CaféDirect. The IFAD-funded PAPFA (Program for Participative Support to Family Agriculture and Artisanal Fisheries/*Programa de Apoio Participativo à Agricultura Familiar et à Pesca Artesanal*) programme is one of few local development projects on the islands, even extending to the remote island of Principe. Through PAPFA the cooperatives are linked to FIC (Fund for Communitarian Infrastructure/*Fundo de Infraestruturas Comunitárias*), the infrastructure part of PAPFA. FIC was created in 2006 for the construction and rehabilitation of agricultural infrastructure, including rural roads. According to the Rural Poverty Portal, the families participating in the cocoa projects have increased their incomes from 25 percent below the poverty line to 8 percent above it. As a result of increasing wealth, the producer organizations have been able to invest in infrastructure and health projects for the cocoa farmers.

3.4 Key findings and recommendations

From the above-mentioned cases of LED initiatives it is possible to see that they bring together state, non-governmental organizations, and private-sector actors, often with the state as intermediary, either at the local/decentralized level or at national/centralized level. It is clear in all cases that the central level has a primary role in the projects discussed, although initiatives often include the active participation of local governments. Local and central governments must work together to develop a framework for exchanging and sharing, and it is necessary to integrate the private sector, NGOs and CSOs in these mechanisms.

In view of these findings, this report suggests that the key enabling condition to strengthen local governments in this area is to encourage local governments to play a greater role in LED in order to promote SDGs localization, in particular SDGs 1, 8 and 9. The following recommendations are formulated with this objective in mind.

Recommendation 3.1: Identify country-specific roles and responsibilities of local governments to promote LED initiatives

As has been noted in Latin American experiences in LED (ECLAC/CEPAL, 2005) the success of LED initiatives depends not only on what has worked in a specific context or area, but there must also be a common development strategy that public and private actors can agree on.

One of the challenges for further development of LED in Central African countries is how to move from various, unlinked small projects towards more planned programmes with integrated approaches, in order to find sustainable solutions. LED needs to be conceived holistically, meaning that it is not part of temporary ad-hoc arrangements implemented by development partners, but related to more integrated national and local-level plans for employment and sustainability, including vulnerable groups such as women and youth. This should clearly demarcate the roles and responsibilities of local governments for the promotion of LED, for example in coordinating the local dialogue with the private sector in identifying investment priorities.

Another area of focus for local governments should be to support inclusive business by fostering a supportive ecosystem for inclusive business as elaborated upon in the UNDP's 'Realizing Africa's Wealth' report. The framework includes supporting the provision of information (provide businesses with the awareness, knowledge, technology and know-how required to operate in low-income markets); appropriate incentives (provide businesses with the impetus to engage with low-income communities by rewarding positive externalities and reducing the cost of doing business); promoting investment (provide the financial backing that enables businesses to venture into challenging low-income markets); and implementation support (provide the logistics, transaction, marketing and communication, and micro-business support services that allow inclusive businesses to function in a variety of dynamic environments).[20]

Recommendation 3.2: Support sustainable funding solutions to promote LED

In order to ensure sustainability in LED initiatives, it is important to support sustainable financing mechanisms where both state (national and local level) and the private sector can contribute to costs. In order to be able to scale up experiences, local governments must seek synergies with other local governments, and link to national policies and strategies. Private sector participation, in this regard, is also essential.

Microcredit institutions, whether implemented by local non-governmental programmes through support from development partners, or via international or national microfinance institutions, also sometimes financed by international donors, are very prevalent in Central African countries. More complex designs of microloan institutions need to be explored, that could transform lenders into fully fledged SME stakeholders, less dependent on lending and better inserted in the labour market.

Recommendation 3.3: Promote the development of economic clusters

The term "cluster" is increasingly being used to denote an effective approach to promote economic development. The term originates from a cluster of grapes and a cluster in this sense is typically defined as a geographically proximate group of interconnected companies, universities, institutes, and associated governmental institutions in a particular field, the intention of which is to create business opportunities, as well as stimulating new knowledge and technology by promoting cooperation among them (Cooke, 2001). Promoting clusters entails the engagement of sector stakeholders and the development of collaborative strategies and actions.

Clusters can produce wealth within a region. The initial step for cluster development is to identify the industries that give a comparative advantage to the territory and these may include various agricultural or service-based industries. There are three main components in a cluster: 1) the producers and products trading; 2) the supplier network, which includes inputs and services; and 3) the providers of the economic foundation, which include human resources, physical infrastructure and business climate.

Local governments can stimulate these processes by acting as facilitator and enabler for cluster development by contributing to establishing the appropriate economic foundation. A key aspect of the cluster is to enhance collaboration, networking and competition, which is referred to as "clustering". Local governments can also facilitate the provision of technical assistance (TA) and training from state agen-

20 More details provided in UNDP (2013a) *Realizing Africa's Wealth: Building Inclusive Businesses for Shared Prosperity.*

cies to actors in the territory. Through the clusters, accompanying conditions can also be identified to promote private-sector growth, such as the provision of adequate infrastructure, incentives, enabling environment from a rules-and-regulations point of view, access to finance, public–private dialogue platforms, and information on opportunities.

A promising area for clusters in the Central Africa region, given the rural nature of many of the region's countries, is the promotion of agribusiness value chains as economic clusters. A useful resource on this subject has been prepared by the UNDP's Agribusiness Supplier Development Programme (ASDP) which has developed a toolkit to improve the productivity of smallholder farmers and SME agribusiness by facilitating support (training, access to inputs, organization, etc.) and linkages with off-takers, with special consideration for sustainability and inclusion of women and youth. The approach is broken down into six phases, including: 1) feasibility; 2) programme preparations; 3) supply chain diagnostics; 4) supply chain development planning; 5) supply chain development implementation; and 6) phasing out (UNDP, 2013b).

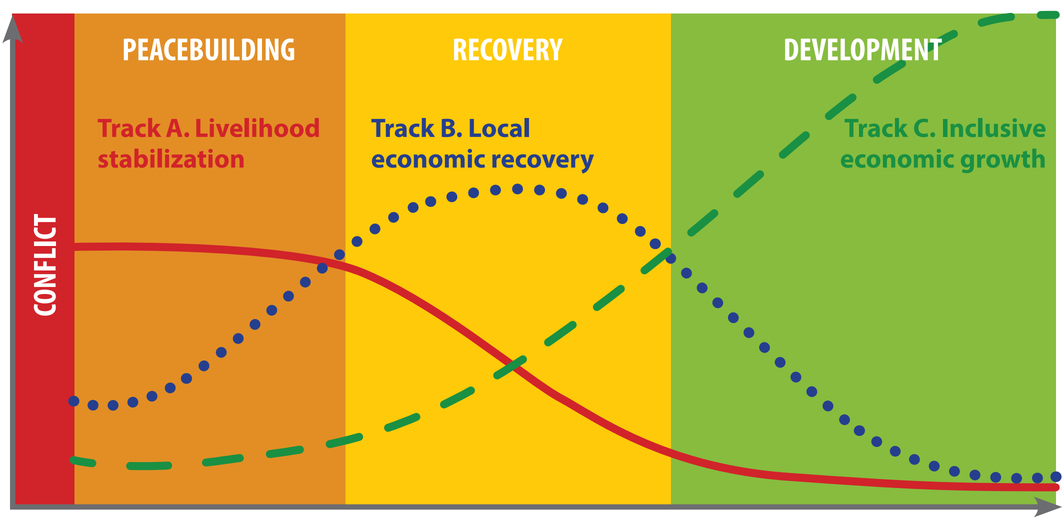
3.4.1 Fragile and conflict-affected states

The UNDP framework for rebuilding local economies in fragile and conflict-affected settings takes an incremental approach, from livelihood stabilization during peacebuilding to local economic recovery during the recovery period, and includes economic growth during the development stage, as displayed in Figure 2.

FCAS Recommendation 3.1: Local governments to play a role in local economic recovery

Local governments have an important role to play in all stages of rebuilding local econ-

Figure 2: UNDP's approach to transforming local economies in fragile and conflict-affected settings (UNDP, 2016)



omies. In the period of recovery, decisions taken on spatial planning and territorial management will impact the inclusiveness, employment generation potential, and resilience to shocks of local economies. Local governments can specifically target at-risk groups (such as women, youth, and minorities) and ex-combatants to find a way out of armed violence through short-term employment programmes, entrepreneurship support, and support for income-generating activities. Some examples of activities that can be promoted by local governments include labour-intensive public works for the reinsertion of ex-combatants, small grants for livelihood activities, and training in basic skills and entrepreneurship in partnership with the central government agencies, civil society and the private sector. A good example is the 3x6 approach discussed in subsection 3.3 as applied in DRC, which has shown promising results.

FACS Recommendation 3.2: Integrate spatial planning and territorial management approaches

After immediate needs are taken care of, a key issue in fragile and conflict-affected states is the spatial planning and territorial management needed to address the conflict drivers related to access to life-sustaining resources. The UNDP report on local governance in FCAS recommends that the process of devising spatial plans itself is a highly effective vehicle for bringing together different local actors in divided contexts and helping them to build, through dialogue, a common vision for the territories they all depend on for their future. Also, a territorial approach allows the communities to rationalize the sharing of space and resources at a more strategic level between small areas sharing the same resource base (e.g. bodies of water, watersheds, coastal areas, and areas tied by similar economic value chains).

Chapter 4: Capacity development

PHOTO : UN PHOTO/GILL FICKLING/GABON

Strengthening human and institutional capacities at the local level is fundamental to improving public sector performance in the Central Africa region. Capacity development challenges vary between countries, within countries, and also throughout different sectors. Local governance cannot be effective without the establishment of adequate human-resource capacity. Given significant capacity gaps and constraints, adequate capacity development is a key enabling condition for SDGs localization in the region.

The importance of capacity development is highlighted in SDG 17 (partnerships for the goals), which includes as a specific target: "enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all sustainable development goals, including through North-South, South-South and triangular cooperation" (SDG target 17.9).

This section discusses recent trends in the provision of capacity development in the region. It takes a comparative view of the existing frameworks for capacity development in the eight Central African countries studied, focusing on two case studies, followed by conclusions and recommendations for enhancing the capacity of local governments in Central Africa.

4.1 Capacity development of local governments

The term "capacity development" emerged in the late 1980s (Lavergne and Saxby, 2001) and is today a central concept in the implementation of development cooperation. The term *capacity building* is often used, as well as *technical assistance* as equivalent to the aforementioned concept.

UNDP defines capacity building as the process by which individuals, organizations and societies develop abilities to perform functions, solve problems, and set and achieve goals, premised on ownership, choice, and self-esteem.

The UNDP Capacity Building approach offers a 5-step process[21]:

- » Engage stakeholders on capacity development
- » Assess capacity needs and assets
- » Formulate a capacity development response
- » Implement a capacity development response
- » Evaluate capacity development

According to the UNDP approach, a capacity building response must be created based on four core issues, as follows.

i. **Institutional arrangements** – assessments often find that institutions are inefficient because of bad or weak policies, procedures, resource management, organization, leadership, frameworks, and communication.

ii. **Leadership** – strong leadership allows for easier adaptation to changes; strong leaders can also influence people. UNDP uses coaching and mentoring programmes to encourage the development of leadership skills such as priority setting, communication and strategic planning.

21 http://www.gdrc.org/uem/undp-cb.html

iii. **Knowledge** – UNDP believes knowledge is the foundation of capacity. It believes greater investments should be made in establishing strong education systems and opportunities for continued learning and the development of professional skills. It supports the engagement in post-secondary education reforms, continued learning and domestic knowledge service.

iv. **Accountability** – implementation of accountability measures facilitates better performance and efficiency. A lack of accountability measures in institutions allows for the proliferation of corruption. UNDP promotes the strengthening of accountability frameworks that monitor and evaluate institutions. It also promotes independent organizations that oversee, monitor and evaluate institutions. It promotes the development of capacities such as literacy and language skills in civil societies that will allow for increased engagement in monitoring institutions.

Decentralization demands capacity development initiatives since new roles and responsibilities need to be installed to ensure local government success. Developing capacities for basic service delivery, such as for social programmes, is often a significant challenge since these are areas that traditionally were administrated by central institutions (Furtado, 2001).

Furtado (2001) sees decentralization and capacity development as complementary concepts, as "both seek to improve participatory decision-making, reduce the need for external

Table 15: Capacity development and decentralization stages

Phases of decentralization	Capacity development approaches
Devolution	Capacity development needs to be implemented not only at the local level but also at central level to ensure that the basic services are delivered with quality and consistency, and with oversight from central to local level, gathering data and in consultation with local governments, and to ensure that the national strategies within a particular sector are implemented via local basic service delivery.
Deconcentration	This involves the transfer of administration rather than legislation, setting up new or additional administration levels (offices) and delegating functions to these offices. Often capacity development for these new levels is ensured by government officials who advise the local offices on their new responsibilities. The deconcentration process also involves formulating new administrative procedures, planning procedures, and setting up staff structures with clear roles and responsibilities.
Delegation	During this phase it is important to take into consideration capacity building; the central government that delegates duties to local government must carefully examine how to ensure the legal and accountability arrangements, as well as the financial resources, and how to avoid fragile service delivery. In order for delegation to function and be successful there is also a need for strong parastatal, NGO or private organization commitment. However, the organizations responsible for education and health projects, among other sectors, need to situate their responsibilities within a broader context of service delivery in order to participate in an effective manner to meet local needs, and to be able to work with local government officials.

Source: Furtado, 2001

resources, and achieve long-term sustainability". A key feature of capacity development is sustainability through the reduction of dependence by ensuring that local actors have capacities and resources to implement basic service delivery and any other responsibilities assigned to the local government level. Different capacity development approaches can be taken at different stages of decentralization, as described in Table 15.

4.2 Local government capacity development in Central Africa

A number of initiatives for capacity building have been put in place to develop the skills and expertise in the field of local governance. Following initiatives in the professionalization of public administration, as well as staff training in related government departments, the Central African states have managed to increase their capacity for local governance, which nevertheless remains rather low. In a study produced by the UCLGA (United Cities and Local Government in Africa) in 2013, the countries were classified according to four criteria regarding the implementation and status of capacity development initiatives. The results show an overall low score for the region, with five of the eight countries scoring in the lowest category and none reaching the top bracket. The scores are presented in Table 16.

For a comparative perspective, Table 17 takes into account the existing frameworks and documents for capacity building and the institutions and programmes that implement these programmes in each of the eight countries.

Table 16: Capacity building indicators for Central Africa

Indicators for capacity building (1 out of 10 indicators for local government)	Countries (score out of 40 on local government indicators)
There is a national framework of reference that applies to all local governments in the country, defining the qualifications and responsibilities of local government staff, and a national strategy for training and promoting human resources in local governments.	
There is a national framework of reference defining the qualifications and responsibilities of local government staff, and a national strategy for training and promoting human resources in local governments; so far, they concern only a few local governments.	Cameroon (23/40) Gabon (23/40)
There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.	Chad (21/40)
There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	São Tomé and Principe (19/40) Congo (17/40) Equatorial Guinea (17/40) Democratic Republic of Congo (15/40) Central African Republic (13/40)

Source: UCLGA/Cities Alliance, 2013, Assessing the Institutional Environment of Local Governments in Africa, UCLGA and Cities Alliance, September 2013.

Table 17: Frameworks and programmes for local government capacity development in Central Africa

Countries	Institution(s)/Programmes	Frameworks/Documents
Cameroon	CEFAM (Centre for Training of Local Government/ *Centre de Formation des Collectivités Locales*) United Councils and Cities of Cameroon (UCCC)/ *Communes et Villes Unies de Cameroun* (CVUC) National Council for Decentralisation/ *Conseil National de la Décentralisation* (CND) National Training Programme for Urban Professions/*Programme National de Formation aux Métiers de la Ville* (PNFMV)	National Framework for qualifications and duties of local government staff National Strategy to Strengthen the Capacity of Local Administration Cameroon's Strategic Framework for Growth and Employment 2010–2020 *(Document Strategie pour la Croissance et l'Emploi DSCE /Cadre de référence de l'action gouvernementale pour la période 2010–2010)*
Central African Republic	National School for Administration and the Judiciary (ENAM – *École Nationale d'Administration et de Magistrature*)	No national framework of reference defining the qualifications and responsibilities of local government staff No strategy for building the capacities of local administrators PRSP (Poverty Reduction Strategy Paper) 2011–2015 of the Central African Republic
Chad	*Secrétaire Général du Ministère en charge de l'Administration du Territoire et de la Décentralisation*	Draft National Strategy on Building Decentralised Local Government Capacities (2013) Poverty Reduction Strategy Paper (PRSP) PROADEL II (*Programme d'Appui au Développement Local II*)
Congo		No framework of reference defining staff qualifications and responsibilities No national strategy for the training of local actors Framework Document for the National Policy on Decentralisation in Congo (2011 *Document Cadre de la Politique Nationale de la Decentralisation au Congo*)
Democratic Republic of Congo	Technical Unit supporting Decentralisation (*Cellule Technique d'Appui à la Décentralisation* (CTAD) and *Comité de réforme des finances publiques* (COREF))	No national strategy supporting local capacity building No national strategy for the training of local actors At central level we can mention the Strategic Framework for the Implementation of Decentralisation (*Cadre Stratégique de Mise en Oeuvre de la Décentralisation*, CSMOD), 2011–2013 Programme for the Strengthening of Government Capacities, PRCG (*Programme en Renforcement de Capacités en Gouvernance*)
Equatorial Guinea	National School of Administration (ENAP – *École Nationale d'Administration Publique*)	No national strategy supporting local capacity building No national framework to define qualifications and competencies of local government staff
Gabon	Ministry of the Interior, Public Security, Immigration and Decentralization	National Framework Defining Qualifications and Responsibilities of local government staff National Strategy for Training and Promoting Human Resources in local governments
São Tomé and Principe		No national strategy for local capacity building No national framework to define qualifications and competencies of local government staff

4.3 Case studies

The subsections below provide two country case studies that are considered to have been successful in implementing local government capacity development programmes.

4.3.1 Case study 1: Cameroon

Cameroon is an interesting case since there are several local development capacity projects in place and many domestic-level actors, as well as development-partner involvement. Despite the number of activities, there is to date no legislation governing the personal status and career track of local government staff. This often leads to a lack of local expertise in administrative functions, even in large urban municipalities.

Training programmes for all local government officials are carried out by the Centre for the Training of Local Governments (CEFAM, *Centre de Formation des Collectivités Locales*). Founded in 1977, CEFAM offers training of administrative and technical staff of municipalities, the associations of municipalities and municipal services, and the personnel responsible for the supervision of municipalities and civil registry.

Cameroon's Strategic Framework for Growth and Employment 2010–2020 (*Document Strategie pour la Croissance et l'Emploi DSCE – Cadre de référence de l'action gouvernementale pour la période 2010–2010*) puts forward a training plan for the staff of local governments, including capacity building for elected local officials, as well as for civil servants. This is provided through state training agencies and private sector training companies, known as "Sectoral Training Centres".

UNDP Cameroon focuses on capacity building and local development through programmes fighting poverty and HIV and AIDS, implemented in ten target municipalities, in which UNDP organizes training for civil servants as well as civil society actors, such as women and youth organizations. These have been considered successful and have resulted in the development of local HIV and AIDS plans.

The World Bank Cameroon country programme 2010–2013 stresses local development as one of the three main areas of support, with a strong focus on increasing basic services through infrastructure upgrading and capacity building for improved local governance. The World Bank's Urban and Water Development Project (PDUE) aims to support local government capacity building in urban areas, and works in low-income settlements in Yaoundé, Douala, Bamenda, Mbalmayo and Maroua. The project builds local capacity for infrastructure upgrading, enhancing service delivery, and supporting the implementation of public–private partnerships.

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) in Cameroon supports the decentralization area and currently supports the AMCOD (All Africa Ministerial Conference on Decentralization and Local Development) through its Decentralisation and Local Development Assistance Program (PADDL). This programme supports actors and institutions involved in decentralization reform through formal training and hands-on technical assistance.

Beyond supporting local government capacities, a number of studies stress the importance of capacity building for forest and natural resources management in Cameroon since the country's economy is heavily dependent on this industry.

Figure 3: The URBA-Cam Cameroon and the National Training Programme for Urban Professions

URBA-Cam Cameroon –
Handicraft Centres 2006-2009

From 2006, Cameroon's United Cities and Municipalities (CVUC), together with the The École Nationale Supérieure Polytechnique in Yaoundé, and the Nantes-Métropole region in France implemented the URBA-Cam to support the establishment of handicraft centres and capacity development at the local level.

The Handicraft Centres offered training in water, sanitation, waste, public procurement, project development and fundraising. So far the project has put in place Handicraft Centres in the cities Dschang (construction of a landfill), Limbé (ecological latrines) and Maroua (construction of culverts), as well as training in 37 middle-sized cities in Cameroon.

Source: Coopération Atlantique Guinée 44

Cameroon's National Training Program for Urban Professions (PNFMV, *Programme National de Formation aux Métiers de la Ville*) 2013 – ongoing

Implementing its first activities from 2013, the National Training Program for Urban Professions is a joint programme by the Ministry of Habitat and Urban Development, the Ministry of Decentralisation and Local Authorities, and Cameroons United Cities and Municipalities (CVUC). The program also receives funding from the Embassy of France.

Source: LEDNA, Local Economic Development Network of Africa and AIMF (Association Internationale de Maires Francophone)

The final example of local capacity development, oriented towards capacity building for urban professions, constitutes an example of "scaling up" a local capacity development programme. The information in Figure 3 explains how the URBA-Cam Handicraft Centres became the National Training Programme for Urban Professions.

4.3.2 Case study 2: Central African Republic

The second country case study discussed in this subsection is the Central African Republic (CAR). The republican institutions outlined in the country's Constitution of 27 December 2004 are being progressively set up, but there are weaknesses in technical and managerial capacities at both national and decentralized level. The 2013 conflict had severe consequences in relation to the public administration's ability to mobilize and manage public resources.

The PRSP (Poverty Reduction Strategy Paper) 2011–2015 of the Central African Republic considers reinforcement of state capacities as one central theme in the process of peace consolidation in the country. The Strategy also mentions that institutional and human capacities should be reinforced at all levels (central, regional and local) in order to guarantee a successful implementation of the strategy. The Operational Action Plan (*Plan Opérationnel d'Actions*) which results from the PRSP's Priority Action Plans articulated around two important actions: 1) local development and planning; and 2) strengthening sectoral capacities through capacity building. The PRSP also states that the public service staff should be qualified and receive quality training. However, there is as yet no national framework of reference defining the qualifications and responsibilities of local government staff, and no national strategy for the training and promotion of human resources in local governments (UCLGA, 2013).

The government has supported reforms at the National School for Administration and the Judiciary (ENAM –*École Nationale d'Administration et de la Magistrature*) by reinforcing the institutional, human and material capacities. There has also been a series of reforms for the national-level public services, but challenges remain at the decentralized level – and particularly in conflict-affected areas where public services are almost non-existent.

Although decentralization was initially introduced in 1995, the process faced problems as there was a lack of texts regulating decentralization and regionalization, and a weak ownership among the population, administrators/civil service and civil society.

A capacity programme was initiated by the High Commission for Decentralisation and Regionalisation that included training for 100 mayors from the Bangui and Bambari areas, and also involved an information and awareness-raising campaign directed towards the population on how the decentralization process was to be implemented.

From 2008 onwards, the decentralization process was relaunched through a Framework Programme for Democratic Governance (PCGD: *Programme Cadre de Gouvernance Démocratique et Décentralisation*). This framework reinforced the High Commission for Decentralisation and Regionalisation's role, and several baseline studies were undertaken to elaborate texts for the transfer of competencies and local finances, as a means to formulate a National Decentralisation and Regionalisation Policy. According to the PRSP, numerous challenges were encountered in boosting the decentralization process, including the transfer of competencies from the state to regions and municipalities, creating a Capital Development Fund for the decentralized territories, establishing prefectures, and elaborating a law on the status of the capital, Bangui. Therefore, the government elaborated a five-year priorities plan aimed at the following:

i. Updating and strengthening the institutional and legal framework for decentralization in a participatory manner, which meant strengthening the capacities of the institutional framework and organizing a General Assembly for decentralization.

ii. Reforming the administration of the territory, by establishing a legal and regulatory framework to lay the foundation to provide operational support to decentralized structures. In order to operationalize the decentralized structures of government, elected bodies would need to be installed for the management of local authorities.

A report from 2010 looking at the critical deficiencies in the system elaborated an *Emergency Plan for Reconstructing Deconcentrated Public Services*. As regards human resources, the author mentions that there is a tendency to mix up technical-administrative posts with political posts, and the study also highlighted the low qualifications of public agents and an inadequate salary system.

The High Commission in charge of the decentralization and regionalization policy is one of the national organs in charge of implementing the Framework Programme for Democratic Governance and Decentralisation. An evaluation from 2010 suggests that the Commission has had difficulties in recruiting national top-level executives within the specific field and that there is a weak capacity for national execution of decentralization, including administrative and financial control. Other questions relate to delays in the deliv-

PHOTO : UN PHOTO/MARTINE PERRET/DEMOCRATIC REPUBLIC OF THE CONGO

ery of office equipment, and the author also mentions that there has been limited capacity development for administrative and financial management.

According to the UNDAF+ document for the period 2012–2016, one of the expected results of the United Nations system programme in the country is the reinforcement of capacities within public institutions, civil society, social partners and communities. The report also mentions a critical situation concerning capacities within many sectors, for example, health centres, but it does not specifically mention the role of local governments.

As concerns capacity building on local finance and financial management, a study from 2011 on taxation and local finance via the Framework for Democratic Governance and Decentralisation (PCGD), identified several capacity gaps. The major capacity developments required in this area are identified as: accounting; development of texts/regulations; budget preparation and execution; creation of taxes; the duties of the mayor; and relations to the tax collector.

UNDP's draft programme document for 2012–2016 considers capacity building an important strategy, and the support is oriented towards improving the legal and institutional framework for the electoral administration, from adopting a law for gender quota in the representative bodies, to organizing regional and municipal elections with an increased participation by women and youth. UNDP also supports a strategy for capacity development for the dissemination of legislative and regulatory texts on decentralization and territorial administration; the formulation of a decentralization strategy and policy; an implementation plan in pilot zones; and the development of a strategy for resource mobilization to be implemented in the pilot areas).

The UN Common Country Assessment of 2010 found that civil society also has a role to play in reinforcing the capacities of the population as concerns development, resources mobilization and participation. However, civil society is considered to have weak technical and organizational capacities, and an absence of coordination and ability to mobilize resources.

The World Bank's Country Partnership Strategy 2009–2012 has strengthened administrative planning and management capacity at central and local levels as a central axis to consolidate economic governance and institutional capacity.

The International Association of Francophone Mayors (AIMF, *Association Internationale des Maires Francophones*) provides support for different capacity building initiatives to the Association for Central African Mayors (AMCA *Association des Maires de Centrafrique*). The project involves delivering support to Bangui, Bambari and Bangassou.

4.4 Key findings and recommendations

According to the findings of this report, capacity development for local government and decentralization in Central Africa is still in the initial phase and the country case studies show a certain lack of coherence in the various capacity-development approaches being used. The aforementioned report from the United Cities and Local Government (UCLGA, 2013) underlines a critical fact that capacity development initiatives are very limited: only three of the eight countries studied in this report have some kind of national framework of reference defining the qualifications and responsibilities of local government staff, and national strategies for training and promoting human resources in local governments. In these cases the experience often only concerns a few local governments in the countries, mostly in the urban areas.

In view of these findings, this report suggests that the key enabling condition to strengthen local governments in this area is to ensure that adequate capacity development is delivered and responds to needs in order to support SDGs localization. The following recommendations are formulated with this objective in mind.

Recommendation 4.1: Develop capacity-development systems for local government staff/administrative personnel

In many of the aforementioned examples, capacity development initiatives have been oriented towards elected/appointed local government officials/parliamentarians. There has been a focus on electoral procedures due to the associated increase in local elections that have taken place recently. Capacity development has in these cases focused on mandates, the role of local governments, and the assignment of municipal tasks.

These projects also need to be implemented to a greater extent for local administrative personnel and should increasingly focus on key capacity areas for supporting local development, including local public financial management and the delivery of local services, either by the local governments directly or through partnerships.

Moving beyond *ad-hoc* configurations, countries should develop capacity-development systems for local government that include various delivery mechanisms (technical assistance, formal training, peer learning, and so forth). An important feature of these systems should be to encourage a “learning by doing” approach and should include a mechanism for capacity development to respond to needs expressed by local governments through local capacity-development plans, rather than being supply driven, which may not adequately respond to specific local needs.

Recommendation 4.2: Scale up capacity-development pilot programmes to nationwide programmes

In some cases, for instance in Chad, capacity-development efforts are limited to certain urban municipalities where local projects are

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being implemented. Major effort needs to be applied to scale up these interesting experiences on a national level so that they serve as models to implement capacity-development activities in other municipalities that are located outside the development partners' geographical limits.

Recommendation 4.3: Include local communities in capacity-development activities

The role of inhabitants in rural and urban communities is often forgotten in devising strategies and frameworks for local government capacities. Efforts should be made to include communities, with special attention to vulnerable groups, including women, in the planning and implementation of local government capacity-enhancement activities.

Recommendation 4.4: Involve national-level and local-level schools and training institutes in designing and delivering local-capacity development plans

The role of training needs to be more thoroughly linked to the national and regional institutes for capacity development. Cameroon's experience with the Centre for Training for Local Authorities/CEFAM (*Centre de Formation des Collectivités Locales*) is in this regard interesting and represents a successful example. Equatorial Guinea's National School of Administration (*ENAP* École *Nationale d'Administration Publique*) demonstrates the opposite where capacity-development initiatives at the local level are unheard of.

Additionally, the role of universities and research centres in the Central African countries is often not mentioned in the programmes reviewed for this study. By linking ongoing local government capacity projects to local academia and existing domestic research networks, ownership of the processes can be further encouraged.

Recommendation 4.5: Strengthen collaboration with regional networks of

local governments to increase interest and visibility for local government capacity needs

It is important to further increase the participation of local governments in regional and international networks to promote dialogue on local government capacities, such as the United Cities and Local Government Africa, and the Africities Summit, where South–South dialogues can be encouraged.

There are also other examples of decentralized international development cooperation – for instance twinning arrangements between São Tomé and Principe and other lusophone countries – that could be further explored as successful mechanisms to implement local government capacity-development initiatives.

4.4.1 Fragile and conflict-affected states

FCAS Recommendation 4.1: Establish or restore local government operational capacities

In cases of conflict, there may be a total loss of local government presence in an area. It is important to re-establish a field presence through the construction of local government administration buildings, either temporary or permanent. Another important aspect for the staffing is that the payroll should be put in place. Precautions should be taken to ensure these can be supported in a secure environment.

FACS Recommendation 4.2: Support local peace committees

Local peace committees have been shown to be effective mechanisms in promoting local dialogue and enhancing state–society relations. Local governments can act as facilitators and conveners of this process under some circumstances. Peace is not achieved only at the national level through negotiated processes, but importantly needs to involve active engagement at the local level. The local peace communities, as local multi-stakeholder platforms, can play an important role in this regard. They can also act as an early warning and response mechanism for unsettled issues. Importantly, they must include vulnerable groups, including women and youth.

Conclusion

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Based on the premise that empowered and well-functioning local governments can be key promoters and enablers of local development, this report has explored the key enabling conditions required to support the strengthening of local governments in achieving resilient and sustainable local development and SDG localization.

Through reviewing baseline conditions in the areas of the legal and policy frameworks (Chapter 1); financing and delivering services (Chapter 2); local economic development (Chapter 3); and capacity development (Chapter 4), this report identifies the key enabling conditions for improved local government performance as a precondition for effective implementation of the SDGs at the local level.

For each of these enabling conditions, this report suggests a set of recommendations ranging from high-level considerations, such as policy and legal changes, to more practical steps, including developing adequate M&E systems and preparing user-friendly toolkits on inclusive service delivery (recommendations are summarized below and in Annex 1). Given the regional context, a cross-cutting theme on social cohesion and fragility was also considered and the recommendations section for each enabling condition includes a set of dedicated recommendations for fragile and conflict-affected states. The weak level of state–society relations in these contexts brings additional complexities to strengthening local governments, while fostering local development in these settings is a critical measure to encourage resilience and promote sustainable peace. The recommendations provided in the report and their linkages with the SDGs are as follows.

Enabling condition #1: Establishing a clear legal framework and supportive policy environment (SDGs: 5, 10, 11, 16 and 17)

Recommendation 1.1: Introduce or update legal provisions to provide clarity to subnational entities

Recommendation 1.2: Launch political processes in the form of national multi-stakeholder conferences on the adequate transfer of resources and competencies to local governments

Recommendation 1.3: Develop national strategies on local development and SDG localization

Recommendation 1.4: Set up coordination mechanisms that will guide the work on multi-sector and multi-level partnerships for local development and SDG localization

Additional recommendations for fragile and conflict-affected states (FCAS)

FCAS Recommendation 1.1: Carry out appropriate situational analysis in programming local governance and local development interventions in FCAS

FCAS Recommendation 1.2: Target quick wins and phase in legal and policy reforms

Enabling condition #2: Ensuring that mandates are adequately funded and inclusive service delivery is promoted (SDGs: 1, 2, 3, 4, 5, 6, 11, 14, 15, 17)

Recommendation 2.1: Adopt a phased-in approach to transferring resources to local governments

Recommendation 2.2: Establish transparent and predictable grant systems to transfer financial resources to local governments

Recommendation 2.3: Design equalization mechanisms to correct vertical and horizontal imbalances in the region's intergovernmental fiscal frameworks

Recommendation 2.4: Develop multi-stakeholder "inclusive service delivery" practical toolkits to be distributed among local authorities

Recommendation 2.5: Establish monitoring and evaluation systems of local government performance and local development

Recommendation 2.6: Establish clear and transparent mechanisms for sharing revenues from natural resources between central and subnational levels

Additional recommendations for fragile and conflict-affected states (FCAS)

FCAS Recommendation 2.1: Involve local governments in transitional service delivery frameworks, as appropriate

FCAS Recommendation 2.2: Support local finances and strengthen financial integrity and anti-corruption measures at the local government level

Enabling condition #3: Local governments play a greater role in local economic development (LED) (SDGs: 1, 8 and 9)

Recommendation 3.1: Identify country-specific roles and responsibilities of local governments to promote LED initiatives

Recommendation 3.2: Support sustainable funding solutions to promote LED

Recommendation 3.3: Promote the development of economic clusters

Additional recommendations for fragile and conflict-affected states (FCAS)

FCAS Recommendation 3.1: Local governments to play a role in local economic recovery

FCAS Recommendation 3.2: Integrate spatial planning and territorial management approaches

Enabling condition #4: Adequate capacity development is delivered and responds to needs (SDG: 17)

Recommendation 4.1: Develop capacity-development systems for local government staff/administrative personnel

Recommendation 4.2: Scale up capacity-development pilot programmes to nationwide programmes

Recommendation 4.3: Include local communities in capacity-development activities

Recommendation 4.4: Involve national-level and local-level schools and training institutes in designing and delivering local-capacity development plans

Recommendation 4.5: Strengthen collaboration with regional networks of local governments to increase interest and visibility for local government capacity needs

Additional recommendations for fragile and conflict-affected states (FCAS)

FCAS Recommendation 4.1: Establish or restore local government operational capacities

FCAS Recommendation 4.2: Support local peace committees

The implementation of these measures will empower local governments to more fully play their role as key promoters of local development and enable them to contribute to the SDGs localization agenda, as well as fulfilling their mission as highlighted in the New Urban Agenda.

Annexes

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Annex 1: Summary table of recommendations to promote sustainable and resilient local development in Central Africa

Enabling condition and SDGs localization linkages		Recommendations
Cross cutting: Social cohesion and peace SDG: 16	**1. Establishing a clear legal framework and supportive policy environment** Linkage with SDGs: 5, 10, 11, 16 and 17	1.1: Introduce or update legal provisions to provide clarity to subnational entities 1.2: Launch political processes in the form of national multi-stakeholder conferences on the adequate transfer of resources and competencies to local governments 1.3: Develop national strategies on local development and SDG localization 1.4: Set up coordination mechanisms that will guide the work on multi-sector and multi-level partnerships for local development and SDG localization. *Additional recommendations for fragile and conflict-affected states (FCAS)* FCAS 1.1: Carry out appropriate situational analysis in programming local governance and local development interventions in FCAS FCAS 1.2: Target quick wins and phase in legal and policy reforms
	2. Ensuring that mandates are adequately fund-ed and inclusive service delivery is promoted Linkage with SDGs: 1, 2, 3, 4, 5, 6, 11, 14, 15, 17	2.1: Adopt a phased-in approach to transferring resources to local governments 2.2: Establish transparent and predictable grant systems to transfer financial resources to local governments 2.3: Design equalization mechanisms to correct vertical and horizontal imbalances in the region's intergovernmental fiscal frameworks 2.4: Develop multi-stakeholder "inclusive service delivery" practical toolkits to be distrib-uted among local authorities 2.5: Establish monitoring and evaluation systems of local government performance and local development 2.6: Establish clear and transparent mechanisms for sharing revenues from natural resources between central and subnational levels. *Additional recommendations for fragile and conflict-affected states (FCAS)* FCAS 2.1: Involve local governments in transitional service delivery frameworks, as appropriate FCAS 2.2: Support local finances and strengthen financial integrity and anti-corruption measures at the local government level
	3. Local govern-ments play a greater role in local economic de-velopment (LED) Linkage with SDGs: 1, 8 and 9	3.1: Identify country-specific roles and responsibilities of local governments to promote LED initiatives 3.2: Support sustainable funding solutions to promote LED 3.3: Promote the development of economic clusters *Additional recommendations for fragile and conflict-affected states (FCAS)* FCAS 3.1: Local governments to play a role in local economic recovery FCAS 3.2: Integrate spatial planning and territorial management approaches
	4. Adequate capacity develop-ment is delivered and responds to needs Linkage with SDG: 17	4.1: Develop capacity-development systems for local government staff/administrative personnel 4.2: Scale up capacity-development pilot programmes to nationwide programmes 4.3: Include local communities in capacity-development activities 4.4: Involve national-level and local-level schools and training institutes in designing and delivering local-capacity development plans 4.5: Strengthen collaboration with regional networks of local governments to increase interest and visibility for local government capacity needs *Additional recommendations for fragile and conflict-affected states (FCAS)* FCAS 4.1: Establish or restore local government operational capacities FCAS 4.2: Support local peace committees

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