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Popular participation in decentralised service delivery and social funds

Abstract:	This working paper is a desk study about mechanisms of popular participation in public and private service delivery in developing countries with a particular reference to countries in Sub-Saharan Africa. It concludes that because of the patrimonial character of most African states and because of their weak and fragmented civil societies, the potential for effective popular participation in institutional public bodies at district levels is not very high. Powerful elite groups frequently dominate and manipulate assemblies' decision-making procedures ensuring that the interests of the disadvantaged groups are effectively ignored. It further concludes that there are large variations in citizen involvement in social funds. It is in the field of operation and maintenance that the social funds hold most promise in terms of popular involvement.

Preface

This working paper is the outcome of a project commissioned by the Norwegian Agency for Development Co-operation (NORAD) under its Framework Agreement with the Norwegian Institute for Urban and Regional Research (NIBR).

Generally focuses on mechanisms for popular participation in public and private service delivery in developing countries with a particular reference to countries in Sub-Saharan Africa. More specifically, it focuses on participation in local government service delivery and "social funds"- which are small-scale infrastructure projects normally implemented parallel to the local government system.

This is a desk study, accounting for observations and findings in the available literature that have been dealing with these issues. The working paper also highlights some good practice cases.

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Summary

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The working paper accounts for the ongoing debate in donor countries and academia on how decentralised provision of services can enhance popular participation in development among citizens in general and the poor in particular. The empirical basis is the effect on popular participation of political decentralisation of public services and establishment of social funds. The paper has a particular geographical reference to countries in Sub-Saharan Africa, particularly rural local governments.

The report concludes that because of the patrimonial character of most African states and because of their weak and fragmented civil societies, the potential for effective popular participation in institutional public bodies at district levels is not very high. Powerful elite groups frequently dominate and manipulate assemblies' decision-making procedures ensuring that the interests of the disadvantaged groups are effectively ignored. Given this scenario, it would be more appropriate if donors directed their energies towards enabling citizens (especially the poor and marginalized groups) to articulate their concerns. This could be done through implementing support mechanisms for awareness raising, information generation, and capacity building in civil society organisations.

A further conclusion is that there are large variations in citizen involvement in social funds. It is in the field of operation and maintenance that the social funds hold most promise. In the (rather few) cases where citizens are consulted in project planning and identification, however, there are several mechanisms that function to distort local popular preferences.

– By exploiting their control of knowledge, technical elites can distort project selection for their own benefit;
– Elected representatives can manipulate the relationship between communities and the social funds;
– Poor and disadvantaged groups rarely have strong organisations to advocate their case loudly enough;
– Lack of information on the part of the community hampers its role in decision-making.

There are instances where political decentralisation and social funds could support each other in important ways. In places where decentralisation has not advanced much, social funds can demonstrate the feasibility of participatory planning as an example of decentralised planning that local governments could adopt. In cases of more advanced decentralisation local governments could imitate examples of sucessful managing of

social funds, such as principles of matching grants and forms of successful popular participation in operation and maintenance systems.

Abbreviations

CBO	Community-based organisation
NGO	Non-governmental organisation
FPC	Forest Protection Committee
O & M	Operation and maintenance

1   Background to the present report

For almost two decades now many developing countries have been involved in donor-supported processes of political decentralisation.[1] One of the assumed effects of decentralised service provision is that it increases the ability of citizens to participate in local government affairs and make their voices heard in government decisions affecting their lives. Participation tends to grow both in connection with elections and between them. During elections participation tends to increase in terms of turnout and participation in campaigns. Between elections increased participation can be observed through increased contact or petitioning of elected representatives and civil servants, through attending official and unofficial meetings, taking part in protests and the like (Crook and Manor 1998).

In recent years the consequences of decentralisation for the poor and disadvantaged groups have become a key focus in decentralisation studies. Decentralisation does not in itself reduce poverty. However, it is believed that it may serve as an instrument for poverty alleviation when carefully designed and implemented on the basis of local, social, economic, political and institutional circumstances (Manor and Sverrison 1999). These studies focus on the degree to which systems of central government transfers are targeted at reducing social inequalities within and between districts, and on the mobilisation of poor groups in local politics. Where such groups are mobilised in pursuing their interests, they may be able to press local governments to follow a more pro-poor policy.

Parallel to decentralisation efforts, many governments in developing countries have entered into agreements with donors to set up "social funds". The objective of these funds bears considerable resemblance to that of political decentralisation in the sense that the funds seek to target and empower poor communities to improve participation and local service delivery. This has led to concerns in donor circles that the two approaches may sometimes work at cross-purposes (Parker and Serrano 2000). For example, if social funds establish *parallel channels* for local expenditure and community participation without building proper channels for local accountability or financial sustainability, they can weaken nascent local governments and impede decentralisation efforts. Conversely, if decentralisation programmes build financially healthy local governments without provisions for the poor, they will be at odds with the aims of social funds to increase access for the poor to local services.

This concern is most relevant where social funds are not particularly well integrated with local governance. It should be noted that social funds come in many shapes and sizes and that in some cases, such as in the Bolivian case, they come close to complete integration with local government operations.

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[1] Political decentralisation is defined here as the devolution of resources, tasks and decision-making powers to democratically elected lower-level authorities that are largely or wholly independent of central government.

1.1 The framework for sustainable and pro-poor popular participation

It is clear from the general literature on decentralisation that even the most appropriately designed decentralisation institutions cannot work independently of and certainly not against forces embedded in the social and political structures in which they function. Thus, when exploring the linkage between decentralised service provision and participation it should be remembered that it is not only depended upon whether countries are centralised or decentralised. Decentralised service provision and participation are also dependent on the prevailing political environment, the organisational structure, the socio-economic characteristics of the society and historical precedents.

Against this background it is relevant to ask which conditions enable these two "systems" to empower communities in relation to important local political processes and encourage them to take a more active part in improving their own lives? What good practices can be found in developing countries and what is the potential for their replicability in Sub-Saharan countries?

As for popular participation in local government affairs, the design of the decentralisation programme involved is crucial. There are examples of decentralisation that have led to a reduction in popular interest in local politics. Devolved resources are seized by local elites and reinforce existing patterns of patronage rather than serving to empower local communities (Tendler 1997, Mohan and Stokke 2000).

The form and level of donor support to civil society organisations also has bearing on the level of popular engagement. There are examples of support that have weakened local government institutions and democracy. As greater quantities of aid are channelled through NGOs it is the most noticeable, urban, elite-based NGOs that get it. The first result is that more democratic organisations, with roots among underprivileged groups, are undermined and the second that more efficient service delivery systems are established parallel to the public system. This threatens to undermine the ability to form genuine partnerships between local governments and civil society and may even, in some cases, lead to confrontations between local authorities and civil society groups.

As for the ability of social funds to engage citizens in development, there are obstacles here too. Funds do not always encourage popular involvement over the longer term. Moreover, it is not always clear whether social funds have been designed to reach and involve woman and other disadvantaged groups. Questions have also been raised about how demand-driven social funds work in reality. Some studies have shown that local politicians and firms exert considerable influence on project choices.

A high level of popular participation – both in terms of own financial contributions but also through voluntary work – is likely to increase the *chances that* services can be *sustained* over many years.

Local government service provision is more sustainable if local governments succeed in taxing their own population. However, for most local governments in rural areas in developing countries locally raised revenues are unlikely to form more than a minor element of their funding. In the absence of any substantial revenue base, small community contributions in the field of operations and maintenance or other forms of self-help initiatives (often voluntary community work) could represent a contribution. In some countries, donor-supported and central government-supported investments have started demanding co-funding from local governments and citizens (often in kind). This

has created an opening to enhance investment ownership, strengthen downwards accountability and create better incentives to enhance local government revenue sources.

Social funds can also have a sustainable impact on development and level of popular participation. Not only are voluntary work schemes a part of social fund projects, but also schemes for financial contribution by those who benefit from the services. Matching-grant principles are often incorporated into social fund design through a "community contribution" which is intended to promote a sense of and help establish a culture of joint cost-sharing. Moreover, community contributions to operations and maintenance (O & M) are also widespread.

1.2   Approach and structure of the report

The aim of this report is both to contribute to a better general understanding of the above issues and to proffer practical advice to NORAD on how to support processes that enhance long-term popular participation in local development. The report therefore oscillates between the general and the specific in its discussion of these issues.

Chapter 2, accounts for the promise, in terms of popular participation, that lies inherent in the establishment of these systems. Chapters 3 and 4 outline general and specific lessons learned from good practice cases including identifying the preconditions, in terms of central–local relations, character of the civil society and local government design, must be in place in order for participation to take place. Finally, Chapter 5 enumerates out recommendations for donor support to enhance participatory processes in local development in Sub-Saharan Africa.

2   The promise of popular participation

2.1   Decentralisation programmes

Manor (2000) argues that the effect of political decentralisation on participation is particularly strong if some other conditions of the decentralised systems are in place (Manor 2000)[2]:

- Sufficient powers to exercise substantial influence within the political system and over significant development activities
- Sufficient financial resources to accomplish important tasks
- Adequate administrative capacity to accomplish those tasks
- Reliable accountability mechanisms – to ensure both the accountability of elected politicians to citizens, and the accountability of bureaucrats to elected politicians

Evidence from South Asia (India and Philippines), West Africa (Ghana) and Latin America (Bolivia) clearly indicate that popular participation in council activity increased through political decentralisation (Crook and Manor 1998, Goetz et al. 2000 and IADB 2001).

2.1.1   Participation of the poor

Democratic decentralisation does not necessarily bring poor groups into local government decision-making or increase the local governments' responsiveness (increased pro-poor development spending) to poor segments of the councils. Crook and Manor (1998) conclude that in Bangladesh participation was considerably enhanced by the democratic decentralisation reforms, but, at the same time, there were extremely high barriers to local participation obstructing the poor and disadvantaged.

One reason could be that elites at lower levels are prejudiced against the poor, women and minorities – more so than elites at higher levels. Their development priorities may be large-scale infrastructure projects (dams, bridges etc.) that benefit the population at large rather than the poor.

This tendency could be offset if community groups could hold elected officials accountable, inducing them to serve the immediate needs of the poor. It could also help if central government provided incentives to local government to support investments and services for the poor segment. However, local communities do not necessarily have knowledge of (or preference for) pro-poor projects. Crook and Manor (1998) note that when ordinary people are asked what they see as their most pressing needs they

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[2] For more country-specific (Tanzania and Zimbabwe) elaboration of this perspective see Schou 2000.

sometimes opt for classic developmental infrastructure investment in capital projects such as roads. Moreover, a recent example from Malawi shows that as much as 70 per cent of the UNCDF's capital projects are spent on the education sector – mainly construction of primary school buildings (Government of Malawi, 2001). One could argue that investment in water services and primary health care is likely to have a more immediate effect on the living conditions of the poorest segment of the population, than investments in roads and new school buildings.

Since the interests of the poor are not necessarily taken care of by those who participate in local government decision-making, pro-poor interests need to be taken care of by other means. Crook and Sverrison (1999) suggest the following alternatives:

- active participation in formal local government bodies (normaly council assemblies), something that would require active campaigning in local government elections;
- quotas for underprivileged groups;
- by way of sympathetic elites, often members of pro-poor CBOs and NGOs.

2.1.2 Other forms of joint action between civil society and local governments

Although the above may be the most important general mechanism available to enhance popular participation in local government affairs, there are several other and more *indirect* forms of joint action between civil society and local governments that are likely to increase the quality of services and make local governments more responsive to their electorate. Goetz et al. (2001) point to several 'voice and responsiveness mechanisms' bringing citizens into service delivery. They define 'voice' as 'complaints, organised protest, lobbying and participation in product delivery – used by civil society actors to put pressure on service providers to demand better service outcome' (p. 5). They differentiate between four types of voice: i) preconditions for voice; ii) citizen initiatives to amplify voice; iii) joint civil society–public sector initiatives; and iv) public sector initiatives.

i) Precondition for voice

Awareness raising
In order to exercise their voice, citizens need both awareness (of their rights and ability to speak) and a capacity to unite with others to express or act upon that voice in an organised fashion.

ii) Citizen initiatives

Lobbying to influence planning and policy formulations
Influencing planning and policy-making by individually or collectively contacting local officials, by participating in local parties or in other ways making their views known

Citizen-based monitoring and evaluation
Institutional facilities for citizens to participate in the regular monitoring and evaluation of government services.

iii) Joint initiatives

Implementation and precedent-setting
When the expression of citizen preferences does not produce a response from LGs, and where exit is not an option because no alternative providers exist, the response of citizens is often to run services themselves or through an NGO. Sometimes this is initiated in

partnership with the state, where the state delegates aspects of service delivery to NGOs, and sometimes partnership follows from successful self-help initiatives.

Auditing
The extent to which the local government accounts are audited by external institutions and stakeholders and involvement of citizens in the control of the utilisation of funds, e.g. can be facilitated by the establishment of local government public accounts committees.[3]

Joint management of sector programmes
Joint state–civil society management delivery of services, e.g., in forest and water management. Co-ordination between local government and civil society is crucial for service and infrastructure planning in an equitable and efficient manner.[4]

Government framework for participatory planning
In developing countries, participatory planning requirements are increasingly included in laws for decentralisation and local governance. They focus on the ways and means by which citizens are involved in decisions on important planning, budgeting, infrastructure and service provision issues etc.

iv) State initiatives

Consultation in service delivery and policy priorities
Consultation offers a way of measuring public opinion over a wide range of service-related issues, from the quality of service delivery to policy priorities. As such consultative events and processes can open spaces for public involvement in making and shaping public service delivery.

Goetz et al. (2000) note that these mechanisms can work at all levels of government . They consider local governments to be particularly well suited for the establishment of such mechanisms. At this level citizens can see the direct links between revenue generation and expenditure. They can also see the links between priority setting, planning and the actual implementation of public policies. Last, but not least, poor groups are more likely to mobilise at the local than at national levels. The poor often lack the resources and capacity to get access to decision-makers at the highest level of government.

2.1.3   Participation in social funds programmes

Social funds have become an increasingly popular instrument in the delivery of safety nets – particularly at the World Bank and Inter-American Development Bank. Since 1987, the banks have approved about 100 social fund-type projects in more the 60 countries worth about 3.4 billion USD. Though a variety of institutional models have been adopted, social funds have usually been established as specialised units outside traditional government ministries (Parker and Serrano 2000).

Over time then, emphasis has shifted from short-term emergency relief towards more embracing developmental programmes with longer-term objectives and a focus on facilitating 'demand-driven development'. The demand-driven approach is assumed to be

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[3] These types of committees have been established in Uganda, but are still in their incipient stages and have suffered from lack of facilitation. The idea is to bring "experienced" citizens on board in the control of the LG funds.
[4] A general problem in many countries is that local governments are not even informed about the funding and decisions made by NGOs and donors within their territory – a fact which makes budgeting and planning redundant and makes it hard to plan for the maintenance costs of the infrastructure created.

superior to traditional public service supply, with its 'supply-driven' problems – centralisation, rigid and top-down bureaucracies, and insensitivity to service users.

Social funds are divided among three main areas: 1) education, health and nutrition; 2) education, health and nutrition; and 3) other activities such as micro-finance, training and environmental interventions (Tendler 2000). Social fund programmes now exist in 50 developing countries (Fumo et al. 2000).

Although the specific objectives of each social fund vary in line with the economic, social and cultural context prevailing in the country at a given time, most social funds share common design elements:

− A focus on community empowerment;
− Poverty-targeting mechanisms designed to ensure that poor communities benefit substantially;
− Direct financing of community projects;
− Community participation in project selection, design, implementation, and operation and maintenance;
− A cash or an in-kind community contribution towards project costs;
− Quick-disbursement procedures that typically bypass centralised government procurement procedures and regulations;
− An operation manual that codifies process and procedures for socials fund activities and prescribes roles for different institutions involved.

The table below lists the various participatory mechanisms that may enable citizens to exercise influence over public and "private" service delivery. The table also indicates the extent to which these activities are integrated into local government decision-making processes.

Tabell 2.1   *Mechanisms of popular voice in decentralised service delivery*

Mechanism/activity	Degree of intergation into LG decition-making		
	Direct participation in local government	**Indirect participation in local gov.**	**Precondition for voice**
Direct participation in councils	Yes		
Interests taken care by sympathetic elites in councils		Yes	
Awareness raising			*Yes*
Lobbying		*Yes*	
Citizen-based M & E		*Yes*	
Private initiatives imitated by the state		*Yes*	
Auditing		*Yes*	
Joint management of sectoral programmes		*Yes*	
Participation in local planning	*Yes*		
Public sectors consultations		*Yes*	
Participation in social funds		*Sometimes*	

3 The case studies

In the following I present selected good-practice cases within each of the activity categories set out in Table 1 and give an account of:

- Those factors that promote the success, or limit the impact, of the mechanism involved;
- The conditions under which the mechanism might be (or has been) replicated.

The case studies are based on published and unpublished literature. They are not a random sample of popular participation in service delivery, but a selection designed to cover the range of mechanisms mentioned in Table 1.

3.1 Participation in councils

3.1.1 Direct Participation

The state of Karnataca

The introduction of politically decentralised local governments in Karnataka in 1987 has increased the general level and scope of participation, both through the representative system and in other more indirect ways. The 1987 scheme established local government bodies both at the district (Zilla) local (Mandal) and village (Gram Shahs) levels. Considerable resources and power were given to the districts in that devolved authorities were given control over de-concentrated line ministries. Moreover, the presidents of the district councils took responsibility for more than half of the state's civil servants, 40% of the state budget and nearly all the main development functions (Crook and Manor 1998). Although the local councils offered new opportunities for participation for large strata of the population, studies reveal that the richer land-owning groups were still over-represented on the district councils. However, at the village level council, less privileged groups were achieving a substantial presence (Subha, 1997: 50–63).

Enabling/limiting factors and prospects for replication
Crook and Manor (1998) spotlight several favourable conditions crucial in their minds to the success of the decentralisation experiment in Karnataka:

- It had a reasonably lively civil society;
- It enjoyed the advantage of a free and assertive press;

- The social forces were accustomed to working through political parties who were engaged in moderate competition;
- There was a culture of accountability in the civil service.

3.1.2 Indirect participation: interests of the poor taken care of by sympathetic elites on councils

3.1.3 The state of West Bengal

In terms of the scope of popular participation, the West Bengal case is probably even more successful. The decentralisation reform enabled a large number of elected representatives from poor and disadvantaged groups (in terms of caste, occupation or property ownership) to take their places on district councils, , partly due to increased participation by the poor in local government affairs. It all started in the late 1970s, when opposition parties came to power. Not only did this gave a new impetus to local government, it also meant the inclusion of marginalized groups on the councils. In 1978, a leftist coalition known as the Left Front, led by the Communist Party of India (Marxist), was elected to government at state level. In order to challenge the power of the Congress Party and the landlord classes in the countryside, and to provide a strong popular power base, the Left Front went in for increased decision-making power of the poor at decentralised levels of government (Crook and Sverrison 1999). The record of female representation had been very poor during the 1980, but at the 1993 elections seats were specially reserved for women . Women now account for the statutory one third minimum. However, even if representation for the poor has improved, and compares favourably with the situation in Karnataka, it does not translate into meaningful participation in the affairs of the councils. A study showed that members from scheduled castes or tribes rarely spoke at meetings, and if they did they were often ignored (Westegaard, 1986:88).

Enabling/limiting factors and prospects for replication
Three kinds favourable conditions can be extracted from the West Bengal case:

- Sympathetic elites with an interest in ″defending″ the interests of the poor in local government decision-making;
- The existence of political parties with an interest in creating a popular base among the poor segments of the population;
- Quotas for marginalized groups (favourable for broad representation).

3.2 Awareness-raising

Awareness-raising is not an element of the popular voice as defined above. However, in many developing countries a major obstacle to popular participation in local service delivery is lack of knowledge of rules and functions of the service delivery systems themselves. Within the context of this report this is a relevant aspect, i.e. as a precondition for the voice of the poor and disadvantaged. Goetz et al. (2000) refer to two cases of particular relevance in this context: the Nicaraguan Community Movement and the Citizen Education Programmes in Zambia.

The Nicaraguan Community Movement
The Nicaraguan Community Movement is a nation-wide NGO engaged in community organising, training provision, support and legal advice to community groups. It originated prior to the 1996 municipal elections as a way of stimulating voter turnout. It has its social base in villages where its focus is on training of community leaders, identifying community problems and proposing appropriate community action – all by participatory methods. The process is called 'local agenda construction' and includes examining the capacity to articulate the voice of the most marganalized sections of society – women and the poorest members of the society. A part of this agenda constructing work includes prioritising community needs and determining what local government can do. Local candidates for elections were targeted and lobbied to take up local agenda issues as a part of their platforms.

3.2.1 The Zambian Education Programme

The Zambian Educational Programmes were launched as a means of stimulating voter turnout. Prior to the 1996 national elections several programmes were working in parallel to raise awareness among citizens about multiparty democracy, citizens' rights and responsibilities *vis-à-vis* the state. One of them, the Foundation for Democratic Process, which comprises of a network of church and community groups, trained people at national, provincial and district levels in centralised workshops. These people consequently facilitated grassroots workshops at various levels. One of the evaluations of the programme concludes that it appears that informal street theatre and radio programmes had a greater impact on voter mobilisation than other methods.

Enabling/limiting factors and prospects for replication

- In the Nicaraguan case, the campaign was carried out in a context of community polarisation between the two major political parties. Local agenda issues and citizen participation are generally supported more by councils dominated by the opposition party.
- The Zambian programmes were not aiming at building civil awareness for participation in local government elections. However, one of the components was education of trainers at the district level, and this could have a potential effect on local politics.
- The Zambian programme was hampered by restricting the focus of the initiatives to elections rather than including efforts to promote citizen-participation in setting governance agendas, monitoring and evaluating government performance etc.
- The mechanism has a relatively high potential for replication. However, the challenge is to reach illiterate groups and extend the programme beyond elections.

3.3 Lobbying

Once again Goetz et al. (2000) look to Nicaragua and its vibrant civil society to provide an example of effective lobbying to influence planning and policy formulation on all governmental levels.

Emergency Relief and Reconstruction Coalition, Nicaragua
The Non-Governmental Emergency Relief and Reconstruction Coalition was formed to co-ordinate civil society views on emergency relief and reconstruction following the Hurricane Mitch disaster inn 1998. The organisation comprises a coalition of more that 320 social movements, NGOs, CBOs, and producers' associations. It functioned as a broad policy advocacy network with shared interest in promoting environmentally sustainable human development and participatory reconstruction and development initiatives. The Coalition was not only effective in awareness-raising across Nicaragua, but also effective in lobbying international NGOs

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Enabling/limiting factors and prospects for replication
The international linkages of the programme fills the gap created by central government's lack of policy on decentralisation.

- The initiative is a national one but could be scaled down to strengthen citizens' voice at the local government level.
- There is a profound lack of political will on the part of central government to facilitate spaces for citizen's to communicate them. This may have crested favourable conditions for a broad initiative outside government circles.

3.4   Citizen-based Monitoring & Evaluation

Forms of citizen-based monitoring and evaluation are already widespread in several countries in Sub-Saharan Africa, and not only in countries with a relatively strong civil society such as South Africa, but also in countries with considerably weaker civil society structures such as Tanzania, Uganda and Mozambique.

The South African Women's Budget Initiative

The Women's Budget Initiative in South Africa is evaluated in detail in Goetz et al. (2000). The Initiative seeks to discover whether adequate resources are allocated to gender-sensitive policy measures. The main activity consists of tracking spending patterns throughout the public sector. The focus is on ex-post analysis, since there is limited access to government budgets before they are published. Further activity consists of organising, training and providing practical experience of what gender-sensitive budget should look like. The Initiative has been working since 1996. The Initiative studies the previous year's budget, and submits a report to parliamentarians, media-NGOs and other interested parties. The Initiative was initiated formed by representatives from of NGOs, the Community Agency for Social Equality, and the Institute for Democracy in South Africa. This institute is now behind the Initiative and receives funding from a wide range of South African and international donors.

Enabling/limiting factors and replicability

−   An enabling factor is that it receives support both from within government and outside civil society.
−   A limiting factor is the level of education and experience needed to understand budgets can be alienating for ordinary people and can prevent widespread involvement.

3.5   Private initiatives imitated by the state

One of the most powerful examples of support to civil society organisations that demonstrates a model of radical institutional change to better accommodate the interests of the poorer client is the Gramen Bank's micro-finance system in Bangladesh. Here, a small civil society experiment provided extensive institutional change. Activities such as mutual loan guaranties by borrowers, delivery and recovery of credit at the village level, weekly scheduling of loan repayment all provided opportunities for financial empowerment of hitherto excluded groups. This model was imitated later by the government through the Rural Poor Programme of the Bangladesh Rural Development Board (Goetz et al. 2000:23).

A relatively successful case in an African context is the Community Management of Urban Environment in Senegal:

Community Management of Urban Environment in Senegal.

The urban water and sanitation infrastructure scheme was established by an international NGO, ENDA-Third World. It's an integrated water management system with many resemblances with the NORAD funded Integrated Rural Water Supply and Sanitation System in Zimbabwe (see Schou 2000). It is a partly user-funded system that used cheap and locally useable technologies to create a sanitation infrastructure in places the state has failed to do so. The scheme is run partly by the local people and partly the local government. The former run, through democratically elected local management committees, all the technical aspects from collection of refuse to water purification. Local authorities are represented on the management committees and give them access to all urban planning and development policy documentation. About one third of the population in the nine communities in the Rusfique region participated in the operation of the sanitation system. A revolving credit fund helps pay for some of the installations, foreign funding covers the rest. The Senegal government has approached the NGO to scale up efforts in other areas, using government-supported revolving credit schemes and government resources to generalise its low-tech approach.

The programme was selected as one of the Best Practices at the Habitat II Conference in Istanbul in 1996.

Enabling/limiting factors and prospects for replication

- A previous initiative in the area to stop sea damage to the coastline showed that people in the region were capable of organising to improve their area. This initiative also exposed serious sanitation problems and lack of sanitation infrastructure.
- Benefits from the scheme were rapid and visible.

3.6   Auditing

Vigilante Committees (Law of Popular Participation) – Bolivia

Vigilant Committees are set up parallel to local elected bodies to act as 'watchdogs' *vis-à-vis* these bodies. They are composed of six elected leaders of local governance systems, such as peasant syndicates and neighbouring councils. The committees' main responsibility is to ensure that community priorities are reflected in local government development investments. They are also empowered to call for regular audits of municipal governments and, in the event of any irregularities, they can petition Congress to freeze funding transfers until the matter is resolved. Reports on the working of the committees indicate that there are large variations on whether they work according the intentions laid down in the Bolivian Law of Popular Participation or not. They are sometimes seen as token structures, with no real effect on decision-making. Other cases show that communities have been successful in uncovering corruption to the extent of nearly unseating a mayor. They have also been successful in lobbying service providers to drop tariffs.

Enabling/limiting factors and prospects for replication
Limitations of the committees that have come to light include:

- The law of popular participation was not driven by the civil society. It was the creation of a very small group of intellectuals who drafted the law practically behind close doors.
- Many civil society organisations do not feel they have the necessary skills to make the committees real watchdogs. A condition for continued success and replication is capacity-building among committee members.
- Committee members are unpaid which adds to risks of co-optation by local elites with political power.

3.7   Joint management of sector programmes

There are several reasons for introducing joint management: limited resources (staff and money); geographically distant client communities; and situations in which certain social groups have historically rejected the authority and legitimacy of the state. In an African context there is a long tradition for systems of public service delivery to be backed up by self-help schemes. Moreover, in Africa, there are also several recent examples of financial contributions from civil society groups in local government service delivery (see Materu et al. 2000).

Goetz et al. (2000) present several good practice cases from India where programmes for joint management of sectoral programmes are institutionalised in several states. In West Bengal, for example, Forest Protection Committees (FPC) are engaged in implementing

the Joint Forest Management Programme. In exchange for engaging local residents in the regeneration, protection and maintenance of forests and plantations, each FPC has a right to keep 25 per cent of the net income from timber sale. In Africa there is a good practice case in Kenya, where project enhancing joint management of waste management and sanitation services is established in the town of Nakuru (Materu et al. 2000).

Waste management and sanitation services in Kenya

The programme for joint action between local government and civil society in Nakuru was established in 1996 as a part of a framework of a twinning programme between Nakuru and the city of Leuven in Belgium. The programme was also a part of the Belgian programme for supporting Local Agenda Activities in African countries. A *Multi-stakeholder committee* was formed in the town to address a number of local environmental concerns. The meetings of the committee brought together CBOs, NGOs, council officials and other partners. The committee produced a work plan and organised review meetings every six months. Several areas were identified for a targeted intervention and the most tangible results were to be found in the areas of waste management and water and sanitation. Part of the Nakuru Joint action plan has been to encourage co-operation between the community and local government in these fields. Waste management was one of the most neglected local services. After the formation and training of voluntary environmental committees charged with cleaning the neighbourhoods at set times, the town became considerably cleaner. The sewage system in the low-income housing neighbourhoods had not been maintained for years and frequent blocks led to unbearable conditions for the citizens in that area. After the formation of neighbouring groups to watch over the facilities for the benefit of all members, conditions improved.

Enabling/limiting factors and prospects for replication
All parties must have incentives to participate in the joint management of sectoral programmes. If participants from all sides are convinced of the benefit of an intervention, they will be willing to compromise for the greater good of all.

−   The programme was initiated by a donor and is not yet scaled up to the national level. Supportive legislation and evidence of political commitment can help make joint action in the programme more than a residual category.

−   The low financial capacity of CBOs together with the very low skills of women and the general poverty of the majority of the residents make the process of participation by wide strata of the population in neighbouring committees difficult.

3.8   Participation in local planning

In developing countries participatory planning requirements are increasingly included in laws for decentralisation of local government. This is also the case for many countries in Sub-Saharan Africa. However, there are few, if any, examples of extensive popular participation in these systems. In the case of Tanzania and Zimbabwe this is partly due to limited funds to match the planned project emerging from the "bottom", but it is also due

to local governments' limited autonomy to decide over development spending (Schou 2000). Even in Uganda, which has embarked on one of the most radical decentralisation reforms in the region (37% of public expenditure goes through local government) there is little effective participation in local planning by villagers (UNDP 2000).

The Indian state of Kerala is widely considered a success story of popular involvement in planning. In 1997, the government of Kerala in southern India introduced a planning system whereby as much as 35–40 % of its development grant is transferred as a block grant to local authorities. Moreover, these authorities are given maximum autonomy in drawing up development programmes closely attuned the specific needs of their populations. The immediate effect of Kerala's approach to local government policies has been increased grassroots participation and more responsive development policies (Isaac 1998). Goetz et al. (2000) also consider the Philippine planning system to be a good practice case.

Participatory Local Government Planning (Philippines)

The Local Government Code of 1991 established a Local Development Council (LDC), for every province, city, municipality and rural district councils. One of the main responsibilities of the LDCs is to draft comprehensive multi-sector development plans, including comprehensive land use plans for each local government unit concerned. At least one fourth of the total membership of the LCDs should come from the NGOs, POs (people's organisations) and private sector organisations. Although popular participation is not widespread throughout the country and there are examples of traditional local patronage politics, LSDs have become vehicles for civil society organisations to mobilise people in their rural councils to claim minimum basic services and to prioritise projects to be supported from local projects. A contributing factor is the establishment of a national network of NGOs, known as BATMAN. This network has worked to strengthen local government and civil society initiatives, and to strengthen participatory approaches such as Participatory Rural Appraisals in rural districts councils.

Enabling/limiting factors and prospects for replication

− Central government commitment is a necessary but not sufficient condition for democratic local governance. Even when resources and decision-making are devolved to local authorities there is a chance that the democratic decision-making structure will be distorted by clientelist networks.
− Civil society organisations can fill the void when local political parties aren't strong enough to ensure citizen participation and government accountability.
− Civil society groups, such as POs, are seen to be building a local political base to support the work of the local council; this is in opposition to the ′traditional′ role of the civil society group, which saw them acting as outsiders in the political affairs of the community.
− NGOs/POs are still seen to be outside parties not acceptable to the electorate.
− An overriding issue for the local government code is the territorial restriction of the few success cases.

3.9   Public sector consolidations

Uganda is not only one of the most decentralised countries in Sub-Saharan Africa, it is also one of the countries in the forefront of targeting the poor sections of the population in decentralisation processes and otherwise. Uganda was one of the first countries in Africa to introduce a comprehensive Poverty Eradication Strategy Plan. The country has ring-fenced a certain amount of public funding (about 30 per cent) in a so-called Poverty Action Fund, which is linked to donor debt release and budget support. This fund is transferred to the local governments in the form of conditional grants to address poverty-related areas. The country is also among the first in Africa to introduce a local government financial equalisation grant to help local governments with low resource endowments and high expenditure needs. And finally, the government has introduced systems for taking into consideration citizens' perceptions of poverty issues when designing its poverty eradication policies.

Participatory Poverty Assessment, Uganda

Participatory Poverty Assessment (PAP) involves the use of participatory and quantitative research techniques for national-level consultation of local people's perceptions of poverty and priorities for poverty reduction. The Ugandan government is carrying out an extensive (over time and sample size) consultation exercise that has generated qualitative information about the experience, depth and breadth of poverty. It has sought to build a national system to integrate qualitative and quantitative poverty monitoring and increase the capacity of CBOs and governmental personnel (especially at the district and lower level) for poverty monitoring and for poverty eradication design. It has also sought to inform, on a regular basis, top-level policy-makers about the nature and location of poverty in the country.

The programme was initiated by bilateral donors (mainly DFID and SIDA with some World Bank and UNDP input) and NGOs, and is managed by Oxfam. It has put an emphasis on nurturing government ownership and its management unit is located in the Ministry of Finance, Planning and Economic Development.

Enabling/limiting factors and prospects for replication

- A relatively vocal government commitment to poverty reduction as a part of the poverty eradication action plan (of 2000) which established a multi-sectoral approach to poverty.
- Participatory research cannot include all views. Although Uganda remains a relatively successful case, the strength of the community voice varies across social and educational groups.
- Long-term institutionalisation of the process is major challenge to reflect the true nature of the participatory process and to build the capacity of stakeholders.

4 Participation in social funds

4.1 Comparative advantages of social funds as an instrument for popular participation

Before examining the experience with popular involvement in identifying, managing and maintaining social funds, I will briefly consider the possible comparative advantages of these funds *vis-à-vis* local government when it comes to popular participation.

The degree of integration of social funds with the operations of local governments varies enormously, from entirely autonomous agencies outside regular government bureaucracies to relatively high integration. However, there are no cases where the funds are completely integrated with elected local governments. In most cases social funds create new structures rather than work to reform existing government structures. Thus, for analytical purposes, it is relevant to consider them as two separate systems for small-scale capital investment, each of them with possible comparative advantages with regard to popular participation.

According to Schroeder (2000) the potential comparative advantages of local governments in providing services are the following:

– Probably the most important advantage of formal local governments is their power to tax and use other mobilisation techniques. Such resources are necessary if infrastructure projects are to be *sustained*. All the same, Schroeder recognises that local governments do not always take advantage of local taxing powers due to the ramifications of such policies.

– Another advantage, also related to sustainability of projects, is that local governments, thanks to their legal status, in most cases have a longer time horizon in making decisions. Nevertheless, in many cases political leaders may take decisions that are most advantageous for them on a short-term basis.

– A third potential advantage of local government is that the planning and implementation of projects are carried out within the framework of a relatively broad cross-sectoral perspective. Social fund-supported projects tend to have the form of single-project activities.

– Finally, since local governments are commonly linked to central government line ministries, they may have the advantage over local community groups in obtaining necessary technical assistance and support in implementing infrastructure projects.

– The potential comparative advantages of social funds are the following:

– *Poverty alleviation*. According to Schroeder, local governments cannot be expected to be effective at redistributing incomes from the wealthy to the poor within their administrative boundaries. Firstly, local political leaders have few incentives to carry

out such redistribution of own source revenues since such policies may lead to out-migration of the wealthy and immigration of the poor. Second, in some countries that have experienced democratic decentralisation, elites at lower levels may have prejudices against the poor, women, and minorities.

– Second, it is also the case that local governments can face regulatory and bureaucratic procedures that result in slow project implementation. Social funds, however, are suppose to be relatively *fast to implement*.

– Thirdly, social funds are supposed to have an advantage with regard to *accountability*. Since the project groups that handle social funds are small, utilisation of resources is less prone to inappropriate uses than are local governments that may be able to carry out their activities behind the back of the public. Moreover, if the funds available to local governments are predominately in the form of transfers from central government rather than locally raised revenue, local citizens may have fewer incentives to worry about how local government uses those funds.

A precondition, however, for the social funds to realise their potential for accountable project implementation is a certain degree of popular awareness of and participation in decision-making concerning the uses to which the funds are put.

4.2   Participation in social funds

There are two publications that are particularly relevant for examining the form and extent of popular participation in social funds and making comparisons of participation in decentralised public bodies. They are Parker and Sarrano (2000) and Fumo et al. (2000). Both publications draw on the growing literature on social funds and both focus on issues of participation, governance and social funds' relation to local government. Finally, their conclusions are partly based on lessons learned from countries in Sub-Saharan Africa. Parker and Serrano (2000) examine the interaction between social funds and decentralisation in seven countries at different stages of decentralisation: Bolivia and Honduras (advanced decentralisation), Peru and Zimbabwe (some decentralisation) and Cambodia, Malawi and Zambia (little or no decentralisation). Fumo et al. (2000) draw on work with social funds in Egypt, Malawi, Zambia, Zimbabwe and Colombia.

Social funds encourage communities to participate at many key junctures in the project cycle. It is fruitful to distinguish between three separate arenas of popular participation:

– Project planning,
– Project implementation,
– Operations and maintenance

4.2.1   Project planning

Based on the experience of the case study countries, Parker and Sarrano et al. (2000) distinguish between two models of planning of social funds – depending on the level of planning integration with local government planning: the *individual community model* and *co-ordination with local government-model*.

In the first model individual communities select projects from a social funds menu at a community assembly meeting. Thereafter, the assembly sends these projects to the social funds headquarters (usually located in the capital) which generally approves them on a first come, first served basis (in Colombia, Malawi Peru, Zambia and Zimbabwe)

In the second model local governments co-ordinate a systematic local planning process in which each community first selects its prioritised projects. Thereafter the projects are ranked and discussed at the district level by local government authorities and community representatives. The social funds finance the top district priorities that fall within the fund's menu of eligible project types (Bolivia, Honduras).

The latest development in the local government reform in Malawi indicates that the funds from 2002 onwards will be more integrated into the planning process than indicated above. Under the proposed Malawi Social Action Funds project (no. 3), significant amounts of capital-development funding will be dispersed to support infrastructure development in districts and urban assemblies. Under the proposed project, the planning and appraisal of projects will be will be carried out within the local assemblies as part the district development planning and management system. However, funding will be channelled directly to the communities for project implementation until such time that adequate capacity is built in the assemblies (Nielsen et al. 2001).

Obviously, both systems provide enhanced *opportunities* for community participation, but Parker and Serrano (2000) do not provide evidence of extensive popular participation in any of the systems. To the contrary, community participation tends to vary considerably. As a basis for their conclusions, they refer to Owen and Domlen (1998). Owen and Domlen have carried out a comprehensive review of the organisational features, which are designed to increase demand orientation, community participation and local organisational capacity. Some 40 per cent of the 51 projects they reviewed had community development objectives and most project activities presupposed the participation of community groups in initial project planning. However, while half of the projects included assessments of community participation in the appraisal process, few described whether participation had occurred. Moreover, the extent to which efforts have been made to reach and involve women and other disadvantaged groups is unclear and variable.

Not only are the extent and form of community participation poorly documented. In cases where there is popular participation, several mechanisms can distort local popular preferences necessary to take into account in the appraisal and planning of social funds:

− A broad range of actors in the privates sector (e.g., engineers, architects and small contracting firm, particularly in Latin America) exploit their *control over knowledge* and power. They are therefore able to distort project selection for their own benefit.

− In all the three Latin American countries Parker and Serrano (2000) found that complaints were voiced about some *mayors' manipulation* of the relationship between communities and the social funds.

− As for the limited participation of poor groups in particular, one should take into consideration that they *rarely have strong organisations* to voice their opinions for them.

− *Lack of information* on the part of the community also seems to be a problem. Owen and Van Domlen (1998) found a "significant and fairly universal problem with the lack of information and /or misunderstandings on the part of the beneficiaries about the role and rules of the game of the socials funds" (1998, p 26). Tendler (2000) emphasis that contractors, politicians and fund staff may have an interest in limiting information regarding planning of social funds.

4.2.2 Project implementation

Key aspects of project implementation, such as procurement and contracting, are usually taken care of by the local project group rather than the population as such. Because of its technical nature, these activities do not invite extensive popular participation. However, popular awareness of local decision-making is essential for ensuring *accountability* between the project groups and the population. And a precondition for this mechanism to work properly is transparent decision-making and information sharing. The working of this mechanism is poorly documented. However, different models of project implementation may point at interesting examples of *joint action* between local government and civil society. Parker and Serrano (2000) have identified three main models of joint action:

– The first model, used in the three African countries and Peru, is *community contacting*. The Community Project Committees are responsible for co-ordinating and managing procurement activities with the social fund officer responsible for monitoring the contract entered into by communities and providing assistance when requested.

– A second model, represented by the social funds of Honduras, is *outsourcing* of contracting and disbursement. In this system a contractor is hired by the social fund and he is also responsible for supervising and disbursing funds directly to local contractors. Contractors tend to see themselves as primarily accountable to the social funds project organisation rather than to the communities they are intended to serve.

– A third model, found in the organisation of social funds in Bolivia, gives *local governments a role*. In this model private contractors are selected through a bidding process done by the social fund organisation at the district level, with the local government present at the opening of the bids. The social funds disperse resources to a municipal bank account into which the local government must deposit its co-financing share. Supervision, and thus payment authorisation, is performed by a social fund supervisor.

4.2.3 Operation and maintenance

Operation and maintenance (O & M) of social funds encourages more community participation than does implementation. It is becoming increasingly recognised among communities in developing countries. To make local services sustainable over years will require popular participation in operation and maintenance of the services.

Fumo et al. (2000) note that popular participation has been an ignored aspect of social funds and that too much focus has been placed on promotion of participation in the design phase (p. 35). Parker and Serrano (2000), however, make O & M a main issue and point at forms of joint action between civil society and local government to unsure sustained provision of services. They identify three conditions that are necessary to achieve sustainability:

– First, existing infrastructure needs *rebuilding and upgrading* – social funds focus on the financing related to such concerns.

– Second, infrastructure financed by social funds requires *preventive maintenance* (painting, minor structural repairs etc.) in social fund schemes – communities and local governments are expected to mobilise sufficient resources to cover these costs.

    –   Thirdly, newly completed facilities require adequate staffing and supplies – this is usually the responsibility of the relevant line ministry or other regional or district authority.

In the cases examined by these authors, O & M responsibilities are divided among communities, local governments and line ministries to ensure the sustainability of the system. Moreover, the character of the system partly depends on the legal and operational circumstances of the sector under examination.

As for the two first aspects of sustainability, they note that in Latin America (Bolivia, Honduras and Peru) and in two of the countries in Africa (Malawi and Zimbabwe) social funds have "progressed significantly" in their effect on sustainability (p. 39). In the two African countries community groups have overwhelmingly chosen primary school projects as their preferred choice of project type, and both countries have adopted similar O & M arrangements once classrooms have been completed. As part of their institutional arrangement, all schools have established Parent–Teachers Associations (PTAs), with wide-ranging responsibilities. One important task is to collect school fees. Bearing in mind the high rate of poverty in large parts of these countries it is something of a success given that over 60 per cent of parents pay fees for school maintenance as part of the social fund project in Zambia.

The most promising examples of public involvement in the O & M of social funds, however, are in Latin America. In Honduras, for instance, social funds studies show that municipalities have found ways of paying for routine maintenance expenditure and even operations costs such as staff salaries, using central government transfers and other local revenues. Encouraged by this finding, the national social funds secretariat started implementing a comprehensive approach to sustainability that includes helping local governments to produce maintenance plans in which local governments specify their contributions for the maintenance of all social infrastructure.

Because the local governments in Africa have fewer sources of own revenue, and because central government transfers often take the form of earmarked grants, there are fewer examples of local governments in a position to take on project management duties for social funds. However, community groups (those who have a common self-interest) stand a far better chance of managing specific individual investment programmes.

5   Conclusions and recommendations

Both political decentralisation and social funds are systems that aim to improve popular participation in service delivery. By reviewing the relevant literature, this study has sought to address some of the challenges involved in realising this objective.

The report examines the conditions under which the two systems strengthen popular influence, instances of good practices found in developing countries and the potential for practice replicability in countries in Sub-Saharan Africa.

Many of the good practice cases are found in countries outside Sub-Saharan Africa with fundamentally different social and political environments.

The Indian example of political decentralisation leading to increased popular participation (Karnataka) and increased participation of poor and disadvantaged groups (West Bengal), have the advantage of a relatively favourable social and political climate in terms of relatively radical forms of political decentralisation (functions devolved to local governments), accountability in public service, vibrant civil society and competitive party politics. In the good practice cases of popular participation in social funds in Latin America, there is a relatively vibrant and articulate sector of civil society groups. Few, if any, of these favourable conditions are to be found in poor countries in Sub-Saharan Africa.

5.1   The potential for popular participation in decentralised public service delivery

Many rural local governments in Sub-Saharan Africa operate in a totally different environment both when we look at a) the strength of civil society groups, b) the nature of political competitions and c) the nature and effectiveness of state institutions. In large parts of Africa civil society is weak and fragmented, especially in rural areas. Political systems are patronage-based; the voice of the citizens goes normally via patron–client connections on its way to the government. Services are distributed to citizens neither on the basis of favour nor of right. The political parties are an integral part of this institutional logic of clientelism and patronage (Bratton and Van de Valle, 1994) and public services are characterised by ineffectiveness, lack of accountability and widespread economic mismanagement.

Nevertheless, there are examples of successful participation in local government affairs in the region although this does not stretch to participation at the institutional level (the first mechanism in Table 1). Even in Uganda which has one of the most decentralised systems in the region, there is little effective participation in formal local goevernment bodies.

As for participation of poor and disadvantaged groups (the second mechanism), there are few states in Africa where one could find sympathetic elites (as in West Bengal) who

have the interests the poor at heart in local government decision-making or where there (as in Karnataka) are special quotas for marginalized groups. Moroever, in cases where poor groups are represented in councils assemblies, this does not always translate into meaningful participation in council decision-making. Powerful elite groups can dominate and manipulate assemblies' decision-making processes thus ensuring that the interests of the disadvantaged groups are effectively ignored.

The potential for popular participation in local government affairs in Sub-Saharan countries are probably higher when citizens voices are strengthened through one or more of the other mechanisms set out in Table I: awareness-raising, citizen initiatives, joint initiatives and state initiatives. This has to do with the patrimonial character of African states, where institutionalised channels for participation effectively protect civil servants and politicians from accountability. But the character of the civil society also plays a role, of course. With regard to the potential for popular participation in patrimonial states Goetz et al. note (2000):

> In patronage-based states ... the individual and collective influence of service clients when they attempt better performance is exceptionally weak. This makes setting up alternative or parallel informal accountability functions (such as people's audit of local spending), or alternative, civil society-managed forms of service delivery the only option. (p. 13)

Thus, in such contexts, donors should not expect much direct impact on government performance from increased participation in institutional bodies. Rather, donors should engage themselves in building an *environment* for responsiveness and accountability. For instance, states could be encouraged to reform legal or regulatory frameworks or to strengthen auditing offices through capacity-building programmes.

The low level of participation in formal local government bodies has also something to do with the character of the civil society in African countries. Hampered by widespread illiteracy and lack of political awareness ordinary citizens are unable to take advantage of any opportunities to engage with policymakers leaving the field to elites. Here it would be more useful for donors to direct their energies to empowering citizens (i.e., poor and marginlized groups) to articulate their concerns. This can be done by lending support to mechanisms for awareness-raising, information generation, and capacity-building in civil society organisations.

The above cases show that several such enabling mechanisms have been established and are working relatively well in Sub-Saharan Africa. In terms of awareness-raising, the pre-1996 national elections Zambian Educational Programme is a case in point. It established a network of church and community groups, providing training at various levels and facilitated grassroots workshops. If such programmes were extended beyond the election period to promote citizen participation in setting governance agendas on a more permanent basis, they could have effected a sustained long-term impact on public service delivery.

Forms of citizen-based monitoring and evaluations of government policies are already widespread in the region (i.e., South Africa, Tanzania, Uganda and Mozambique).

There are also examples of successful joint initiatives between civil society groups and local governments in managing services. The community Management of Urban Environment in Senegal is a case in point, and similar water management systems can be found in other countries in the region. Moreover, the development programme in Nakuru in Kenya has been successful in waste and sanitation management. Last, but not least, the

Participatory Poverty Assessment programme in Uganda shows that states in the region are consulting local people concerning poverty and poverty reduction.

Such joint initiatives, that originate though direct interaction between donors and the communities, have a large potential for echnacing popular particaipation. If successful, they can relatively easily be up-scaled to enter into government-civil society collaboration at different levels.

5.2   The potential for popular participation in social funds

Social funds seek to empower communities to participate in service delivery. They are supposed to be demand-driven in terms of project selection, design, implementation and operation and maintenance.

Based on some key social fund evaluations, it seems that operation and maintenance is where they hold most promise in terms of enhancing participation.

In some cases social funds have effectively used community institutions to *operate and maintain* services. In Zambia, more the 60 per cent of parents pay fees to school committees to cover the costs of routine maintenance of investments supported by the social funds. Project *implementation* does not call for extensive popular participation. It is more of a technical matter and is looked after by the local social funds' project group – often in collaboration with local government. According to the original intentions *project selection* is supposed to be a participatory process reflecting the preferences of poor communities. Evaluations of participation in project selection show, however, that there are large variations in citizen involvement. One evaluation notes that project selection is done in collaboration with citizens only in 25 per cent of the reviewed projects. Moreover, when citizens are consulted there are several mechanisms that can distort local popular preferences which nominally should be reflected in project choice. Such mechanisms include

- – Exploitation of control over knowledge by technical elites influencing project selection to their own advantage;
- – Manipulation by elected representatives of the relationship between communities and the social funds;
- – Inability of poor and disadvantaged groups to make their voice heard due to lack of adequate interest organisations;
- – Lack of information in the community that hampers participation in decision-making

5.3   Synergy between decentralisation and social funds?

There are instances where decentralisation and social funds have supported each other in important ways. For example, social funds have encouraged the expansion of undeveloped decentralisation where and when necessary. According to Parker and Serrano (2000) this is the case in Cambodia, Malawi and Zambia. In these countries central governments were slow to decentralise functions. By channelling resources to community groups, social funds demonstrated the feasibility of and potential for participatory *planning* that thus served as an example of decentralised local government planning. It is also relevant to highlight the mechanisms by which governments can *imitate* good practice in *managing* social funds. Such mechanisms include principles of

matching grants and forms of successful popular participation in operation and maintenance systems.

This can work in the opposite direction too. For instance in countries where decentralisation is advanced, local governments may support the operation of social funds. Both in Bolivia and Honduras, governments have responded to the establishment of social funds by integrating their resources with local government budget procedures as part of a broader intergovernmental fiscal reform designed to improve funding of local development.

There are also instances where social funds seem to undermine popular participation and popular interest in elected local government bodies. For example, the social funds in Peru minimised the role of local governments in their operations. As a result, some local governments perceived their legitimacy as co-ordination agents of local service delivery as eroded. With this case in mind, Parker and Serrano (2000) conclude that 'if local government is perceived as making little difference to communities, they will pay less attention to ensuring local government accountability [and] give citizens more reason to distance themselves from local governments.' Thus, the design of funds needs to be sensitive to the context where they are intended to work, realise that they are part of local level politics and designed expressly to enhance accountability and transparency in these processes. A decisive factor for achieving these objectives, not only in the managing social funds but also in local government affairs, is the existence of a politically aware and participatory civil society.

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