

SDC Democratization, Decentralization and Local Governance Network (DDLGN)

Face-to-Face Meeting in Pemba, Mozambique, 14 – 19 June 2015

Analytical report

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Introduction

SDC's thematic network on democratization, decentralization and local governance DDLGN held its forth face-to-face meeting in Pemba, Mozambique. The organizing focal point team and working group planned for various reporting tools to ensure that the thematic discussions were stimulated during and after the event, the lessons learnt on content and methodology would be drawn and kept, and could be communicated to a broader circle of interested persons. A blog was established and used during the event summarizing the highlights of the day, presenting the topics and debates, focusing on the stimulation of discussion among participants through texts, pictures and videos. A brief report for the management of SDC was drafted. This longer analytical report complements the blog and aims at providing some lessons learnt to the management of the DDLGN on how to organize learning processes, shaping F2F events and address DDLG topics in this context. The methodological lessons learnt could also be relevant for other thematic networks of SDC.

For a brief report on the F2F, the detailed programme, presentations, discussions and comments see the blog on www.F2F-ddlgn.net.

1. Objectives, design and methodology

1.1 F2f objectives and participants

Decentralization, democratization and local governance are dimensions of good governance involving public sector institutions as well as political and administrative processes at various levels. The organizing DDLGN core group and focal point team were clear from the beginning that democratization and decentralization themes must be addressed in a way that enables participants to look at them in a systemic perspective and create a systemic understanding of the topics and the way to address them in development cooperation. Main stated objectives of this F2F were to improve relevant knowledge of SDC staff and partners within the DDLGN network, raise awareness for expertise and support available within and beyond the network, connect with and learn from the knowhow and experience of peers and to discuss about the network's future agenda.

63 participating members of the network found their way to Pemba. This number included 12 SDC staff from headquarters, 33 SDC collaborators from SCOs (8 transferable Swiss staff, 25 locally recruited staff), 7 representatives of partners implementing SDC programmes locally, and 11 experts/representatives of international and Swiss partner organisations). Three facilitators (one external consultant and two members of the network), two reporters and an assistant completed the picture. This means that roughly two thirds (40 out of 63) of participants were linked to local programme management in the various partner countries. From the participating SCO staff, two thirds were national or regional programme officers. 18% of participants came from SDC headquarters (mostly the DDLGN core group incl. regional advisers on governance) and an equal number of 18% were external experts (IDS, IDEA, swisspeace, Helvetas/Intercooperation Switzerland and international experts from various universities). Only very few participants represented higher SCO and headquarters' management functions. SDC's regional divisions (East Asia, South Asia, CIS, Western Balkans, East and South Africa, Western Africa, Latin America and the Caribbean) were all represented.

The F2F meeting was organized in Pemba the week after a regional workshop on social accountability (organized by SDC's East and South Africa Division ESAD) had taken place there. This had the positive

effect that trips from headquarters and from the region could be combined, contributed to logistic synergies and facilitated broad participation from the region. However, due to logistic challenges (complicated and last minute visa requirements, unforeseen challenging flight schedules and thus long and complicated trips), some DDLGN members particularly from Latin America and the Western Balkans were not able to reach Pemba.

A specific challenge that had some impact on participation itself was the language barrier. The event was designed as an English spoken event, as the DDLGN communicates generally in English. This was limiting vocal participation for several non-fluent English speaking participants.

1.2 Preparation, design and methodology

Face-to-face meetings are assigned an important role in the learning process of a virtual network, complementing the electronic exchange with personal contacts between the focal point team, the members and experts. In the case of the DDLGN the F2F 2015 could build on a successful history of three previous meetings, on past achievements and experiences of the DDLGN as well as established and lively network with many participants that were already connected to each other and motivated to learn. E-discussions organized in the months previous to F2F enhanced the motivation to engage in peer exchange and lead into the selected topics.

With a view to prepare the event a working group was formed in the beginning of the year (6 months prior to the event). It comprised most of the members of the core group and one member of the gender network and ensured linking-up with the C&HR net and the OSA division, since the F2F took place in this region and was held back-to-back with a regional strategic workshop on the topic of accountability.

Learning processes in a large group have specific logics and dynamics that have to be taken into account in the design and facilitation of a F2F event.¹ The programme for the event was developed by the focal point team and the facilitators in great detail and with frequent consultation with the working group. (For details on the steps that have been followed, see Annex 1). The preparation started with discussing and formulating clear objectives, the overall purpose and the thematic focus for the event. Before starting to discuss detailed issues on the two key topics (accountability and fiscal transfers) a conceptual overview for each of the themes set the foundation and framed the discussions. Several meetings were necessary to select and specify the content, define learning goals and develop a shared vision about the lead questions to be discussed and the process flow for each of the sessions, design the appropriate methodology and identify and brief possible resource persons in advance. Each session had its specific set of learning objectives linked to the overall objectives of the F2F so that the various sessions could feed into a comprehensive process.

During preparation the responsible person for the content of each session was identified and everybody with a particular role during the session carefully briefed on objectives and methodology. The focal point team members were all assigned presentation roles to provide them an opportunity to present themselves as committed experts. The core group members were actively involved in the preparatory briefings, coaching of case study owners and all assumed roles as moderator and/or presenters of group work. This was important to ensure broad based ownership and co-responsibility for the event and for valorising their important role and commitment as core group members. A

¹ The guiding principles for the facilitation are summarised in annex 2. The principles and the patterns are well documented in many publications on facilitation. One of many references is www.artofhosting.org.

facilitation team was formed complementing each other with different competences on learning processes and content. Two core group members were part of this team which offered them an individual learning opportunity in terms of facilitation skills, and vice-versa benefitted the f2f facilitation with their conceptual thematic knowledge and operational experience. A reporting team was assigned to design and feed the blog and document the exchange and learning.

Four days of the programme were dedicated to exchange and learning. **Programme design and methodology** followed the logic of some basic insights on how learning may take place. *Firstly*, participants drive and realize change if and when the working conditions and environment favour learning and they own the process and the content of learning. Thus, the F2F programme design aspired to open spaces favouring learning and sharing, to take ownership of the process and responsibilities for individual learning outcomes at various levels:

- The discussion around examples from SDC's own practice presented by SDC staff from SCOs within a given conceptual framework was instrumental for triggering peer learning and reflection: While raising awareness about differences and similarities, challenges and opportunities for addressing the topics in the different contexts, the examples were seen as sources of inspiration and knowhow to be used in other contexts. Many of the participants presenting their country example to a group of peers reported that this presentation also gave them a highly appreciated opportunity for reflecting about their own practice and receiving fresh and concrete inputs from peers.
- Throughout the F2F discussion groups were continuously mixed in many different ways, with a view to engage participants in the learning process, cross-fertilise ideas, allow ideas to emerge, create collective and individual insights, and establish and strengthen personal links. Restitution sessions served to anchor and reframe knowledge shared in group discussions. This helped to strengthen the sense of belonging to a big community and stimulate ownership and thereby commitment.
- Responsibilities for group moderation was handed over to participants (while the facilitators kept a strong presence in the background) and thus contributed to create a sense of ownership.
- Working spaces changed from inside (for the plenary) to outside (group discussions in an open-air setting under palm trees) helping to lighten the atmosphere. Evenings provided informal space allowing for a balance between facilitated and clearly framed learning processes, and self-organised exchanges with colleagues.

Secondly, learning and working in a complex system require a multi-perspective approach. Expert inputs from various perspectives were balanced with individual and group reflections and provided opportunities for discussion based on concrete examples, looking at topics from strategic and operational perspectives and from a variety of contexts. Care was taken in each session to involve participants in different roles, providing and receiving information and knowhow, as resource persons, experts, facilitators, discussants, context specialists, reporters etc. This permanent shifting between "giving" and "taking" roles was expected to make it easier for participants to ask questions or to require support, thus contributing to a culture of peer exchange and learning.

Bringing in a new perspective the short **field visit** was seen as useful despite of the limited time available. It served the purpose of a glimpse of reality of the host country, particularly because it was

embedded in the thematic topics of the F2F and establishing the nexus from prior discussions of «accountability» to the subsequent topic of «fiscal transfers». It not only brought a welcomed break from the rhythm of presentations and analytical discussions but also allowed for fresh air and new perspectives on the topics at stake, through the interlocutors the four groups were able to meet. The multiple observations from the peer group, the joint discussions on these observations and the variety of interpretations in a context that was not familiar to most of the participants, added greatly to the reflection. Participants were able to engage in vivid discussions and reflections about what they had seen in the district offices and villages, based on the conceptual framework provided by the F2F discussions the days before. The field visit also helped to keep a systemic perspective and a clear focus on accountability even when discussing technical issues of financial transfers. Room for improvement in the field visit could be a better preparation of the visiting group as well as the interlocutors with regards to clarity on the objectives of the field visit, the focus and phrasing of the questions adapted to the interlocutors, organising the dialogue with the interlocutors, in particular in a large group of about 20 people in the light of difficult translation.

Thirdly, dialogue and conversations help create concrete meaning and consolidate information by extracting the most relevant elements and reducing them to a sizable dimension – and enable participants to apply the learning in practice. While a clear thematic frame was given in an introductory presentation for each topic on the agenda of the F2F, conversations and dialogue created an increasingly shared and owned understanding of topics and concepts. The blog documented the main discussions and learning of participating individuals, thus contributing to a thematic conversation within the network beyond the event. Throughout the F2F, participants engaged very actively in the debates. However, the group of French native speakers who were not fully familiar with (oral) English had limited possibilities to contribute to the discussions. Spontaneous arrangements were necessary to accommodate francophone group discussion and to provide some translation during plenary discussion. A more systematic approach to language issues would be necessary in the future.

Evaluating the results of the F2F most participants expressed their satisfaction with the mix of methodologies, the variety of perspectives, the engagement of the group, and the experienced change of roles. It was said by various participants that the participatory preparatory process led by the focal point team together with the core group and the involvement of several DDLGN members seemed at times a bit heavy but proved to be very successful both with regard to the thematic as well as methodological learning of participants. The F2F showed a great wealth of knowhow, experience, commitment, in-depth reflection and innovation available among SCOs (particularly through specialized NPOs participating), headquarters, and partners. This makes it particularly worthwhile to invest in peer learning. New contacts were made to transfer expertise and knowledge from one SCO to another. While the DDLGN will continue to offer virtual platforms for exchange, the learning from concrete examples was perceived as very useful and the idea of facilitating study visits to intensify the peer learning in a more tangible way was raised.

The final half day was dedicated to the **future topics** of the DDLGN, which were summarised on the basis of past activities and focus of the network. Participants were invited to concretise their ambitions for learning regarding content and methodology. This participation was carefully handled with respect to the roles of participants and the core group: While the participants contribute to the substance the core group will be responsible for developing a strategy for the next two years. Decision-making process on strategic orientation will take into account that participants' continuous

engagement needs clarity, with regard to the future learning process, the topics it will take up and the roles DDLGN members will play in the process.

2. The thematic discussions and learning

2.1 Selection and sequencing of topics

The core group and the focal point team selected the two main topics accountability (incl. parliamentary assistance and the learning project on “actors in local democracy”) and fiscal transfers (incl. in fragile and conflict affected situations) to respond to the thematic interests expressed in the network. The topics built upon previous work in the network with a view to deepen joint understanding and learning. Accountability is essential for applying the concept of power sharing and control of power. It can contribute to trust building and is a key element for the protection and fulfilment of human rights. Fiscal transfers are often the major source of income for subnational governments and thus crucial for their effective functioning.

Each topic was introduced by a presentation framing the topics and issues at stake lead by the focal point team and external experts. Discussions among experts and SDC staff based on examples of SDC engagement presented by SDC staff allowed for addressing strategic and operational issues. By contributing very actively throughout the F2F participants showed a keen interest in all the topics. Many participants said that both the selection of topics and the way how they were practically addressed were very relevant and useful for their practical work. The following sections will summarise main elements of the understandings and learning shared in the plenary.

2.2 Focus on “accountability”: lessons learnt at various levels

The first two days focused thematically on various aspects of accountability (conceptual issues, support to parliaments, «actors of local democracy»). For both main topics the programme’s methodology focused on a mix of expert inputs and discussion among peers, mainly based on SDC examples that were presented by participants.

As an introduction to the topic, Corinne Huser, DDLGN focal point, presented a **systemic conceptual framework** to work on accountability. Accountability is a key element of good governance and it aims at implementing a system of responsibilities and rights in the public sphere. It characterizes the relation and interaction between a variety of governance actors in the public system, at various levels, in various forms. In public governance, power holders have the authority and responsibility to fulfil public tasks – and they must be hold accountable for doing so, to ensure effectiveness and efficiency of public services and avoid abuses of power. Accountability is based on the following key pillars: Authorities have to provide **information** and be **transparent** on who is responsible and how a certain task should be and has been fulfilled, provide answers to questions on the tasks or services delivered, respond to the needs of citizens who have the right to access the services (**answerability, responsiveness**). It also means that responsibilities can be enforced. Good performance should be rewarded (e.g. by re-election of the government) and negligence of responsibilities or abuses of power sanctioned (**enforceability**).

Horizontal and vertical forms or dimensions of accountability can be distinguished: The vertical dimension is about the interaction between citizens and central/subnational authorities or state institutions (“social” accountability”). Citizens in this case often interact via so called intermediaries

(e.g. different types of civil society organizations, media, political parties), or they express their level of (dis)satisfaction in elections. The horizontal dimension entails the relationship between different parts of state institutions in charge of exerting control over each other: (the parliament's oversight role on the executive, the judiciary's legal control over the executive as well as the parliament, 'independent' oversight institutions, e.g. ombudsperson, commissions etc. and not to forget the mechanisms ensuring internal accountability within the government and its bureaucracy). The various forms are closely interlinked and reinforcing each other. In a democratic system, the dimension of social accountability should be complemented by dimensions of "political" accountability (involving the parliament or independent oversight institutions) or "judicial" accountability. Accountability dimensions are an intrinsic part of the institutional set-up of the State. Alliances between different actors claiming for accountability are important for the effectiveness of such initiatives.

External actors such as development agencies have to be aware of the role they can play in **supporting accountability** mechanisms and systems. At an international level, accountability is seen as a key factor for sustainable development and the quality of public spending both in developed as in developing countries (see SDG 16, OECD's principles). From a sustainability perspective as well as from the perspective of legitimacy, SDC must support locally owned initiatives. It is particularly important to assess the context and identify entry points for an external actor, the power relations of the local actors involved, the political space (and risks) of SDC and partners to engage in accountability. SDC has to reflect its own role as actor in given systems and to consider possible distorting effects it can have on accountability relations.

As it appeared in the group discussions (relating to examples from Mali, East and Southern Africa, Pakistan, Bhutan, and Macedonia) SDC is already increasingly applying a more systemic perspective in its support to accountability actors, institutions and processes. For example in Bhutan SDC is contributing to strengthen the oversight role and civic education work of the anticorruption commission while linking up with another SDC project on empowering community forestry groups. In Macedonia SDC is supporting the oversight function of local parliaments and institutional capacities of the national parliament, and is at the same time supporting forums for public deliberations and strengthening effectiveness, outreach and credibility of civil society organizations in defending the interests of their constituency. In East and Southern Africa civil society initiatives to claim for accountability of local governments are linked to media initiatives and to supporting parliamentary commissions in their oversight role. And in many countries SDC is supporting election processes as key moments of accountability. The examples of Mali and Pakistan hinted at the important role of traditional/religious authorities in local governance processes and the question about the accountability role of 'informal institutions'.

Participants referred to a range of challenges and opportunities, and open questions they are and will be confronted with in the future. Among others the following key aspects were raised in many forms:

- Accountability mechanisms have to be seen in a context of mutual **relationship between various actors**. Accountability relations link the various public actors in a complex system. While the government may be accountable to the parliament on public spending (via decisions on budget, accounting, or financial control), it may also be accountable to the judicial system for respecting the law. Citizens are important actors for claiming

accountability from authorities – but they are also accountable to the State authorities to comply with their citizen's tasks (e.g. paying taxes, exercising voting rights). Supporting accountability mechanisms has to take into account the existing accountability systems and take care that supporting one mechanism (e.g. the ombudsman) is not weakening another mechanism that might be even more important (e.g. the judiciary).

- The **context factors**, the analysis of existing mechanisms and actors and the local dynamics are key for developing new mechanisms. The dynamics of accountability mechanisms and the power interests involved may change rapidly, and interventions must be constantly checked against reality. At first invisible, informal actors may play important roles in all kinds of accountability mechanisms. Of course, accountability mechanisms are not sustainable if they are more or less copied from other countries. For example, if they are too costly in relation to the resources available, they might not survive the donor investment.
- A lack of accountability contributes heavily to a lack of trust and is therefore an important element of fragility of state structures. In **fragile situations**, SDC often works at local level, sometimes through local NGOs or even traditional authorities to build up social accountability. But under what conditions should we work with traditional authorities, or NGOs? What is the role of SDC here?
- In general, SDC is quite strong in building-up local accountability mechanisms involving citizens and marginalized groups as well as local authorities in many contexts. How to bring this **experience to a more strategic and national level**, how to link it with other accountability mechanisms, to make it more relevant, sustainable and effective?
- **New IT-technologies** make it easier for citizens and interest groups to access relevant information also for marginalized groups and help reduce vulnerability of those claiming accountability. How to use e-technologies best without losing sight of the fact that transparency is more than e-communication?
- Accountability is a pillar of good governance and sustainable development, and it will improve performance of public services in the long run. But **how to balance** the need for accountability mechanisms (that might need a considerable amount of scarce resources of time and money) with the claim for effective and efficient decision-making?
- Only recently donors have started to look for evidence for the impact of accountability mechanisms and analyse the contributing factors. How to **assess the impact** of specific mechanisms and forms of accountability on a country's development? And how to assess SDC's contribution to the strengthening of such mechanisms? SDC will need to reflect carefully on the impact hypothesis linked to its interventions. Expectations should be carefully framed and phased.
- Accountability has above all a **transversal dimension**. To make public services more sustainable, accountability relations between service providers and users, between public authorities and citizens will be needed. Development cooperation must not only establish service delivery but support developing mechanisms that ensure transparency, responsiveness and enforceability of e.g. water services.
- Accountability has always **political dimensions**. It is perceived as challenging by many power holders who often do not like to be reminded of their responsibilities and the limits their

decision-making power. Therefore, accountability is closely linked to political economy, and the political interests of power holders may go against accountability – at least as long as they are in power. And often, elections are misunderstood as a blank check for governments. How to build incentives for authorities to feel accountable to citizens or to the parliament? How to build political willingness of the executive to invest in accountability mechanisms? And how can SDC and its partners manage the political risks involved with strengthening accountability?

- Accountability refers to existing standards and responsibilities power holders have to cope with. For example, it looks at how **existing standards should be implemented, monitored and enforced**, but does not focus on improving standards.
- Governments depending on donor money will tend to feel accountable to donors more than to their citizens and users of public services. In terms of national accountability, development agencies have often contributed to accountability gaps and played a negative role by holding governments directly responsible, thus **building parallel accountability systems** instead of strengthening national accountability lines. How to combine SDC's internal accountability mechanisms (monitoring and reporting) with strengthening accountability systems of the partner country?
- In many countries SDC seems to be perceived as a neutral partner (non-allied with important Western powers such as the EU and the US) that has **no hidden political agenda** when engaging in political issues such as accountability. This perception of impartiality can help SDC to play a role of bridge builder and engage in politically challenging situations.
- The complex role of the **private sector** in national accountability systems was raised several times. Holding them accountable for illegal action is a challenge in many contexts, and they can also play a role in claiming accountability from the political power holders. Since private companies often depend on public reputation, accountability is a specific challenge to them. SDC could have a specific role in making transnational companies more accountable to the standards of the host countries and the rights of local citizens.

Summarizing the **strengths and weaknesses** of SDC, the external experts confirmed a positive picture of an agency that uses accountability not as a technical tool but as a way of looking at things and working politically. SDC is aware that building-up accountability systems is a long term process of change that needs long term investment also from donors' side. SDC focuses attention to the local level, is clearly aware of the political dimension of accountability and aspires to do no harm. It is often learning by doing and open for critical reflection at various levels. SDC is aware that its perception of neutrality and impartiality may provide opportunities to play a specific role in politically delicate contexts.

The external experts also provided some **recommendations** where they saw room for improvement: In their views, SDC should more systematically address the relationship between accountability and fragility, enhance the leverage by engaging with the bigger political picture and linking local action with national approaches, should more systematically address the multi-coloured role of media in enhancing accountability. They recommended to making assumptions and hypotheses of change more visible and explicit, assessing the context carefully, systematically and continuously including the changing roles of and interactions between formal and informal accountability mechanisms and actors; and collecting evidence of results and impact. It was also recommended that SDC and

particularly DDLGN should address more systematically the methodological question of comparative analysis: What are the factors that make things work independently from the context? How can we learn from each other when everything depends on context?

2.3 Supporting political accountability: Parliamentary Assistance

Harald Schenker, DDLGN focal point Team, and Franklin de Vrieze introduced participants to the three main functions of parliaments in a democratic state: law-making, representing citizens, and oversight. For **law-making**, capacity for analysing the relevant context and legal drafting is needed. Thematic parliamentary committees focus on legislation, and external experts often are sought to provide the needed specific knowhow. For the **representative function**, parliamentarians are expected to feel accountable to their electorate or constituency, outreach to and communicate with citizens or citizens' interest groups with a view to frame legislation responsive to the needs of citizens. The **oversight function** is framing the horizontal accountability relationship or "checks and balances" between the parliament and the executive. At least in theory, the parliament has a privileged access to information from the government, on financial issues through budgets as well as on policies and individual measures, making it an important accountability actor. It often has also some investigative power. A mapping on support to parliaments commissioned by FP DDLGN show that donors increasingly support these functions by strengthening the capacities of parliaments and its administrations, sometimes focusing on key stakeholders within the parliaments (speaker or president, political party leaders, committee chairs) and the parliamentary administration (Secretary general, specialized staff, research centers). One of the key challenges of donor support is ownership for designing and managing reforms: due to the frequent turnover and often also because of dominant international experts, parliament and administrative staff often tend to be sidelined in the process. In many cases both parliaments and donors lack the needed long term donor commitment for reform, and often MPs and their staff lack the necessary knowhow particularly in financial management (budgeting and accounting).

SDC provides support to parliaments at national, regional and local levels, in their legislative, oversight, and representative functions. According to the Federal constitution, Switzerland's foreign policy has the explicit objective to promote democracy, thus providing a solid constitutional base for such support. Moreover, parliaments are key for development: the parliament's representative function is an important aspect of political inclusion, laws are framing development and providing legitimacy to government action. Finally, the parliament is a key actor on public financial management and accountability. In this sense, parliaments can be key actors in favour of inclusive and sustainable development. If it is based on a legitimate election process, the parliament can offer a formal platform for political debate and serve as a bridge and confidence builder among competing parties as well as between citizens and the State, particularly in fragile situations. Parliaments can and should play an important role in framing sector policies, particularly through the specialized committees that often engage in preparing legislation and policies.

SDC has a specific role in supporting parliaments in many cases, due to the perception of Switzerland as a neutral and non-partisan country, with a political system based on consensus, taking local actors seriously. SDC often works at a more technical level while other donors focus on short-term high-level contacts. There is a potential of working more intensively with UNDP and with the Inter-Parliamentarian Union IPU based in Geneva that sets the standards for parliamentary work all over the world. The discussion based on the examples of SDC's engagement in Laos, Cambodia,

Macedonia, and Serbia identified a series of opportunities and challenges as well as context factors that have to be taken into account when supporting parliaments.

- SDC has experience with punctually supporting local parliaments in many cases but local parliaments often do not have important roles in shaping development strategies and it is difficult to get results beyond very local processes of social accountability. A more systemic approach is needed and being tested in Macedonia.
- The electoral system is framing the type of parliament resulting from elections, the relationship between MPs and their constituency on one hand and between MPs and their political parties on the other. Supporting electoral system reform can be an entry point but also a complementary field of intervention to “pure” parliament support
- Supporting **electoral processes** for the national parliament (together with other donors) may be an interesting entry point. In any case, support to parliaments has to be looked at within the electoral cycle and the annual cycle of parliamentary work.
- Parliaments tend to **need support** in developing legislative skills and financial management (PFM) skills, management skills for developing a sound working methodology and tools, leadership skills for the committee chairs, technical capacities for change management. It is important to focus on institutionalizing capacities – and not supporting individuals only.
- In some support projects **gender aspects** are taken into account: women candidates and women MPs often need special skills and resources to be successful, and parliamentary processes often tend to side-line women from taking powerful positions. Gender aspects (and the existing knowhow in this context) would need to be considered more systematically, not only with regard to formal representation of women and men but also with regard to decision-making (e.g. women caucuses, gender budgeting).
- The parliament’s oversight role is often hampered by the **dominance of the ruling party** on power. Of course, the parliament’s majority tends to have no interest in criticizing its own government. Public hearings on specific topics (organized by the parliament) may serve as entry point to broaden the picture and allow for diversity even in a one-party system. Moreover, parliamentary investigations are efficient accountability tools only if information on misbehaviour is followed by sanction, particularly if the judiciary is working effectively, able to investigate and enforce legal norms in individual cases of mismanagement.
- The **political parties** and their leaders are key actors that must be addressed in any case. However, this is politically sensitive, and SDC has to be cautious not to be perceived as partisan, particularly because development cooperation still primarily works with the executive, thus with the political parties in power. SDC made positive experience in strengthening multiparty links, by strengthening multiparty work at all levels (e.g. thematic parliamentarians’ groups, caucuses). SDC can have an even more important role in the delicate area of facilitating **political dialogue** but not deepening political cleavages, and focus on supporting platforms and mechanisms that are open for a diversity of opinions.
- **Peer learning** also seems to be a good methodology for MP’s capacity building. Well framed and organized study visits of MP groups (including members of different parties) may have good results at various levels. Study visits to Switzerland can also be linked to a visit to IPU Geneva.

- The **role of NGOs in developing parliaments** must be carefully looked at. If NGOs are focusing on research, they may play a positive role in supporting the analytical capacities of parliaments and their administration. However, research NGOs may not always have an interest in building up institutional research capacities of Parliaments, since this may take off their own “raison-d’être”. If NGOs are focusing on scrutiny, they must have an independent role – and donor funds for parliaments should not be channelled through them.
- Parliaments often have important roles in legislation and financial oversight relating to specific sectors of public tasks. Thus, involving parliaments should also be part of our thinking when engaging in a specific sector, for example by **policy dialogue on sector reforms**.

2.4 The DDLGN learning project “Actors in local democracy”

Under the heading of «actors in local democracy – opening up the perspective», a learning project of the DDLGN (co-managed by IDS, Swisspeace, and Helvetas-Intercooperation) is looking at what kind of actors SDC is working with at local level, and which ones not, and what roles they are playing in local governance. In a mapping exercise of “so far less targeted actors” several SCO’s expressed their interest to learn more about the category of informal authorities or institutions. They do not have formal authority but can play an important role in local political contexts. With a view to better understand the spaces and processes through which informal authority is claimed, negotiated and exercised, the learning project conducted three case studies on religious authorities in Macedonia, on customary and informal authorities in Tanzania, and homeland associations in Mongolia. An e-discussion was organized within DDLGN in April 2015, and the intermediary results of the learning project were presented at the F2F as work in progress.

The discussion on the preliminary key findings showed that participants are aware of the various roles informal authorities can take up in various contexts, and are interested in knowing more about how to address hidden powers and the political economy behind it in their programmes and projects. Several issues were raised:

- Informal authorities can draw their legitimacy and power from a variety of sources (religion, tradition, economic success based on legal or criminal activities etc.). Thus, they can have a variety of value systems, objectives and roles – in conformity or not with the goals of formal authorities and donors.
- Informal authorities often rely on very efficient social networks, trust, social reputation that is particularly important in fragile and conflict affected situations when formal authorities are not trusted.
- Informal and formal authorities are often perceived as a continuum, not as parallel and separate systems. Particularly in West Africa where the formal systems failed to be operational to a great extent, informal systems still fill the gaps, and development cooperation should systematically work with both.

For SDC this implies that attention must be paid at hidden and invisible power systems at the very local level but also at a national level. A careful mapping of actors, their values and objectives is important, and opportunities and risks must be continuously assessed with a view to adopt an adequate approach and conflict sensitive way for addressing and engaging with them.

The last step of the learning project will consist of developing analytical guidance for exploring informal authorities, based on the elements: (1) Understanding the role of informal authorities in the

local governance system and the effect on *good* governance (2) Understanding the forms of power they wield and how legitimacy of informal authorities is built and (3) the relationship to formal state structures. The learning project will develop simple guidance for mapping and analysis of informal actors (building on existing tools), with a view to a more comprehensive programming of interventions. As an immediate result of the f2f SCO Mali expressed keen interest to conduct another action research on traditional authorities.

2.5 Intergovernmental fiscal transfers

Jonas Frank, focal point team, and Stephan Bruni (University of Lucerne) introduced the topic of intergovernmental fiscal transfer schemes. While the objectives of intergovernmental fiscal transfers vary, the core objectives include: addressing the fiscal gap resulting from the allocation of revenue and expenditure responsibilities across different levels of government; subsidizing sub-national service provision to compensate for cross-boundary or spill over effects (externalities); ensuring equalization so that sub-national governments can provide similar standards of services with the same tax effort. The latter is an important policy objective given the increased involvement of subnational governments in taxation can lead to further inequities in spending. Important drivers of inequity are uneven levels of fiscal capacity; different costs for service delivery and differing population needs.

The main design elements of fiscal transfers were presented, including earmarked/conditional and non-earmarked/unconditional; rule-based versus discretionary assignments; non-matching and matching grants. The presentation discussed the different effects and relevance of each of those design choices; principles for designing IGFT schemes; as well as lessons learnt from supporting mentioned schemes. Fiscal transfers have to match the intergovernmental model as well as roles of subnational governments. For instance, excessive reliance on earmarked transfers can undermine local choices and therefore the main advantages of decentralization. Across many countries a significant challenge for an appropriate design of fiscal transfers is the lack of reliable or comprehensive data at central and sub-national levels.

Donors have been increasingly aware about the fundamental importance of grants to sub-national governments. They are moving from the funding of individual local projects to supporting formula-based grant schemes for sub-national governments; they are also increasingly engaging in policy dialogue on the design of such schemes; and supporting the adoption and management of performance based transfers.

The role of transfers varies considerably in fragile and conflict affected situations. Countries exhibit different forms of intergovernmental systems: there is often high hope that federal systems can lead to checks and balances among different state powers and levels of government, however in practice informal arrangements often prevail, starting from postponement of elections to non-functioning of federal councils. Different to non-conflict states, fiscal transfers are often serving the purpose of fiscal appeasement or preserving the union, or avoiding migration. A frequently used design element of intergovernmental transfers in conflict affected situations is “equal shares” (meaning: a certain amount of resources is divided by the number of subnational governments and each receives the same amount) which facilitate political agreements however lead to high per capita inequities (given the size of subnational units varies). As a result of the often informal assignments of revenues and weak organizational structures, along with the political struggles, resources are frequently managed and spent in an uncoordinated way, which is particularly visible in human resource management: it is

often disconnected to tasks and responsibilities of subnational governments. On the other hand, military and security expenditures frequently crowd out investment spending for social or economic purposes. Building basic PFM capacities, and sharing of information on revenues and budgets in decentralized systems can contribute to generating trust and should remain the first step when the objective is to strengthen multi-level systems as well as supporting a political settlement conducive to state building.

The debates that proceeded on the topic of fiscal transfers demonstrated the challenges associated with this area of support:

- The principle of fiscal equivalence (matching fiscal resources with responsibilities) is an important principle for the distribution of tasks and resources/taxes between the central and sub-national level. Many issues regarding fiscal transfers are linked to an unclear distribution of tasks and thus unclear responsibilities and accountability lines. Understanding the system and adapting resource flows to these design elements is critical.
- There is no magic formula for a transfer scheme. The design must be adapted to the purpose, and the various purposes are not always convergent.
- On the one hand, in fragile and conflict affected situations, service delivery objectives (fiscal gap; addressing externalities; cost and need-based factors) for the design of transfers might take a second order importance to preserving “the union” and “holding-together” arrangements and commensurate distribution formula (equal shares). On the other hand, examples like Somalia demonstrate that building transfer systems have the opportunity to be adopted “from scratch”. However, even there it is questionable whether the fiscal transfer scheme designed and funded by donors can be sustainable.
- Questions were raised with regard to the formulas used for determining the grants, and whether the allocation of resources should be linked to social inclusion criteria and explicitly supporting poverty criteria. The decision on formulas will always remain a political one, however it needs to be underpinned by robust technical analysis. From a technical point of view also, formulas should not be overloaded and kept simple, with transparent criteria.
- The timeliness of fiscal transfers is an important factor. Resource flows should be predictable.
- Civil society can be crucial in monitoring performance of services and authorities at central and local level.
- The pressure to deliver results in improving services can lead to increasing conditionalities for the use of resources (as evidenced by countries in the OECD and elsewhere); this can run counter to the principles of decentralization.

In any case, a systemic approach must be taken to fiscal transfers. Understanding the legal and policy framework as well as the multilevel distribution of revenue and expenditure responsibilities among line ministries and sub-national governments is critical for the issue of transfers, as are historical legacies and political conditions and relations among different stakeholders.

3. Follow-up

3.1 Transfer of learning

The most important follow-up of a learning event is the transfer of learning into the everyday work of individuals and into the life of the institution, e.g. in defining and implementing programmes and strategies. Since individual and institutional learning are a very complex process and change of behaviours and attitudes will never be attributed to the F2F only, it will be a challenge to monitor what contribution the F2F may produce at the level of individual and institutional behaviour. The DDLGN will have to answer the question whether the short and medium term results for the DDLGN are worth the considerable time and effort spent on the event. One possible approach could be to run a survey in approx. 6 months about what participants were able to incorporate in their work.

As it has been shown in the previous sections, the F2F provided participants with a rich panorama of issues and questions based on and instigating individual reflection and learning about the topics at stake. While participants expressed their satisfaction about the explicit learning from experts and peers, important implicit learning took place based on the rich interaction with others in different methodologies and roles e.g. as resource person, moderator of a small working group, panellist, facilitator of critical experts' talk. The learning of participants about communication and the learning process itself, anchoring and sharing of knowledge, about networks and their dynamics should not be under-estimated. All these elements will contribute to motivate participants, build ownership and commitment for staying engaged with the DDLGN.

As an immediate follow-up, the blog was completed (with presentations, photos, videos, interviews, additional relevant material), and a brief report for the management as well as this longer more analytical report was produced and shared. In particular, the focal point Team and the core group plan for a series of follow-up activities:

- Information to the operational divisions of SDC headquarters: Presentation of key learnings, concepts and standards, discussion about specific entry points (using the spaces available, by focal point and core group members);
- Detailed report of F2F and standard PPT presentation to SCOs and regional advisors, to support their dissemination of key messages (focal point);
- Follow-up in the context of PCM milestones core group members are involved in (core group members);
- Sensitize SCO management to refer to F2F learning in their annual reporting and planning and in upcoming credit proposals – where appropriate (Core group members and participants from SCOs).

3.2 DDLGN's future thematic agenda

Participants expressed interest to further deepen understanding in actual thematic priorities and suggested additional new topics:

Current topics:

- **Accountability:** refining the concept and elaborate a brief position paper; impact hypotheses & monitoring; best practice and evidence of impact; how to support specific accountability actors such as media, parliaments, informal actors, CSOs; how to address corruption;

- **Fiscal decentralization:** core course on fiscal decentralization; country cases on transfers; position paper for transfers; Taxation, PFM related to local governments, budget support to local governments as specific support modality.

New topics:

- **Land rights:** legal framework and policies incl. relation between modern and customary rules, how to promote access and user rights, in specific sectors;
- **Decentralization in fragile and conflict affected situations;**
- **Local economic development:** impact of assignment of tasks and revenues on LED, role of subnational governments in LED, link with cadastre/land policy.

Last but not least, the DDLGN focal point will continue to have the responsibility to work on **mainstreaming governance** in SDC's work in general. This task will be completed in the follow-up-process of the external evaluation on mainstreaming governance in SDC that was accomplished in 2014. A series of suggestions were made by participants on possible activities (e.g. elaboration of guidance, focused learning on the aspect of inclusion in governance).

The focal point team together with the DDLGN core group will take this wealth of ideas and use it for the planning of the DDLGN agenda for the years to come. Thereby certain choices will need to be made according to available resources and commitments by the DDLGN members. Also, sequencing and prioritization will be necessary.

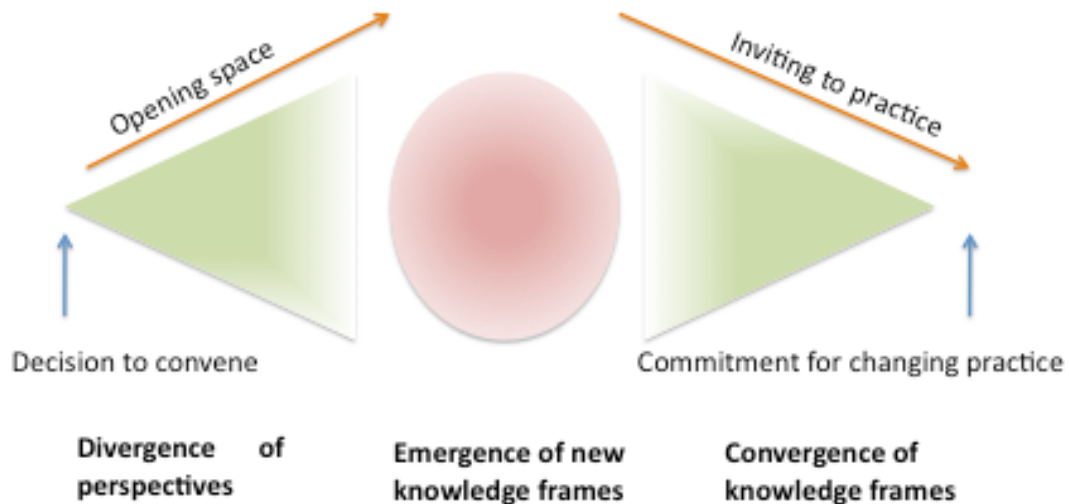
Annex 1: Steps for preparing and organizing a F2F

The organization of the F2F followed several steps, which do follow more a circular-iterative logic than a linear one.

Step	Key question or observation	Actors
Decision to convene in F2F	Is it the right time for the stage we are in? What is at stake here?	Focal point team and the core group
Forming the working group and bringing in facilitators	Who is our organising team? Commitment to the decision of convening, engaging	Focal point team and the core group
Purpose & objectives are clarified	What's the difference we want to make? What's the point? Core quality is defined	Focal point team, the working group, and the facilitators
Invite and assembling participants	Whom do we invite? Who brings which resources into the room?	Focal point team, the working group
Structuring the work and design the event in the preparation phase and during the event	What will we do together? How will we work together? How is a flow of the process established?	Focal point team, the working group, social reporting team and the facilitators
Meeting and enjoying the conversations	Host and link conversations to purpose and objectives	All participants, focal point team, the working group, social reporting team and the facilitators
Making sense, collecting and harvesting	What can we take up in our practice? What can we take up for the future of our network? Collectively making sense, shaping the information	All participants, focal point team, the working group, social reporting team and the facilitators
Planning the follow through	What will we carry forward?	All participants, finalised by focal point team and core group
Reflect and capture	What did we learn as individuals and as a network? As an institution?	Focal point team and core group, different stakeholders within the institution
Applying in practice	Learning manifests as behaviour change	All participants, focal point team and core group, different stakeholders within the institution

Annex 2: Conceptual background of the facilitation

Facilitating processes: basic pattern



Three phases of facilitation process can be distinguished.

- In the **divergence phase** people are connecting, opening up to see the diversity of approaches, sharing the common purpose, get in touch with past experiences, find orientation in a conceptual approach to oversee and manage diversity that helps to develop a common language. Bringing diverse views on the topics into the room, new concepts, research and international developments broadens the horizon, awareness is raised and new options become visible. Thus a tension is created between the current situation and the situation that could be. The motto of this phase is “Ask the good question!”
- The **emergent phase** aims at creating a new shared approach, a new knowledge frame, new ideas that are desirable and attractive. The motto here is “Evoke good stories!”
- In the **convergence phase** answers to certain questions and summaries are formulated, the preferred direction of participants becomes clearer, next steps are identified and commitment to a future process is spelled out for different roles. The motto in this dynamic of narrowing down is “Trigger future engagement!”.

The learning process of the F2F was guided by three key questions of systemic thinking:

1. Who is learning what, with whom, to which purpose?
2. Which design elements are needed in order to shape a learning process that
 - Strengthens a dynamic of mutual sharing in the network?
 - Helps establish new “knowledge frames”?
 - Facilitates the transfer to practical application in SDC?
3. How do we know about what has been learned by individuals or the institutions?