Local Governance, peace building and state building in post-conflict settings

A UNDP Discussion paper
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This draft discussion paper was prepared by Awa Dabo, Jago Salmon, Moises Venancio and Patrick Keuleers. While it builds on official UNDP, UN and other documents, it represents the opinions of the authors only, and not those of the United Nations Development Programme.
**INTRODUCTION**

Strengthening local Governments and improving local governance arrangements through some form of decentralization has been a policy priority for many countries, in a variety of political settings and various attempts have been made to issue guidelines to steer the decentralization process in both developed and developing countries. The Charter on Local Self-Government, adopted by the Council of Europe in 1985, aims to guarantee the political, administrative and financial independence of local authorities; it adopted the concept of “subsidiarity” by which decisions should be made closest to affected communities at the lowest possible level of Government. Strengthening and developing local Government has been seen as fundamental to increasing the quality and coverage of services to citizens, fostering local development and strengthening participatory governance at the local level. Today some 80 percent of Governments are thought to be implementing some form of decentralisation and steps have been undertaken towards the adoption of a World Charter or a set of international guidelines on decentralization.

Strong local governments and inclusive local governance arrangements are also increasingly seen as essential building blocks of the peace building process in post-conflict environments. However, while early support to strengthening some form of local government is crucial for delivering peace-dividends, international support to local governments and other local development actors, backed by sufficient field presence, has not always been timely and commensurate. UNDP spending figures confirm that lack of attention. In 2008/2009, 70% of expenditures in non-fragile countries were spent on local governance. In contrast, in fragile countries expenditures for local governance were only 14%, of which the largest portion (29%) was spent on law and justice reforms.

That picture is now changing as witnessed in various state and peace building processes (e.g. Nepal, Aceh Indonesia, Timor Leste and Sierra Leone), Strengthening local level governance structures has emerged as a key instrument for both national and international partners in managing the implementation and the long term consolidation of peace and stability. Local governments are now increasingly considered to have a key role in responding to the socio-economic needs of affected populations in both the immediate post-conflict humanitarian/early recovery phase and in the long term, as part of the consolidation of peace and State-building. Local Government authorities are viewed as pivotal in bringing formal state institutions into direct contact with their citizens and thus play a crucial role in establishing inclusive patterns of post-conflict governance, responsively providing services to divided populations and consolidating resilient law and order. Furthermore, attention to local governance can give voice to the local population, and enhance their participation in the reconstruction and peace building efforts and thus alleviate tensions based on social exclusion, polarization and regional disparities that are often at the origin of conflicts. It is also an essential means for increasing national capacities and ownership to lead recovery efforts across all the key phases, from the identification of needs, to planning, programming, implementation and monitoring.

But the challenges are immense. Countries emerging from violent conflict thus often need to make critical choices between the often momentous task of responding to the aspirations of different populations and the need to quickly reconstitute a semblance of government at local and national

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2. UNDP (2009), Public administration and Local Governance in Post-conflict environments, A UN Discussion paper on the Approach to Public Administration, Local Governance and Financial Transparency and Accountability in post-conflict peace building operations.
3. Data extracted from UNDP Atlas.
levels; between rapid economic development and longer-term peace consolidation and sustained development, and hence, the importance of addressing the root causes of conflicts.

There are risks. Strengthening local Government is usually associated with some form of power shift, transfer of competencies and fiduciary responsibility from central to lower levels of government. Hence, policy choices will fundamentally relate to the structure, size, mandate and resources of the different tiers of sub-national government as well as to the powers sharing arrangements between different groups within local constituencies. This includes both issues of representation - the extent to which local decision making bodies are genuinely representative and inclusive – and processes for direct participation. The central question of how resources are managed and how those power sharing arrangements are administered is determent for the decentralization option selected and conditions the link between effective state-building and successful peace-building. If the arrangements and mechanisms of decentralization replicate and reinforce social patterns of exclusion and inequity, and furthermore do not allow for the representation and empowerment of marginalized groups, local governance arrangements are likely to fail as a peace building tool.

This paper provides an overview of the experiences and challenges associated with local governance, decentralization policies and the strengthening of local governments within contexts of peace building, State-building and post conflict recovery across three continents over the past two decades. It underlines that harnessing the potential of local governance in sensitive and volatile peace building processes requires addressing a series of significant challenges and in particular recognizing the dynamics of each conflict along with the concomitant power struggles involved. Failure to do this adequately has led to mixed results. There are cases where policies designed to address local governance and strengthen sub-national Government units ended up in exacerbated tensions and/or fostered continued or renewed conflict.

Today’s discourse on local governance and decentralization in support of peace and state building in fragile environments is populated with numerous terms that are often used interchangeably or that exist in different variations depending on the specific country context. Annex 1 contains a glossary of these terms used in the paper.

1. International Peace and Security: A growing role for Local Governance

The current international context and debate on peace and security, points to the growing role of local governance arrangements as a core pillar for effective conflict management, peace building and post conflict State building. Since 1992 the nature of conflict has shifted towards internal armed conflicts, with a consequent rise in violence and state failure at the sub-national levels. Although 2010 registered the lowest absolute number of conflicts in over two decades (24), many countries that had only recently emerged from armed conflict are now facing an upsurge in generalized violence, worsened levels of transnational crime and, potentially renewed armed conflict. In others, sub-national tensions and violence persist long beyond the signature of national peace deals. Hence, the fragility of some 40-60 states remains an issue of concern; half of the current conflicts have been continuing for more than 20 years.

4 Local Government in Post Conflict Environments, Commissioned Paper, Oslo Governance Centre, UNDP
5 “Transitional Governance”: A strategic Framework to Build Peace, BCPR, UNDP2010
Today, more than 1.2 billion people live in countries recovering or suffering from fragility generated by war and natural disasters. Although accounting for slightly more than one third (37 per cent) of the population of developing countries, they nevertheless experience two thirds (67 per cent) of infant deaths, and the vast majority (69 per cent) of under-five mortality.

Countries beset by armed conflict and fragility are lagging behind in achieving the Millennium Development Goals (MDGs). Apart from the difficulties they face in addressing the root causes of the conflict, many of these countries also remain critically vulnerable to external shocks such as natural disasters or regional/global economic and financial crisis, which tend to propel their populations into even higher levels of poverty. Hence stabilizing and improving governance in these countries is not only critical to prevent the re-emergence of conflict it is also important only to ensure a return to sustainable development.

There are indeed many advantages to addressing local governance in a post-conflict environment:

- Decentralization and or devolution can shift the onus from conflict to negotiations and bargaining which demilitarizes volatile, conflict situations while extending State authority in contested areas (e.g. Macedonia, Aceh/Indonesia, the Philippines), areas of weak penetration (e.g. South Sudan?) or those in the hands of local war lords (e.g. Afghanistan).
- Adapting local governance arrangements can address the roots causes of conflicts (e.g. limited local development or high levels of poverty) and assist the consolidation of peace, stability and cohesion (Macedonia, Nepal);
- During the transition and reconstruction process, a decentralized presence is a means for the state to reach local populations increase its visibility and credibility and thus establish its legitimacy at the local level, through the deployment of civil servants, more focused service delivery, the re-distribution of resources, more efficient communication exchange, and better maintenance of order and security.
- New local governance arrangements can give voice to the local population, and enhance their participation in the reconstruction and peace building efforts and thus alleviating tensions based on social exclusion, polarization and regional disparities that are often at the origin of conflicts and hence, allowing for the building of trust that is needed in a multi-stakeholder post-conflict state.

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9 The population living in fragile states, while representing 9% of the world population, represent 27% of the people living in extreme poverty, 25% of all HIV positive people, and 20% of those who lack basic access to water. (Millennium Development Goals, Global Monitoring Report 2007).
10 In Timor Leste, the blockages in service delivery arrangements at local levels after independence were in strong contrast to the previous Indonesian system, which expanded to the grassroots. The heavily centralised public administration is a source of great frustration to the local communities and potentially damaging for the legitimacy of the government (UNDP-UNCDF (2004), Timor Leste, Local Governance Options Study). By the time the international district administrators had been replaced with East Timorese (June 2001), central ministries had taken over many of their functions. The early emphasis on local management was lost, and district administrators found themselves without budgets and without clearly defined responsibilities. By contrast, in Mozambique, central government was able to use a UNCDF programme to pilot a local governance model that enabled resources to be channelled to areas that were previously under control of the opposition insurgents and through this process co-opt their supporters into the decision making process and establish the legitimacy of the state at the local level (Jackson, D., The 'Nampula Model': A Mozambique Case Of Successful Participatory Planning And Financing chapter in Development Success: Statecraft in the South McCourt and Bebbington (eds) Palgrave, (2007).
• A stronger focus on local institutional capacity can also support implementation of peace process by facilitating reintegration of refugees, IDPs, returnees, displaced and demobilised soldiers as well as other possible provisions of the peace agreement.

In light of these more recent “sub-national or localized” dynamics of conflicts more emphasis is needed on institutionalized, national and sub national power sharing arrangements as the basis for sustainable peace, stability and post conflict State-building. Hence, the need to assess the lessons learned to date on how best to use local governance arrangements as an instrument of peace-building and state-building, rather than one that would perpetuate unsolved tensions or exacerbate hostilities between different parties to the conflict.

2. From Fragility to Resilience

Some of the terms described in this paper (see also Annexed glossary) are still the subject of a conceptual debate while others face some reluctance, as they are considered too much connected to the historical trajectory of Western, democratic societies. For example, the term “post-conflict” assumes some neat and tidy distinction between all out “hot” conflicts and peace. This is usually not the case. All societies have a degree of conflict that is inherent to societal relationships and that has to be managed, and a growing number of countries can be simultaneously described as being simultaneously in a pre, post and conflict situation simultaneously. Peace processes are long term affairs, and recovery from conflict can plant the seeds for the emergence of new actors of violence. It is often hard to identify distinct phases that mark the beginning of war and peace (e.g. Sierra Leone) or whether the peace process has come to term or is still an ongoing process (e.g. Mozambique). Kosovo can be seen as both a pre and post conflict environment. Peace building is equally problematic. Although it refers to a set of activities that take place after an agreement, it could also entail conflict prevention as in Kosovo or Bosnia. Very often also, the peace building process will start even before a peace agreement in concluded; it can also proceed in countries that do not have a formal peace agreement. As such, activities can be undertaken in both a post and pre conflict context. While ‘State -building’ is more specific – but also controversial - it’s important to note that the process of State –building can also be both preventive and part of a peace building process.

The important factor that emerges across all scenarios is that a weak or unresponsive State is often at the root cause of fragility and conflict. As Brinkerhoff outlines: “the inability of (States) to integrate regions and minorities into larger polities is a key source of State fragility, failure and conflict across the globe11. For example, the gulf between the “elite” on the coastal settlements and the country's indigenous population in the hinterland with little benefit from State penetration or access to power is viewed as a major cause of the conflicts in Liberia and Sierra Leone12.

Addressing local governance reform can therefore provide an important basis for resolving intrastate conflicts and for overcoming “Fragility” by establishing sub national governance arrangements that can effectively help States to mediate conflicts of interest, needs and power struggles and provide for increased citizen participation and improved service delivery.

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12 State-building: “ Key concepts and Operational Implications in Two Fragile States” The case of Sierra Leone and Liberia, the World Bank and UNDP, 2009
3. The potential of Local Governance for Peace building and State-building

Harnessing the full potential of Local Governance reforms to overcome fragility and consolidate post conflict recovery, peace and State-building requires first and foremost a good understanding and an in-depth knowledge of local context and conflict dynamics. It requires going beyond the use of conventional approaches and models to increasingly look at bottom-up governance and statebuilding approaches to better asses and respond to localized tensions and conflicts\textsuperscript{13}.

Modern armed conflicts are rarely mono-causal. Violence in Afghanistan, Sudan, Somalia, DRC and others is driven by multiple, regional but also highly localised cleavages and tensions which underlay and nourish national level rebellion or contestation. Whilst political bargains are essential in creating the space for peace, it is now recognized that implementation of peace agreements, is heavily dependent upon local government’s capacity and will to address deep seated causes of conflict.

Conflicts over decentralization and re-centralization are rarely separate from historical grievances between regions that perceive themselves as winners and losers in the long struggle for economic development.\textsuperscript{14} In many countries, contestation over development dividends has translated into violent conflicts over the inclusion or exclusion of populations, ethnic or cultural groups in the national project and the definition of the state’s identity and role in society. The politicization of the state bureaucracy has often fueled perceptions of marginalization and exclusion which have triggered violent conflict. As most services are delivered at the local level, local governments, even when not directly responsible for these services, are often the loci of many such contestations.

Since state-society relationships are most pronounced at the decentralized level, statebuilding needs to go beyond the strengthening of national governing institutions, to also include developing the mechanisms and processes for bringing peace building to the local level. Hence the need to not only strengthen local governments but also pay due attention to improving local governance arrangements. That involves working with local government executives to ensure that planning and delivery systems involvement citizen participation within a catchment area. Such inclusive planning and delivery systems require a good understanding and recognition of the conflict dynamics and diversity of sub-national areas. Similarly, the complex history of conflicts and contestation of governance is often mirrored in the way the public administration reflects diversity in society. Even in cases where biases in representation may have been adequately addressed at the national level, discrepancies remain challenging to identify and resolve at sub-national levels.

The policies and institutional arrangements to address internal conflicts vary significantly between countries. Whilst there is a growing recognition of the importance of local government in consolidating peace building and statebuilding, at present, a conceptual framework to evaluate this dimension of local governance interventions in post-conflict environments is lacking. Given the specific conditions and governance context of each country, a one-size-fits-all approach is not feasible not desirable –, hence the need to evaluate local governance interventions on a case-by-case basis. A conceptual framework would help countries and international development partners to better analyse the different dimensions of a post-conflict governance approach and prioritise and sequence local governance support.


\textsuperscript{14} Eaton, Kaiser and Smoke (2010) The Political Economy of Decentralization Reforms in Developing Countries: a Development Partner Perspective [cited from preliminary draft Sep 2009 – agreement to cite from Paul Smoke before circulating paper]
The need for context specific approaches is most adequately reflected in the asymmetric solutions for representation and devolution that are increasingly being applied in a number of countries. The special status granted to Papua and Aceh are two examples providing for a greater level of autonomy in financial, political, and social matters than the other provinces. Nepal’s peace building and related institutional reform process is also putting a lot of attention to asymmetric solutions (e.g. the possibility of having specific regions within the autonomous provinces).


Given its many expected and potential benefits, local governance reform, has become a key feature of conflict management, peace building efforts and post conflict State building. The following case studies provide a sample of recent experiences in various countries on different continents.

a) Africa

Redefining the role of sub national government to improve local level services has been an important feature of consolidating peace and State-building in Liberia and Sierra Leone. Governance arrangements in both countries featured highly centralized executive governments with weak penetration of goods and services into the rural areas\textsuperscript{15}. The lack of attention to the grassroots and power distribution is considered to have played an important role in rising tensions and eventual outbreak of the conflicts. The onset of the peace building process in both countries has provided the impetus to rethink central-local relationships and put a new emphasis on decentralised governance and on redefining and strengthening the role of the local governments in this process. In the two countries, both the approach and the results have taken a different trajectory.

Liberia

The importance of both deconcentrated and devolved levels of government was recognised as an essential part of the country’s post conflict peace and State-building process; it led to the approval of the National Policy on Decentralization and Local Governance in November 2009, and the establishment of an Inter-Ministerial Committee to coordinate and guide its implementation. In Liberia, strengthening local participation through the holding of local elections has been combined with a focus on administrative decentralization, both without compromising the unitary nature of the country’s’ governance arrangements. Despite local elections, decentralization efforts in Liberia have mainly focused on administrative decentralization with little or no focus on political and fiscal decentralization. The process has also been hampered by the huge human and institutional capacity gaps prevailing at all levels of sub-national governments. Today, the overall process of strengthening local governance seems to have been “stalled”\textsuperscript{16}.

Sierra Leone

Decentralisation in Sierra Leone was embraced by the President as a key priority for the consolidation of peace. The 1999 peace agreement included the establishment of a machinery to deliver on decentralisation. Following the adoption of the Local Government Act (LGA) in 2004, the World Bank

\textsuperscript{15} UNDP, Jackson and Scott, page 19, January 2008

\textsuperscript{16} State-building. Ibid
and UNDP, supported the establishment of Programme Support Units - the Decentralization Secretariat (Dec-Sec) and the Local Government Finance Department (LGFD) - to manage the process. A Decentralisation Policy was drafted in 2009 and is still before the Cabinet for approval.

The decentralisation process in Sierra Leone has been bogged down by a series of constraining factors that have significantly hampered the shift in power from the center to lower levels of Government. As of the end of 2008 only 43 of the 80 functions were devolved. In mid 2009 a national conference of all the 18 MDAs and local councils was convened to accelerate the devolution process. However, progress continues to be slow as only 46 functions were devolved by mid 2010.

The main challenge with the LGA of 2004 is that it fails to address many of the challenges faced by the local governments and chiefdoms. It is not clear on many issues such as roles and responsibilities of key players, revenue sharing and so on. Also problematic is the fact that the process was managed through the Programme Support Units which are not integrated into the national Government structure, hence complicating buy in from other departments. Many line ministries have been slow in devolving responsibilities as set out in the LGA and the Ministry of Internal Affairs Local Government and Rural Development (MIALRGD) had difficulties in enforcing compliance.

The current decentralisation policy before the cabinet is also delayed by a number of considerations on the balance between central and local powers in particular related to monitoring and evaluation between local and central government; human resource management; the election conditions for councilors (i.e. whether on a partisan or non-partisan basis); the position of District Officers and their relative roles and responsibilities vis-à-vis the local councils. Once the policy is approved, the LGA will need to be revised so that Policy and Act are in conformity to support the roll-out process. The recent reinstatement of the post of the District Officer, a central government representative (included in the currently-dormant clause of the Provincial Administration Act), appears as a move by central government to restore their influence.

Another critical issue in Sierra Leone is the nature of the relationship between State Governance and Traditional/indigenous Governance. The LGA makes no clear statement on the relationship between the traditional chieftaincy governance and formal local authorities/local councils. The current draft of the decentralization policy is also vague on this relationship. A review of the Chieftaincy Governance and Tribal Administration is now underway. This “framework” is different from the Chieftaincy Act (2009) which relates only to the election of Chiefs. There is a perception that the chiefs and chieftain councils may be more willing to support the government-of-the-day whereas local councils may be less amenable to such an automatic political alignment as they are potentially fragmented along party lines.

In essence, although decentralisation and strengthening local governance were identified as key post Conflict State-building priorities, in both countries, the implementation has been slow and remains very much work in progress with remaining technical, financial and political issues to be addressed.

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17 Ibid
b) Asia

Indonesia

Indonesia is an interesting case of a country that has developed two different autonomy agreements in different regions as part of Peace and State-building processes. A third and failed attempt, notably Timor Leste led to the latter’s full-fledged independence. The two provinces of Aceh and Papua have special autonomy, and the empowerment of these provinces - rather than regencies and municipalities - is also different from the rest of country. Since Indonesia’s decentralization wave in 1999, the role of the province has taken a backseat among other factors due to the conflicts and claims for independence. Several parties have questioned the need for more autonomy at the provincial level beyond Aceh and Papua.\(^{18}\)

Aceh

The conflict in Aceh is generally perceived as stemming from the people’s dissatisfaction with central government policies and management of natural resources and economic deprivation. The obvious richness of the province’s natural resources on the one hand and persistent poverty on the other hand exacerbated feelings of unequal treatment by the central government. Hostilities finally came to a halt with the 2005 Helsinki memorandum of understanding (MoU). The Law on Governing Aceh (Law 11/2006) provided a legislative framework for implementing the MoU and granted special autonomous status to the province of Aceh. Hence, the agreement for Aceh focused on an asymmetric devolution arrangement which ensured a level of autonomy from Jakarta acceptable to all parties.\(^ {19}\) But capacity issues have loomed large with limited know-how on translating decisions into policies, regulations and service delivery as well as clarity of distribution of functions between province and districts.

The Aceh Government Transformation programme (AGTP) is designed to address critical gaps in the Aceh government’s policy-making and technical capacity. The first gap lies in the Executive’s capacity to coordinate the transition. The second gap lies in the technical capacity of the provincial and district government agencies to manage assets and projects transferred from the BRR (Agency for Rehabilitation and Reconstruction) and to implement ongoing recovery work. The third gap is the administration’s broader institutional capacity to coordinate and implement reconstruction and rehabilitation work beyond the transition.\(^ {20}\)

Papua Province

In 2001, Indonesia passed the law on special autonomy for its rich Papua province in the hope of bringing an end to years of violence and instability. The Law provided the province with a greater level of authority in financial, political, and social matters than other parts of Indonesia (excluding Aceh which also has special autonomy). The agreement allowed for a House of Representatives, increased share of national revenue and establishment of cultural symbols, amongst other provisions. The special autonomy status doubled Papua’s per capita revenues from Jakarta.\(^ {21}\)

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21 Local Democracy and Peace building in Asia: Devolution Arrangements and Power sharing in Local Government councils-Background paper for regional technical seminar on local Governance, Henrik Fredborg and Nadia Selim, June 2009
The agreement for Papua ensures some room for local decision-making combined with an asymmetric representational arrangement to ensure power-sharing between groups of different ethnic origin. However, the implementation of autonomy has been dogged by several issues including the division of the region into three provinces, poor functioning of the House of Representatives due to differing perspectives and growing widespread disillusionment. Ironically, Papua’s special autonomy and its increased resources from Jakarta have served to deepen the Province’s dependence on central Government as it has not been granted the authority or the capacity to mobilize additional resources in line with its new responsibilities\textsuperscript{22}.

**Nepal**

The 1990 Constitution laid the foundations for devolution and was followed by several efforts to devolve powers to local governments. These efforts culminated in the 1999 Local Self-Government Act, which created two levels of local bodies, the local development Councils and Development Committees, and equipped these local bodies with significant institutional structures, powers and resources. Elections did not take place until 2002. The conflict (1996-2006) played an important role in defeating the decentralization agenda.\textsuperscript{23} But decentralization was also poorly implemented because of a lack of political and bureaucratic will to see power devolve from the centre. As a result, the local authorities suffered from weak capacity, both in terms of human resource and systems\textsuperscript{24}.

When the conflict formally ended in November 2006, a Comprehensive Peace Agreement (CPA) spelled out a comprehensive agenda for change, including a commitment to “to carry out an inclusive, democratic and progressive restructuring of the State by eliminating the current centralized and unitary form of the State in order to address problems related to women, Dalit, Adivasi Janajati, Madhesi, oppressed, neglected and minority communities and backward regions by ending discrimination based on class, caste, language, gender, culture, religion and region.”

Following an agreement with the Maoist forces a new interim constitution was approved in 2007. The Interim Constitution of 2007 sets the foundational principles of the new Constitution – republicanism, secularism, federalism, inclusion and democratization. In 2008 and 2009 protest movements by different regional and ethnic communities – particularly the Madhesus and Janesis\textsuperscript{25} - aimed at a fairer distribution of political power and an end to discrimination and marginalization. That led to amendments of the Interim Constitution further deepening the commitments to these principles.

\textsuperscript{22} Ibid

\textsuperscript{23} In July 2006, an estimated 68 percent of VDC Secretaries were displaced, mainly to district headquarters where they waited for the CPN-M to approve their return. According to the latest statistics, the internal conflict resulted in physical losses equivalent to Rs 5 billion (USD 71.4 million). The most damaged facilities due to the conflict were police posts, VDC buildings, office buildings of local level service units and communication transmissions and telephone infrastructure. During the conflict, most of the VDC level official buildings were destroyed which also badly affected the morale of VDC secretaries (Mission report Brand, Larsen and Tuman, 2010).

\textsuperscript{24} A serious problem in implementing local self-government in the past was related to the failure to provide the system with a constitutional guarantee. Without a guarantee for local self-government in the constitution, the center has the monopoly to change or take back the powers granted to the local bodies. It also has plenty of possibilities to undermine the spirit of devolution by practical measures (or lack thereof), such as setting standards and procedures, holding back funds, manipulating appointments and the like. Moreover, the unclear and anomalous jurisdiction of the local bodies, especially of the DDC and VDC, in the work of drinking water, irrigation, forest, public health etc., created overlaps and duplication in many areas (Ibid)

\textsuperscript{25} Reengineering of Local Governance in the Post Conflict situation in Nepal- Adhikari, Damoda, Contributions to Nepalese Studies, July 1, 2007
The Interim Constitution provides for a Federal Democratic system, based on fully autonomous provinces and special regions, changes to the voting system and proportional representation for all marginalised groups.

The transition to the new governance framework is complex and challenging, combining the need for a smooth, steady and orderly transition to creating the new institutions at national and sub-national levels while at the same time continuing to deliver services and provide public security. For development partners, a key strategic issue is how to interact with a federalizing Nepal when the sub-national institutions are not yet established. So far, the impact of aid on such a transition process has still been inadequately explored. Hence, new ways of working between local stakeholders and their international partners will have to be worked out without much guidance from experience. In addition, the major parties appear to disagree over core issues such as the form of government, the electoral system, the appointment of the judiciary, the names, number and boundaries of federal units, preferential community rights at the provincial level, and, notably, arrangements for the transition and implementation period.

There is also a risk that the new regions in Nepal, to be created within the provinces for ethnic and linguistic communities, may entrench or even radicalize ethnic divisions. Some would therefore advocate for the de-ethnicisation of politics through the nourishing of integrative, alternative identities and allegiance to new political institutions needs to be included in a revitalized framework.

c) Europe: The Balkans

Since the mid-1990s Decentralization has gained prominence in South East Europe as part of the political and economic transformation process from a socialist system to a market economy. In some cases it has also become a cornerstone for peace arrangements, peace building and multi-ethnic State building.

Macedonia

Of all the Western Balkan countries, FYROM (hereafter Macedonia) local governance and decentralisation was assigned a key role with regard to the stabilization of peace and State-building. Ethnic tension between the two largest ethnic groups in the country, Macedonians and Albanian Macedonians, erupted in February 2001 when a group of radically oriented ethnic Albanians launched an insurgency. After several months of fighting, the Ohrid Framework (Peace) Agreement (OFA), was signed in Ohrid on 13 August 2001 by all major political parties. Asymmetrical decentralisation was enshrined prominently in the OFA agreement as a basis for peace and reconciliation. The OFA provided for the decentralization of government, equitable representation of ethnic Albanians and other communities in public administration, the official use of the language of those communities which make up more than 25% of the population, introduction of special mechanisms for the protection of non-majority communities in Parliament and enhanced opportunities for education in the language of the communities in order to preserve their cultural, ethnic and religious identity.

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The premise behind the decentralization agenda was to improve the provision and effectiveness of public services, resource allocation and transparent and accountable administration at local level while giving citizens instruments for influencing decisions affecting their communities, and improving inter-ethnic confidence and national harmony. In essence, the OFA gave Macedonian Albanians rule over a series of municipalities and allowed them to establish their own language, separate schools, TV stations and even a University.

However, strengthening local Governance structures through decentralisation has been marred by a series of challenges, namely:

a) Weak capacities of local public administration (esp. administrative, financial and Tax collection capacities). The Ministry of Local Self-Government is not facilitating the decentralization process sufficiently, due also to weak capacities and political agendas.
b) Unstable revenue base, which relies strongly on municipalities own resources. In some municipalities property tax collection is not adequately monitored or enforced and the databases of taxpayers are not updated. The insufficient revenue base does not allow municipalities to perform their tasks.
c) Weaknesses in access and quality of provision of public services, which cannot be resolved in the short run and may further compromise the overall thrust in the benefits of decentralization;
d) Weaknesses in horizontal and vertical coordination

e) Lack of established mechanisms and procedures for ensuring transparency and accountability to constituencies;
f) Considerable socio-economic disparities among the regions and between rural and urban areas.
g) The politicization of public office. Resulting in many trained staff of municipal service centers being replaced following the election of a new mayor.

Many of these challenges that decentralized municipalities are facing can be found around the world. However, while decentralisation in Macedonia has allowed avoiding further conflict, it has also deepened the “de facto” separation of the two ethnic groups and undermined national reconciliation. In Macedonia, decentralisation has not assisted the emergence of a new, post conflict multi-ethnic State in a more stable, cohesive country.

**Bosnia and Herzegovina**

In Bosnia and Herzegovina, a similar picture has emerged in terms of the effects of strengthened sub national/local Government units and the establishment of peace and of a post-conflict multi-ethnic State. The Dayton Peace Accord of 1995 provided for the division of the country into two Entities: The Federation of Bosniaks and Croats and the Republika Srpska (RS). In turn the Federation is divided into ten (?) Cantons and municipalities. The only sub national Units in the RS are the municipalities. The structure of post-Dayton Bosnia has done little to bridge the gap between the Bosniaks, Croats and Serbs in the country or streamline Governance structures. Moreover, the recognition of the sub national Entities as the “de facto and de jure” structures responsible for Governance has undermined the establishment of a national post-conflict multi-ethnic State.
d) The Middle East: Lebanon

Following the July-August 2006 war that affected Beirut and the South of the country, local authorities emerged as key players in partnership with international agencies to support recovery and rehabilitation.

Lebanon is a centralised political system with some deconcentration of administrative functions. Municipalities are generally weak, “lack financial resources and receive minimal and unpredictable funding from central Government”\(^{28}\). Their activities are basically limited to minor infrastructure maintenance and basic social services\(^{28}\).

Given the intensity of the conflict and related suffering of the population there has been a popular outcry for a stronger municipal crisis response and basic welfare provision\(^{29}\). As a result, international aid agencies partnered with local authorities to ensure that they could serve as effective channels for post-conflict relief and development. Within this approach, local Government structures provided key assistance in several ways including rubble removal, rehabilitation of key municipal infrastructure, assessment of post-war damage, and rehabilitation of livelihoods. Municipalities were not passive recipients or channels for international assistance. Rather during the early recovery process, local governments in Lebanon engaged in participatory problem solving, planning, and decision making. Operational procedures, including contracts, work plans, and timetables, systematized the involvement of local governments in relief efforts. They also served as channels to revive economic activity and to encourage inter-communal peace building and reconciliation\(^{30}\).

International support in Lebanon did not premise assistance on the basis of any form of local or national post conflict governance reforms along the lines of State building. Rather, international efforts partnered with the local authorities in such a manner as to allow the national local structures to become actively engaged in the swift delivery of much needed assistance and the long term socio-economic recovery of the affected communities.

Whilst international assistance has not lead to long term assistance programmes to support capacity development of the municipalities, the active engagement of the latter in the delivery of international assistance was in itself a limited but fruitful capacity-building exercise that allowed to rapidly addressing the dire needs of the affected populations.

5. Post Conflict Governance and Peace building: The Challenges

The above peace-building efforts all reveal a number of important challenges that need to be taken into consideration when assessing the link between local governance reform and conflict management, peace building, State building and recovery. Firstly, in all cases there have been severe hampering factors that have curtailed or limited the potential benefits of local governance and decentralization. In Lebanon, the emphasis was not even on long term support but simply on the use of active local government structures to support recovery. Even where local governance and decentralization reforms have been ongoing for around a decade such as Sierra Leone or Macedonia, they remain very much

\(^{28}\) Workshop on Local Government in Post Conflict Situations: Challenges for Improved Local Decision-making and Service Delivery Capacity- Lebanon Case Study , prepared by Kathleen Hill and Zewna AliAhmad, Oslo, Norway , 28-29 November , 2007

\(^{29}\) Ibid

\(^{30}\) Ibid.
work in progress. A similar picture emerges in a number of countries in Asia where components of the decentralisation policies have been delayed or not implemented31.

In essence, two issues emerge clearly from the various examples above: first, strengthening local governance for peace and State building is not a quick fix and requires time, commitment and resources; secondly, effective post conflict local governance interventions require carefully addressing a series of key issues.

a) Addressing the root causes

To maximize the potential value of sub national Units in managing conflict and peace, a clear understanding is needed of the context in which local governance reforms take place and of the root causes of the conflict. Based on a thorough assessment of those conditions, a strategy on how to harness local governance reforms for the consolidation of peace and or post conflict State –building needs to be developed with involvement of all stakeholders concerned.

b) Peace-building, State-building, Recovery and Service Delivery

The role of local government in basic service delivery lies at the nexus between Peace building, State-building, and recovery. Frequently in post-conflict settings, the overwhelming humanitarian needs, coupled with the inability of governments to respond, obstructs the move towards sustaining potential peace dividends obtained in the early recovery process. Hence, in such fragile situations, the possibility of a relapse to conflict is real, in particular when the most basic needs of the population are not being met. An added concern and possible obstacle to the recovery and development process is the potential dependency on humanitarian assistance, as witnessed in a number of countries (e.g. Uganda and Somalia).

If grasped in a timely and appropriate manner, basic service delivery in post conflict environments can contribute substantively to the peace building agenda. The consolidation of peace dividends for example is heavily dependent on the legitimacy of the state and a semblance of normalcy for the returning populations. In the absence of a minimal presence of government, to respond to the most basic needs of the local population, peace building, including the reconciliation of broken communities and enhancement of social cohesion, becomes a real challenge. Improved and equitable access to basic services such as education, water and health is an important means of legitimizing and strengthening local government institutions as part of the peace building effort.

This legitimacy can be further enhanced with the real participation and leadership of local government in the local level (early) recovery processes. As shown in the Lebanon case, , the ability of local governments to respond to the popular calls for increased crisis response and the partnership with international agencies bolstered the role of municipalities and the way they were perceived by the local population. As Lebanon also shows, commencing with the work of humanitarian and recovery actors, local government authorities, based on their knowledge of the local contexts can ensure that basic service delivery for the local populations responds to the needs and priorities of the local communities and that community members are engaged in the decision making processes that will affect their lives. Local authorities are closer and better placed to identify those needs, bring communities together and

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31 Larsen and Selim, Ibid
coordinate/ implement recovery programmes that can address the most pressing challenges at the local level. For example, following the violent conflict in Georgia, local authorities worked with UNDP in one of the affected regions - Shida Kartli- to support the restoration of community-based infrastructure and livelihoods. The programme proved crucial for the region’s farming industry and family incomes. In Bosnia and Herzegovina, UNDP’s Early Warning system has systematically measured improved popular satisfaction with local governments. In Somalia, which remains one of the most challenging programming environments in the world, UNDP has quietly focused its work on early recovery, service delivery, local development and livelihoods planning, in partnership with local authorities. Somali authorities have placed communities at the centre of local development to ensure that the services provided by the local councils respond to community needs and are delivered in an equitable manner. The authorities also seek to guarantee that the local councils are accountable and transparent in the delivery process. UNDP’s programme supports these policies, hence targeting mainly local communities, but also district and regional councilors and staff, as well as staff working in relevant central government institutions, in particular the ministries responsible for local government, planning, public works and finance.

The interrelationships between decentralisation, service delivery and conflict reduction are not straightforward and far from linear. The challenges for local government in delivering basic services are many and they are immense. The first of these is the lack of capacity of local governments to coordinate the recovery efforts, recognized as a core function within the local governance arrangements in early post conflict contexts. Related to this is the absence of the requisite capacities to deliver on the most basic of services and to be able to act as a credible partner to the large numbers of humanitarian and recovery actors. These capacity development interventions, while critical, are also frequently seen as competing with the many humanitarian and lifesaving and life sustaining priorities that the different actors need to embark upon. The significant financial and technical investment required for these capacity development efforts is not always available and the result is often a heavy dependence on non-governmental organizations to fill this gap.

The approach to use non-state service providers (NSSPs) is often preferred by the Donor Community as it provides for stability and addresses key needs in a swift and timely manner. But the role of NGO’s in local service delivery, whilst often inevitable, also raises a set of challenges. One such challenge is the short term, crisis mode of many of the NGOs that operate in a post-conflict environment, and hence, the lack of sustainability of their response and the risk that service provision could become compromised when international support fades and neither local nor central government have the institutional or financial ability to offset this fall. If not carefully planned and managed, NGO execution could be counterproductive to the sustainable development of post conflict governance arrangements and could reduce opportunities for nascent governments to establish their legitimacy through the provision of services to citizens. In other cases, the strong leadership role of some of these NGOs could create a dependency on humanitarian assistance, in particular where local governments remains weak.

The second challenge relates to the capacity of local government to engage with local communities. These capacity constraints are further compounded by other factors such as the dynamics of the conflict and the credibility of the local government with the different sectors of the local community; the lack of

32 Local Governance and basic Service Delivery in Conflict Affected Areas, page 4, United Nations Economic and Social Commission for Asia and the Pacific, ESCAP, February , 2010
adequate financial resources which can affect all sectors of local governance; the lack of relevant policy guidelines, tools, etc to engage in this type of activity within such fragile contexts.

The approach to be followed will depend ultimately on an analysis of the particular context. The development of UNDP’s Early Recovery Policy and the establishment of the IASC’s Early Recovery Cluster offer great opportunities to address these challenges in a more coherent and sustained manner. Early recovery provides an integrated approach that seeks to restore the capacities of local and national government authorities and communities to recover from conflict, enter transition and build back better to avoid relapse. Early recovery responses which prioritise support to local governments aims at ensuring that government capacities are available to respond early in the recovery process to the needs of local communities and that these needs are addressed in a long term and sustainable manner.

This long term approach to local governance is central to sustained peace and development. By working with local governments early in the post conflict contexts, actors like UNDP have an essential role in ensuring that some of the root factors of the conflict including the inequitable access to resources, lack of representation and limited responsiveness to differing interests of the local populations are taken into consideration in the governments’ long term strategy.

Therefore, no matter which providers can be marshaled in the immediate post conflict period, this has to be done as part of an approach that focuses on the longer term capacity development of local governments, within a policy framework and medium-term plan for the sectors. Failure to do so will compromise the establishment of effective, long-term post conflict State structures that are capable of consolidating peace and inspiring popular trust and legitimacy at the various levels of government. Even where service delivery is done by non-state providers, local communities should be involved in the planning, implementation, use and monitoring of basic social services such as education, health, water and sanitation. Decisions on contracting out should be based on a range of institutional assessments combined with the identified needs of each line ministry. Hence the modalities for contracting out public services should be decided and managed on a case by case basis, as certain sectors offer more favorable opportunities for contracting out than others. Capacities of central and local governments should be developed to plan and administer these services and an up-front exit strategy for non-state-providers (NSPs) should be available for a possible return of authority to the government in cases where the latter is best placed to be the direct deliverer of services in the longer term. The purpose of a clear transition plan is to ensure that crisis-based efforts to deliver basic services are linked to efforts by the state to assume responsibility for coordination and provision of services at a pace deliberately calibrated with the (re-)building of national capacity. The experience of the health sector in Timor Leste offers an excellent example of how such capacity development process can be managed. A similar approach is also adopted in Haiti’s reconstruction process.

c) The right Strategy and Long term Implementation

In Afghanistan, Donors and the national authorities initially thought that local governance reform at Provincial level could be fostered through Central Government policies and leadership. At best this has

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37 OECD 2010.
been limited, whilst policy and institutional development has progressed in Kabul, little progress had been made in extending local governance structures to rural areas, which continue to be ruled through the dictates of war lords. UNDP’s Afghan Sub-national Governance Programme (ASGP) that was launched in 2007 was an effort to change that approach and influence the direction of local governance in Afghanistan. While other players were often focused on micro parts of the system, the open, systemic nature of the ASGP enabled it to learn and adapt. ASGP worked, in part, because it had the flexibility to shift attention and resources where, and when, they were needed and to gather feedback from all of its components to continuously modify the overall strategy so it remained relevant to the evolving Afghan Government direction and capacity.

All the above cases have shown that local governance reforms and their ability to strengthen peace and or overcome fragility is a long term process that needs to be carefully adapted to local realities. Since long-term strategies are challenging in highly fluid post-conflict environments, clear objectives, long-term commitment, a holistic and systemic approach and, most of all, flexibility and constant, incremental adaptation is needed to adjust to the evolving situation on the ground. The example below from the Republic of the Congo shows how a bottom up approach coupled with adaptation can lead to the gradual strengthening of local governance structures, with potential upscaling at the national level.

After the civil war in the Republic of Congo a large project for rehabilitation of schools was launched. It was planned to set up parents association that would run the rehabilitated schools. These parents association however did not work well as their effectiveness depended on too many factors not directly related to the schools such as deployment of teachers, feeder roads to schools, funding for annex school infrastructure, food supply for cantinas which they had no control off.

As a consequence parent associations gradually transformed themselves into local development committees involving the wider community. Although this had not been initially envisaged, the project started supporting some of these local development committees. To date more than a thousand of these local development committees have formed and as the school rehabilitation project is moving into its second phase more support is being provided to these structures. Parallel to that process, the government had been drafting its decentralization policy. The success of the local development committees and their consolidation at the local level led the government to integrate these local government committees into the formal local government architecture with technical support from UNDP. While this process is not over it is interesting to observe how an initially inadequate institutional design is being recuperated at the local level and transformed into contextually adapted structures that are then integrated into and absorbed by the formal state architecture

**d) Local Government reform and the Overall Peace Dynamics**

Strengthening or reforming local governance is not in itself sufficient for managing conflict, consolidating peace or achieving reconciliation. The dynamics of the peace process, central-local power relationships and party politics all dictate the pace and ability of local governance reform to contribute to the overall peace building and recovery effort. In practice, decentralization is often conceived and implemented through a “top-down” reform process whereby a set of norms and rules are designed to govern local institutions and their interaction with other stakeholders. These rules and norms are then followed by an implementation process consisting of capacity development programmes for local government officials, sensitization meetings for civil society, study tours etc.

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38 Contribution from the Republic of Congo to the E-discussion on UNDP’s Democratic Governance Network, on a public administration and local governance strategy, September 2010.
As a result, local governance reforms and decentralization efforts are often stalled either for political, capacity or financial reasons. In the Philippines, the attitude of the Congress to hold back funding for the peace process in Mindanao and the decision by the President to dilute the substantive provisions of the Peace Agreement and suspend funding for the establishment of transitional structures have stalled the negotiations. In Zambia, after launching the decentralization policy in 2004, the government realized that devolving further power to the local level would allow the opposition to control economically important urban areas such as the Copperbelt. The decentralization process has stalled; as a result, today, local councils do not have functions, authority and resources and are unable to provide basic social services. They depend on the goodwill of central Government.

Political dynamics can also result in sectoral funding for recovery allocated to line ministries not systematically finding its way to finance the reconstruction of local infrastructure; as a result, whilst large infrastructural projects may be undertaken, the rebuilding of the maternal wards, pre-schools etc. and much of the local economic infrastructure may receive less attention. In Sri Lanka, following the Tsunami, all but a handful of the local governments were in the hands of the opposition hence pushing the government to channel all recovery funding through the District and Division offices of the central government.

e) Decentralization and Peace-building: contradictions

Although attention to local governance and decentralisation is a critical approach in overcoming Fragility and conflict and in supporting the construction of a post-conflict, responsive State, there are a number of issues that warrant caution and careful consideration. In Bosnia and Macedonia, the local governance and decentralization process has ended up segregating communities and undermined a key priority of the respective peace building strategies, namely the establishment of new, post conflict, multi-ethnic democratic States. In other words, there has been a contradiction between the emphasis on strengthened local Governance and the key objectives of the peace building efforts.

f) Funding is critical.

Local Government units cannot play a role or be strengthened unless the necessary resources are transferred to allow them to implement their (devolved or delegated) mandates and responsibilities. Finding adequate resources for addressing local government needs, as part of early recovery interventions, is particularly challenging, as is the case for all development programming in the immediate aftermath of conflict. Inability to deliver government responsibilities will however undermine trust and confidence in the peace process and in the establishment and legitimacy of new State structures, and hence, can have nefast consequences for peace and stability. Lack of funding could also lead to increased corruption for local services. Special autonomy status and increased resources have ironically served to deepen Papua’s dependence on the central government as additional expenditure responsibilities have not been matched with the authority or capacity to mobilize resources.

39 While the regional ARMM government and its agencies were supposed to maintain direct control and supervision of all devolved functions, problems arose due to inadequate powers assigned to the autonomous government (Larsen and Selim, 2009).
41 Larsen and Selim page 15
The issue of funding is a critical litmus test for the capacities of the State in crisis and post-conflict environments given the amount of destroyed infrastructure that requires rehabilitation or special groups such as returnees that may require assistance and services.

**g) Accountability and ‘Elite Capture’:**
In the absence of a strong Central State with clear, institutionalized accountability frameworks, decentralisation can lead to local elite appropriation and interregional conflict around the allocation of resources. Under these conditions, decentralization can do little more than push corruption down through the State structure to the lower units and reinforce divisions that may have been a cause of the conflict in the first place. The issue of corruption can be of particular concern during reconstruction efforts that involve significant amount of financial resources whilst the recreation of societal tensions can completely destroy fragile peace dividends.

In order to address these concerns, a number of activities can assist in strengthening local governance from “below” and safeguarding greater levels of accountability, legitimacy and participation. An example of such activities has been in relation to promoting local abilities to peacefully resolve disputes, ensuring representation of women and groups with diverse social backgrounds in decision-making and oversight functions, and developing the skills of local authorities to broker consensus-building and participatory policy-making processes. These types of activities can be effective entry-points for working with local authority associations, which themselves can serve as bridge-building forums across divided communities.

UNDP’s efforts in Iraq focused in part on restoration of the marshlands in the South and new livelihoods for those whose traditional farming practices had been disabled as a consequence of conflict under the Ba’athist regime. Likewise, in Kosovo, UNDP assisted the new government establish local-level mechanisms to enhance planning, monitoring and assessment of service delivery. UNDP also invested in increasing private enterprise and trade between antagonistic communities, and ultimately launched neighborhood and inter-community projects to enhance local networks of reciprocity.

**h) Transparency**
Decentralisation, whether devolution or deconcentration, usually implies a shift in the power balances to more local level players and elites. Decentralisation can fuel local tensions and rivalries. It is therefore important that the decentralisation process is conducted in consultation with all possible stakeholders to avoid the process suffering from “elite capture”. A most flagrant example of this is Afghanistan where local (middle to senior) Civil Servants rely on patronage and owe their allegiance to local war lords, rather than the State. Under such conditions, any form of decentralisation risks to imply distribution of power from central to local Elites and to undermine the consolidation of peace and the emergence of a new post conflict State. “Without robust upward and downward accountability mechanisms in place the heroes of today can easily become the tyrants of tomorrow” and decentralisation could legitimise discriminatory and in some cases even illegitimate power structures at the local level. There are sufficient examples where local elites and other pressure groups have pushed for decentralisation and

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42 Nepal, doc, Ibid
43 State building, Key concepts and Operational Implications, Ibid, page 18.
44 Oslo doc
45 ESCAP Doc, page 7
even secession in order for them to appropriate power and resources or to weaken the central government to facilitate illicit activities. For example, there are strong and concentrated interests in Afghanistan who are angling for a weak central government which will allow them to undertake narcotic production and illegal natural resource exploitation. These interests conspire to actively undermine the creation of a sustainable State and a stable environment\textsuperscript{46}.

i) Traditional Elites

In many countries traditional elites and Chieftains play an important role in conflict mediation, local security, property adjudication including the re-integration of returning refugees, IDPs and demobilized soldiers and related land issues. An important question arises on whether to continue relying on such traditional structures while peace building efforts aim for creation of new State structures that would help to overcome existing conflicts and tensions. Clear cut answers on this matter may be elusive and depend on an analysis of power relations in the country and on the degree of legitimacy of the traditional power base. As the case of Sierra Leone above highlights, redefining the power dynamic between the “modern” State and traditional power brokers can be a highly problematic issue and remains until today, a major challenge for post conflict governance arrangements in this African country. In Timor, nearly 5 years after independence, a new local governance system has been designed and piloted while in Rwanda the opposite decision was taken with traditional elites given a recognized role in government\textsuperscript{47}. The development of transitional or hybrid institutions based upon an analysis of the local conflict dynamics, its roots and cultural – historic factors, can provide important peace dividends to populations before formal state structures take root.

After the comprehensive peace agreement between the North and the South of Sudan was signed Switzerland facilitated a political economy analysis conducted by a number of southern Sudanese intellectuals. Their analysis pointed to the fact that violent conflict is likely to erupt in Southern Sudan as, following the peace agreement there was no longer a “common enemy” to be used as the unifying factor around which Southern Sudan’s multiple identities and cultural diversity could be gathered. Moreover, after 40 years of civil war hardly any formal institutions had remained and traditional structures assumed an important social and political role. The analysis concluded that the multiplicity of conflicting issues in South Sudan (access to water, grazing land, territory, changing alliances during the war etc.) could only be contained if traditional authorities were given a platform where these issues could be discussed. While this approach was first strongly opposed by the SPLA under John Garang’s leadership it got encouraging support under Salava Kir and Riek Machar’s reign. Using conflict prevention mechanisms that predated the colonial period, an institutional design was set up whereby in all twelve states a “traditional leader’s forum” would meet on a regular basis to discuss potentially conflict sensitive issues. Regardless of the size or importance of a particular tribe in an area, all tribes would be equally represented in this forum. The decentralization policy that was drafted under the new public administration in South Sudan then took into account these institutions and integrated them in its local government architecture.

\textsuperscript{46} UNDP (2009), Public administration and Local Governance in Post-conflict environments, A UN Discussion paper on the Approach to Public Administration, Local governance and Financial Transparency and Accountability in post-conflict peace building operations.
\textsuperscript{47} Oslo doc
j) Technical capacities

In many of the examples above, decentralisation has not been accompanied by a commitment to strengthening the capacities of local governments or sub national administrations to adequately cover a set of responsibilities ranging from the development of local municipal regulations, planning, budgets and technical capacities to the gamut of public service delivery in areas like education, health, waste, environment, etc. Local Government structures also need to understand how national processes work and how to influence these. The existence of a public administration system that provide for dedicated, competent and service oriented local level civil servants becomes critical in fostering a new post conflict State.

The challenge in Aceh as in many other places is capacity for implementation. Implementing the special autonomy arrangements has been significantly hampered by capacity of the regional authorities to absorb and disburse high levels of funding48. After receiving almost full autonomy after 30 years of conflict, the authorities in Aceh need assistance to translate their special status into policies, regulations and delivery of services on the ground, including peace and security.

k) Local Governance and special programmes

Local level activities can also play an important role in fostering the consolidation of peace not just locally but in support of national peace building efforts. In Indonesia, BAPPENAS supports conflict-sensitive planning through development programmes focused on livelihoods and other community activities. In Bosnia a UNDP-OHCR project worked with around one third of Bosnia Municipalities to develop conflict-sensitive rights-based local development programmes that promoted the integration of returning refugees and displaced people into “hard line “municipalities. In Kenya a small Women’s group initially established in the Wajir district which suffered from Clan based border clashes proved so successful in peace building that the initiative was emulated in other troubled districts and recognised by the Government.

Local level peace forums or Committees have been a feature of the implementation of peace agreements from Nicaragua to Macedonia to Ghana. Although they cannot “per se” guarantee peace they can play an important role in contributing to trust, peace and stability at the local level.

The importance of local level programmes for the successful reintroduction of displaced persons in particular is also leading to a growing partnership between Humanitarian and long term development actors like UNDP. With the opportunity for closer collaboration in early recovery, UNDP’s local governance interventions for example are seen as critical when supporting displaced populations. For countries emerging from conflict, the effective reintroduction of displaced persons is an important step toward local and national reconciliation and the prevention of renewed conflict. The effective return and reintegration of displaced persons reinforces peace processes and helps create stable and secure conditions that are essential for recovery and development processes. Through local governance interventions, support is also provided to strengthening local government capacity to prepare areas of return and reintegration. Support to local government in such instances may include policy development to facilitate government leadership over the reintegration process, the preparation of return areas, the provision of basic social services and governance functions, and the rehabilitating community infrastructure.

48 Larsen and Selim, page 13.
“Post-conflict local governance reforms also offer an opportunity to address existing discriminatory practices and to raise the status of women and minorities. In Nepal, the Interim Constitution foresees that political parties have to take the principle of inclusiveness and proportional representation into consideration while selecting candidates for the elections, particularly targeting women, Dalits, oppressed communities/indigenous groups, backward regions, Madhesis and other groups. This creates a serious challenge also, as the categorization and numbers are often contested and, with the exception of the gender data, not always easy to ascertain. A related challenge will be to change the makeup of existing bodies and institutions which do not meet the requirements of full proportionality, and hence may give rise to new tensions and resistance to reform49. As reflected in the Report of the Secretary-General on women’s participation in peace building (Draft submission to the PC, 24 Aug 2010), the UN should systematically institutionalize women’s participation in, and apply gender analysis to, all post-conflict planning processes so that women’s specific needs and gender discrimination are addressed at every stage. The UN is also committed to ensure that women are involved as participants and targeted as beneficiaries in local development, employment creation, frontline service delivery and DDR programmes in post-conflict.”

I) Local Government, and Donors

As Afghanistan highlights, external support for local governance reform or decentralisation has limits in a polymorphic governance tradition where these concepts are not always well understood or seen as irrelevant in the local context50. Hence, efforts to support decentralized governance, as in the case of Afghanistan, is often seen as being mainly driven by external development actors.

Research to date would also suggest that donor partners should be careful with entry points such as “democratic reform” and increased “tax revenue”. Democratic reform is generally thought to be a potentially divisive, conflictual-competitive system which may not always be the right solution to quell conflicts and tensions51. In similar vein, newly obtained resource mobilization capacity can encourage secessionist desires and strengthen societal divisions in the absence of other national unifying processes52.

E. Conclusions

- Maximizing the potential of local Governance for peace building and State building processes requires addressing a series of political, technical and financial challenges. Failure to implement local governance reforms could exacerbate tensions and fostering renewed conflict;
- As the various examples underline, establishing/strengthening local Governance successfully as part of a peace building /State building framework requires a thorough analysis of the root causes of a conflict, its dynamics, power struggles as well as the grievances and challenges that underline it.
- Work on governance issues, including Peace building and State-building in post-conflict contexts needs to better integrated

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49 Brand, Larsen and Taman (2010).
50 Oslo doc
51 Oslo doc
52 Ibid
• Strengthening local Governance in post conflict and or volatile settings requires marrying support to the capacities of local government Units and the development of a strategic framework with Central Government authorities that can foster a sustainable, long-term relationship;

• A simple emphasis on service provision without also supporting the institutional capacity development for local authorities and sectoral ministries should be avoided; holistic approaches are needed;

• Developing a local governance reform process and combining it with post conflict peace building processes should be a nationally driven process.

• Given the importance of supporting local governance interventions early in the post conflict contexts and dedication of adequate and sufficient resources need to be secured.
ANNEX: Glossary of key terms and concepts

- **Local Governance**: comprises a set of institutions, mechanisms and processes, through which citizens and their groups can articulate their interests and needs, mediate their differences and exercise their rights and obligations at the local level. The building blocks of good local governance are many: citizen participation, partnerships among key actors at the local level, capacity of local actors across all sectors, multiple flows of information, institutions of accountability, and a pro-poor orientation. UNDP emphasizes local governance for improved service delivery in order to improve the ability and capacity of local governments to become better administrators, raise revenue and deliver high-quality services. It works also to help strengthen and deepen democratic representation by engaging with marginalized groups and local leaders to promote accountability, inclusion and participation, and the representation of citizens.

- **Local government**: refers collectively to political and administrative authorities over areas that are within the larger territory of a State. The term is used to contrast with central government or national government or (where appropriate) federal government. Local government acts within powers delegated to it by legislation or directives of the higher level of government. Institutions of local government vary greatly between countries, and so does the terminology (province, region, county, municipality, city, township, parish, village etc.)

- **Decentralisation**: Decentralization is a more general term that refers to the transfer of fiscal, political and/or administrative power from higher to lower levels of government. It is based on the principle that public decisions should be made, when possible, at the level of authority closest to the people. Decentralisation can take various forms; the most commonly used being administrative decentralization and devolution.

- **Devolution**: Devolution refers to the statutory granting of a number of financial and political powers to sub-national governments.

- **Deconcentration (or administrative decentralisation)**: Deconcentration differs from devolution in that it is the transfer of authority and responsibility from one level of the central government to another without autonomy for the local unit. In the case of deconcentration local units are still accountable to the central government ministry or agency.

- **Post-conflict**: refers to the volatile environment that follows the end of all out “hot” conflict. It is an elastic concept that will vary according to the specific context.

- **Peace building**: it entails efforts to support a country’s transition from conflict to sustainable peace, with a stable political order and institutions in place, the risk of relapse into conflict seriously reduced, and the country able to move to more stable development processes. Peace building strategies must be tailored to the specific needs of the country concerned, and comprises a carefully prioritized, sequenced set of activities aimed to achieve the above objectives.

- **State-building**: while used differently by many actors, it usually focuses on institutional strengthening. It “is the purposeful endogenous process of developing the capacity, institutions and legitimacy of the state in relation to an effective political process for negotiating the mutual demands between state and societal groups.”

- **Fragility** – even though the term remains under debate, it generally refers to a weak State that is incapable of delivering essential services to citizens in an equitable, inclusive, resilient and responsive manner.

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53 UNDP (2004), Decentralized Governance for Development, a combined practice note on decentralization, local governance and urban/rural development.
54 Ibid.
55 Ibid.
56 Decision 2006/33 of the UN Secretary general on Peace building
57 OECD (2008). *Concepts and Dilemmas of State Building in Fragile Situations.* Pg. 14