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Foreword

SINCE 2012, United Cities and Local Governments of Africa (UCLG Africa) has worked with the Cities Alliance to publish a report on the institutional environments of local authorities in Africa every three years.

The 2018 edition covers 53 African countries, with the exclusion of Libya. It considers the original ten criteria for assessing the institutional environment of local authorities covered in the 2012 and 2015 editions and adds two new ones that align with the 2030 Agenda for Sustainable Development and the Paris Agreement. The two new criteria address the institutional environment put in place for women's participation in political life and governance of local communities, and the institutional environment created for the participation and contribution of local communities in the fight against climate change.

Each criterion is scored from 1 (lowest) to 4 (highest). The rating scale thus goes from 12 points (the lowest grade) to 48 points (the highest grade). As in previous editions, the application of different criteria results in a synthetic notation (index) by country. This rating is the subject of explanatory analysis leading to identification of proposed reforms.

For comparative purposes, it was agreed to compare the 2018 rating based on the 10 criteria selected for the 2012 and 2015 editions of the report. This comparison makes it possible to observe several trends.

The general trend is to improve the political space given by African governments to city action and local community action: at the continental scale, the average rating increased by 18 per cent in 2018 compared to 2012.

Thirty-five countries saw a growth in the space given to the local communities, with 13 countries recording a significant improvement compared to the average African rating scale. The indicators that have contributed most to the improvement of the index are, in order of significance: 1) Citizen participation in local governance; 2) Financial transfers from state level to local level; 3) Improvement of local democracy resulting in the organisation of local elections; and 4) The improvement of the legislative framework for decentralisation in several countries.

However, two thirds of the countries (34 out of 53 countries analysed) have substandard indices and still need to undertake major reforms to provide an enabling environment for the initiatives and actions of their cities and local communities.

The adoption of urban strategies is, among the evaluation criteria, the one that has paradoxically experienced the slowest progress. This situation raises questions, since it is three years after the adoption of the United Nations New Urban Agenda that recommends that member states – and African countries in particular – adopt national urban policies in order to be able to meet the challenges posed by the now predominantly urban world.

Africa's rapid urbanisation highlights the urgency of strengthening the contribution of African cities and local authorities to the structural transformation of the continent. Indeed, strengthening the role of African cities should be a challenge to be considered for one of the next Heads of State and Government Summits of the African Union. ■

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Introduction

The present report on the assessment of the institutional environment for cities and subnational governments in Africa is a follow-up to the first version issued in 2012 and published in 2013 and the second edition published in 2015 at the time of the 7th Africities Summit held in Johannesburg, South Africa from November 29 to December 3, 2015.

This third report updates the country sheets created in 2015 and analyses the development of the institutional environment for cities and subnational governments from 2012 to 2018, and from 2015 to 2018. It specifically measures the change in latitude provided to cities and subnational governments. Two parallel processes were carried out.

The first process consisted of ensuring special monitoring of countries that experienced significant institutional changes between 2012 and 2015, including: South Africa, Burkina Faso, Kenya, Mali, Morocco, Uganda, Democratic Republic of Congo, Senegal, Tunisia and Zimbabwe. In conjunction with the Ministries in charge of local governments and/or decentralization and national associations of local governments for the aforementioned countries, a review of the sheets was carried out, specifically in terms of the initial objectives assigned to different institutional changes.

The second process consisted, for all the other counties, of collecting information and data necessary to update the country sheets, by verifying factual information contained in the country sheets, and their development from 2015 to 2018.

Then the propositions were updated and prioritised, taking into account the new situation described in the status reports and by verifying the pertinence of reforms proposed to improve the environment for city and local government action.

The criteria used to assess whether the institutional environment is favourable to cities and subnational governments in 2018 did not change from those used for the two previous reports. Ten criteria were used in 2012 and 2015, with provisions for: 1. the constitutional framework; 2. the legislative framework; 3. local governance; 4. financial transfers from the central government to the local governments; 5. the local governments' own resources; 6. capacity building for local governments; 7. transparency in the operation and management of local governments; 8. citizen participation; 9. the performance of local governments; 10. the existence or lack of a national strategy for urban management. The 2018 edition adds two new criteria, with provisions for: 11. the inclusion of women in national and local governance; and 12. local governments' involvement in the fight against climate change.

The 2018 edition of the report assessing the institutional environment for cities and subnational governments benefited from three peer review processes: one with various national associations of local governments; a second during a workshop organised by UCLG Africa in Rabat; and a third by mobilising a group of 15 experts led by Cities Alliance.

UCLG Africa organised a series of meeting in the various regions of the continent with two objectives: (1) to list and prioritise the requests of members in order to better adapt the support provided to them by the secretary-general of UCLG Africa; and (2) to raise awareness of UCLG Africa's regional members to the dynamics between the other levels and the importance of the lobbying advocacy of the national associations of subnational governments and their members.

The production of this report has benefited from the comments and suggestions from four regional meetings:

1. Communes et Villes Unies du Cameroun (CVUC), Association des Communes du Gabon (ACG), Association des Communes du Tchad (ACT), Association Nationale des Villes et Communes de la RDC (AVC/RDC), Association des Maires de Centrafrique (AMCA), during the Central Africa regional meeting held 16 and 17 April 2018 in Libreville (Gabon);
2. Botswana Association of Local Authorities (BALA), National Association of Municipalities of Mozambique (ANAMM), Association for Local Authorities in Namibia (ALAN), Association of Local Government Authorities of Malawi (MALGA), Association of Local Government of Lesotho (ALGL), Local Government Association of Zambia (LGAZ), Zimbabwe Local Government Association (ZILGA), during the Southern Africa regional meeting held 7 and 8 May 2018 in Swakopmund (Namibia);
3. Association Nationale des Communes du Bénin (ANCB), Association des Municipalités du Burkina Faso (AMBF), Association Nationale des Maires du Cap Vert (ANMCV), Union des Villes et Communes de la Côte d'Ivoire (UVICOCI), Gambia Association of Local Government Authorities (GALGA), National Association of Local Authorities of Ghana (NALAG), Association Nationale des Communes de Guinée (ANCG), Commission Installatrice de l'Association de l'Autorité Locale de Guinée-Bissau (CI-AALGB), Association des Municipalités du Mali (AMM), Association des Municipalités du Niger (AMN), Association of Local Governments of Nigeria (ALGON), Association des Maires du Sénégal (AMS), Local Council Association of Sierra Leone (LoCASL), Union des Communes du Togo (UCT), during the West Africa regional meeting held 28 and 29 May 2018 in Accra (Ghana); and
4. Association of County Governments of Kenya (ACGOK), Association Burundaise des Elus

Locaux (ABELO), Uganda Local Government Association (ULGA), Ethiopian Cities Association (ECA), Association of Urban Authorities of Mauritius (AUAM), Association Nationale des Maires des Comores (ANMC), Association de la Région ALAOTRA MANGORO (VMLF), Rwandese Association of Local Government Authorities (RALGA), Association of Local Authorities of Tanzania (ALAT), Uganda Local Government Association (ULGA), Ugandan Urban Local Authorities Association (ULAA), Association Nationale des Collectivités Locales Djiboutiennes (ANCLD), Association of the Districts of Victoria (ADV), during the regional meeting held on 9 and 10 April in Nairobi, Kenya.

This report was the subject of a peer review workshop organised by UCLG Africa 5 and 6 September 2018 in Rabat, Morocco. The following people participated in this workshop: Mr. Johnson Falade, professor, and Ms. Lady Yunusa, expert, from Nigeria; Mr. Simphewe Dzungwa, from the South African Local Government Association (SALGA), Rupert Hambira, Director of the Southern Africa office of UCLG Africa, from Botswana; Mr. David Osingo, from the Council of Governors of Kenya; Mr. Yar Ishaq Alhassan Yar, Director of Local Government of Ghana; Mr. Dago Jahi Lazare, General Director of Decentralisation and Local Development (DGDDL) in Ivory Coast. The cross-sectional approaches addressing gender equality and climate change received the support of Ms. Malika Ghefrane, mission leader for the Network of Local Elected Women in Africa (Réseau des Femmes Elues Locales d'Afrique, REFELA); and Mr. Mohamed Nbou, Special Advisor from UCLG Africa for the Climate Task Force. The workshop reviewed the country sheets, but also did a cross-sectional analysis of the inclusion of climate change and gender in local governance.

The 53 country sheets included in this report were also reviewed by independent experts organised by Cities Alliance, under the direction of Sandrine Capelle-Manuel, Ekaterina Perfilyeva and Honey Mehta from Cities Alliance. ■

Methodology

1. The Project: Assessing the Environment Surrounding the Actions of Cities in Africa

The City Enabling Environment (CEE) Ratings is a joint initiative of United Cities and Local Governments of Africa (UCLG Africa) with the support of Cities Alliance.

Rapid urbanization is an indisputable fact in Africa, and cities across the continent are increasingly driving national economies. Despite their growing role, many cities lack the institutional environment necessary to manage urbanization in a sustainable way that includes their poorest residents.

This initiative assesses the city enabling environment in 53 African countries according to 12 commonly agreed criteria. It aims to open the debate on public decentralization and urban development policies by focusing on the institutional environment necessary for local governments to play a more effective role in managing urbanization and implementing the Sustainable Development Goals (SDGs).

The goal is to help cities and local governments determine which actions should be taken at the national level to increase effectiveness in urban management. It also seeks to catalyse public debate on how urban policy can help create environments that are conducive to the productive, sustainable, and inclusive development of African cities.

About the Partners

The Cities Alliance is the global partnership for poverty reduction and the promotion of cities in sustainable development.

UCLG Africa is the umbrella organization and united voice representing local governments of the African continent and nearly 350 million African citizens. It aims to strengthen the role of local and subnational governments as key partners in urban development across the continent.

The goals

The CEE initiative provides a framework for cities and countries to relate to each other and take action to create an environment conducive to sustainable urban development. It helps identify the challenges countries face in achieving this goal and facilitates discussion among stakeholders of the reforms needed to meet them.

The initiative also helps guide international technical and financial partners in defining their support.

A qualitative approach and a ranking

The CEE Ratings approach examines the institutional conditions created by the different countries in favor of the initiatives and actions of their respective local and subnational governments. It takes as a starting point a qualitative assessment based on 12 indicators, and each country is ranked on a scale of 1 (the lowest level) to 4 (the highest).

The indicators cover five areas: local governance, local capacity, financial autonomy, local efficiency, and national institutional environment. These areas correspond to the key elements of the institutional environment of cities in the context of decentralization and democracy.

2. The Context

Rapid and massive urbanization in Africa is an indisputable fact. Statistics compiled by international institutions show that Africa has already passed the 42% urban threshold, and nearly one out of every two Africans now lives in an urban area. Since 2007, the United Nations has stated that a majority of people worldwide live in cities, although neither Africa nor Asia have yet reached that point. In both regions, the dynamic of catching up with the rest of the world has accelerated, and experts estimate that the rate of urban growth in Africa will be double that of the rest of the world over the next 20 years.

In developing countries, and particularly in Africa during the first decades following independence, fear and loathing of cities nourished such strong intellectual, political and media currents that they were long seen as a burden and an obstacle to development. This historical aversion to cities means that few countries have developed strategies to cope with the challenges posed by rapid urbanization. When such urban strategies do exist, their focus has rarely been on the contribution cities make to national economic development.

Yet, since the middle of the last decade, the World Bank has shown that in countries where the urban population has reached or exceeded 30% of the total population, cities contribute more than two thirds of the Gross Domestic Product (GDP). Experts have demonstrated that the development of African countries is increasingly linked to the performance of their cities. With the opening of countries and their connection to the global economy, African cities will play an even larger role.

The main impact of globalization on African economies is the redeployment of productive activities around urban areas. If the trends in how production systems are organized and their relationship to space resulting from the increasing internationalization of the world economy are confirmed (such as polarization of activities in urban areas and demands for innovation, among others), the performance of cities will become an even greater contributor to countries' economic growth.

¹ Africa's average urbanization rate – 42.5% in 2018 – hides great disparities among its five regions. Three regions reach or exceed the threshold of 50% urban dwellers today: Central Africa (49.5%), North Africa (52%) and Southern Africa (63.6%). West Africa has about 46.4% urban dwellers, while East Africa it is the least urbanized with 28% urban. These figures suggest a significant pace of growth of the urban population in all regions for the next decades. (World Urbanization Prospects: the 2018 Revision).

Based on the current situation in most African cities, we know that most decision makers have not yet grasped how important the proper functioning of cities is to the proper functioning of national economies.

We also know that this proper functioning is best ensured when the government respects the principle of subsidiarity. There is little chance that Africa will overcome the challenges posed by rapid urbanization until cities and local governments are in a position to take the initiative and lead actions to make African cities more inclusive, competitive, sustainable, safer and better managed.

In this context, it is urgent that African national governments create an environment that is conducive to proactive action and autonomy for cities and local governments. The CEE ratings approach will enable African governments to meet the minimum standards required for cities and local governments to be in a position to make a significant contribution to the effective management of urbanization in Africa.

3. Criteria for Evaluating Countries Based on the Favourable Enabling Environment They Offer Cities

The following 12 criteria were used to assess countries based on the enabling environment they offer their cities and local governments:

1. Provisions in the constitutional framework;
2. Provisions in the legislative framework;
3. Provisions for local governance;
4. Provisions for financial transfers from the central government to the local governments;
5. Provisions concerning local governments' own revenues;
6. Provisions for capacity building for local governments;
7. Provisions for transparency in the operation and management of local governments;
8. Provisions for citizen participation;
9. Provisions for local government performance;
10. The presence or absence of a national strategy in terms of urbanization management;
11. Taking into account gender equality; and
12. The involvement or non-involvement of local governments in the fight against climate change.

3.1. Constitutional Framework

The best guarantee for action by cities and local governments is a national constitution that recognises local governments as an autonomous sphere of governance, endowed with legal powers and financial autonomy, and with clearly defined roles and responsibilities. In this way, the decentralized governments and the nation-state both derive their legitimacy from the same founding document and fundamental law.

Ratings

The rating system assigns a grade of 4, the highest score, to countries where the responsibilities of local governments are precisely and relatively exhaustively defined in the constitution.

Countries whose constitutions explicitly mention local governments as an autonomous level of public governance – but where the roles, status, and powers of these local governments are defined in separate legislation – receive a grade of 3.

A grade of 2 is given to countries whose constitutions are neutral on local governments, leaving a large margin for the law to define the role and content of the tasks of local governments.

The lowest grade of 1 is given to countries whose constitutions implicitly or explicitly limit the role of local governments. There may be provisions in the constitution that limit the coverage of the national territory in local governments, or limit the autonomy of local governments, or introduce conflicting provisions that make it difficult for local governments to take initiatives.

Rating Grades for Constitutional Framework	
The constitution makes explicit mention of local governments as spheres of governance, detailing their recognised roles and responsibilities.	4
The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
The constitution is neutral on the question of local governments.	2
The constitution contains provisions that implicitly or explicitly restrict the actions of cities and local governments.	1

3.2. Legislative Framework

In many cases, the constitutional provisions are supplemented by organic laws and legal texts that

specify the matters for which local authorities have competencies that are specific or shared with the central government or other levels of sub-national government. The laws specify in principle the role of local government in activities such as development, planning, management of local institutions and human resources, management of taxation and finance, and provision of basic services.

The most favourable legislative framework is that which is inspired by the principles of subsidiarity and complementarity between the levels of governance, differentiation, solidarity and efficiency.

Ratings

In countries where the legislation is clearly related to the constitution and where it states the provisions as presented above, and whose implementing decrees are promulgated and applied, the score awarded is 4.

In countries where the legislation as described previously exists and whose implementing texts are not taken or applied, the score is 3.

Countries where either the constitutional provisions and the legislation are inconsistent, or where certain constitutional provisions are not implemented, receive a score of 2.

Countries where local government legislation is changing, and whose provisions are neither clear nor consistent, receive a score of 1.

Rating Grades for Legislative Framework	
All responsibilities and powers are clearly defined in accordance with the constitution, and the relevant statutory laws and regulations are in place.	4
All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.	3
A number of legislative provisions are in conflict with the constitution, or some provisions in the constitution are not implemented.	2
The legislation is unstable and inconsistent.	1

3.3. Local Democracy

It is generally considered that the designation of the deliberative and executive bodies of the local governments through democratic election is an essential element for the accountability of local government leaders vis-à-vis citizens. Such designation is in favor of better governance and the delivery of better services to the people. It

contributes to the improvement of the relations of trust between the populations and the local public institutions and, consequently, to the solidity of the process of decentralization.

Ratings

Countries whose legal and regulatory texts guarantee the designation of local assemblies and the executive bodies of local authorities through a democratic election throughout the national territory receive a score of 4.

Countries that provide for local assemblies and local executive branches, but whose decentralisation process does not concern the entire national territory or in which local elections are not organised in all local governments, receive a score of 3.

Countries where local assemblies are elected democratically, but where the executive officers are appointed by the central government from among the members of the elected assemblies or outside these, receive a score of 2.

In countries where the central government appoints local assemblies and local executive officers, the score awarded is 1.

Rating Grades for Local Democracy	
Local assemblies and executive bodies are elected throughout the country.	4
Local assemblies and executive bodies are elected, but not necessarily throughout the country.	3
Local assemblies are elected, but executive bodies are appointed.	2
Local assemblies and executive bodies are appointed.	1

3.4. Financial Transfers from the Central Government to the Local Governments

The autonomy of cities and local governments depends on how they are financed. The financing of local governments must be related to their missions. Three major types of tasks are generally carried out by local governments:

- Those for which they act as agents of the central government (such as civil registry of births, marriages, and deaths; police; economic development policy; territorial planning policy; and employment policy);

- Those for which they partially play the role of agent for the central government (national sectoral policies, equity and welfare policies, policies supporting young people, women, pensioners, the disabled, etc.); and
- Those that concern just the local government (municipal services, administrative work, waste management, etc.).

The first two types of tasks justify financial transfers from the central government to cities and local governments. These transfers are meant to correct imbalances between the tasks assigned to the local governments and their limited resources, correct disparities in revenue-generating potential among local governments, and promote national goals in terms of equitable living conditions and development.

The amount of the transfers may be a specific percentage of central government resources or defined ad hoc from one year to the next. Transfers must be adequate (they must cover the expenses transferred to the local governments) and be based as much as possible on transparent and predictable formulas. The use of transferred resources may be conditional or unconditional.

Ratings

A rating of 4 is given to countries that:

- Define a predictable amount of state resources allocated to local governments, whether it is a percentage of state resources allocated to local governments or based on the cost of the responsibilities transferred;
- Use transparent mechanisms for financial transfers from the central government to the local governments and for their distribution according to known formulas, making them predictable; and
- Allow as much freedom as possible in the use of the transferred resources.

A rating of 3 is given to countries that have established a national amount of predictable resources for local governments, which are distributed according to known formulas, but where most transfers are conditional, which greatly reduces the decision-making autonomy of local governments in determining their use.

A rating of 2 is given to countries where the amount of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.

A score of 1 is assigned to countries that either do not make transfers from the central government to

the local governments, or where the practice exists but is erratic, unpredictable and non-transparent.

Rating Grades for Financial Transfers from Central to Local Governments	
Amounts of the transfers to local governments and their distribution among local governments are clear and predictable, according to a transparent formula and without restrictions on how they may be utilised.	4
Amounts of the transfers of resources to local governments and their distribution among local governments are clear and predictable, with utilization determined at the national level (conditional transfers).	3
Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2
Resources are not transferred or are transferred erratically and irregularly	1

3.5. Own Revenues

The actions of cities and local governments depend a lot on their financial autonomy. This is an important function of local authorities' own resources, which are the proceeds of local taxes, the fees for services rendered to local service users, the proceeds of income-generating activities initiated by the local authorities, and/or the proceeds of loans or bonds issued on the financial market. Entering into public-private partnerships is also a way of financing investments based on communities' own revenues.

Local governments benefit from a greater or lesser margin in determining the nature and level of their taxes and fees, depending on whether their base and rate of such taxes and fees are set by the local governments themselves within the framework of the law or are determined by the central authorities. The autonomy of local governments is more or less effective, depending on whether they themselves collect the proceeds of local fees and taxes or whether they must rely on central government services for this collection.

The significance of local governments' leeway depends on whether the law allows them to resort to lending and/or the financial market to finance some of their actions.

Ratings

Countries where local governments can legally set or change the basis and rate of local taxes and levies, create new taxes, collect the proceeds of such taxes,

and resort to lending and to the financial markets get a score of 4.

Countries where local governments can decide on the basis and rate of existing local taxes and collect the proceeds of taxes themselves but must rely on the central level for the creation of new taxes or for resorting to lending and/or to the financial markets, receive a score of 3.

Countries where local authorities can decide the rate of existing local taxes but whose basis for such taxes is set at the central level without possibility of modulation at the local level, where tax collection is the responsibility of the central government's services, and where access to lending and/or to the financial markets is not allowed to local authorities, receive a score of 2.

Countries where the ability to decide on local taxes and collect the proceeds is exclusively the responsibility of the central government, and where resorting to lending and/or to financial markets is prohibited for local authorities, receive a score of 1, which is the weakest rating.

Rating Grades for Own Revenues	
Local governments have total autonomy to determine tax base, rates and fees, and to collect the corresponding revenues; access to financial markets is allowed.	4
Local governments have some latitude to determine existing tax base and rates, but the central government is responsible for setting new taxes and accessing loans and financial markets.	3
Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2
The central government defines and collects local government revenues.	1

3.6. Capacity Building of Local Government Administrations

Capacity building for local governments can be defined as "the process through which local governments obtain, strengthen, and maintain the capabilities to set and achieve their goals in a given environment" (Capacity Development: a UNDP Primer, 2009). Four broad categories of capabilities must be distinguished:

- Institutional capacity, which refers to rules set by the central government that are more or less favourable to local government action;
- Organisational capacity, which refers to the policies, structures, processes and procedures that allow local governments to operate and provide leadership in their jurisdictions;
- Human capacity with respect to the experience, tools and knowledge mastered by the human resources of local governments (elected and staff), which enable them to identify, analyse and respond to people's needs with appropriate strategies, policies, programs and projects, ensure their implementation, and assess their impact; and
- Societal capacity, which refers to the empowerment of the community to hold local governments and administrations accountable for the services they offer and the good management of the community.

For this study, the criterion of capacity building focuses on the second and third categories – local governments' organisational and human capacities – which can increase the empowerment of local governments to take charge and fulfill their missions regardless of the environment in which they operate. For this rating, the existence or absence of a clear national strategy for capacity building was considered, including standards and procedures, training systems and human resource management planning, rules on integrity in hiring, and the conduct of operations by local governments, among others.

Ratings

Countries with a national framework of reference defining the qualifications and responsibilities of local government staff and a national strategy for training and promoting human resources in local governments, and that implement this framework in all local governments in the country, receive the highest score of 4.

Countries that have a national framework of reference defining the qualifications and responsibilities of local government staff and a national strategy for training and promoting human resources in local governments, but that have so far applied this framework in only a limited number of local governments, are scored 3.

Countries that either have a national framework of reference defining the qualifications and responsibilities of local government staff or a national strategy for training and promoting human resources in local governments, and that have applied these in only a few local governments, are scored 2.

Countries that have no procedural rules, frameworks of reference on qualifications and responsibilities, or national training strategies, are rated 1.

Rating Grades for Capacity Building of Local Government Administrations

There is a national reference framework of professions within local governments and a national strategy for training and promoting local government human resources that is applied to all local governments in the country.	4
There is a national reference framework of professions within local governments and a national strategy for the training and promotion of local government human resources, but implementation has so far only covered a few local governments.	3
There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments, but they concern only a few local governments.	2
There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1

3.7. Transparency

Transparency is an essential element of good governance of public affairs. It is necessary for the effectiveness and efficiency of local government action and for the accountability of local governments to the population. Transparency is greatly improved when:

- Citizens have access to information about the operation and management of local government;
- Local governments follow a number of rules and legal procedures relating to the hiring and administration of staff, calls for tenders, procurement, and monitoring of contract execution; and
- The law requires that local governments be subject to regular and independent financial and organisational audits according to a specific schedule and within a specific timeframe, and this law is applied.

Ratings

Countries that have laws and regulations containing all the above provisions, and implement them in a timely manner, are rated 4.

Countries where these provisions are provided by laws and regulations but are not consistently applied or implemented according to the mandated frequency and schedule are rated 3.

Countries where only some of the required provisions are outlined in laws and regulations, and where application is spotty, are rated 2.

Countries where there are no legal provisions requiring transparency in the operation and management of local governments are rated 1.

Rating Grades for Transparency	
Rules and legal provisions on transparency in the running of local governments that require regular, independent audits be conducted within specified timeframes exist and are applied.	4
Rules and legal provisions on transparency in the running of local governments that require regular, independent audits be conducted within specified timeframes exist but are not systematically followed.	3
Only partial rules and legal provisions on transparency in the running of local governments exist and they are not systematically followed.	2
No rules or legal provisions on transparency in the running of local governments exist.	1

3.8. Citizen Participation

One of the justifications given for decentralization policies is to promote people's participation in the management of matters that affect them. It is estimated that, as the level of public governance closest to the people, local governments are the ultimate framework for citizen participation. This participation expresses the extent to which local governments consider the views and concerns of civil society outside election periods.

Representative democracy is insufficient to ensure that citizens' voices are considered in the management of local affairs, especially when voter turnout in local elections is often low. It must be supplemented by forms of citizen participation, including: consultation processes whose mechanisms should be formalised to be effective; the possibility for citizens to submit petitions; the organisation of citizen-led referendums; the practice of participatory budgeting; and the expression of public opinion through satisfaction surveys on topics that interest them.

These forms of citizen participation must be prescribed and organised by laws and regulations, and their implementation must be monitored at central and local levels to be truly integrated into local government practices.

This integration creates the conditions for societal capacity mentioned earlier, which does much to install a culture of accountability among citizens – an essential element in effective action by cities and local governments. Good urban governance cannot succeed without citizen participation.

Ratings

Countries that have passed laws and regulations on citizen participation in local government management and implement these laws are rated 4.

Countries that have the appropriate laws and regulations, but do not implement them, are rated 3.

Countries that have not established laws and regulations that promote citizen participation, but that allow participation at the local government level in the context of ad hoc projects initiated by development partners or decentralized cooperation partners, are scored 2.

A score of 1 is assigned to countries where there is no legislation on citizen participation and no experience of this practice at the community level.

Rating Grades for Citizen Participation	
National legislation on citizen participation exists and is applied.	4
National legislation on citizen participation exists but is not applied.	3
There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation.	2
There is no national legislation on citizen participation, and no locally organised spaces for dialogue and consultation.	1

3.9. Local Government Performance

Assessing the performance of local governments should be an integral part of the decentralisation policy implemented by the central government, which should design tools to measure how effective local governments are in executing their mandate.

Performance can be expressed in terms of level and quality of services provided to local people, particularly the poorest; effectiveness and efficiency

in the delivery of these services and the management of local government resources; and optimising the use of natural, human and financial resources.

Monitoring mechanisms and indicators are generally needed to track progress in these areas, and a comparative approach is often taken to benchmark local government performance against other local governments and compare to the national average. Countries differ according to whether they have legal and regulatory provisions for measuring local government performance, which is a major stimulus to improving the quality, effectiveness and efficiency of their actions.

Ratings

Countries that have established laws and regulations governing the implementation of measures for monitoring and assessing local government performance by independent bodies, and effectively apply them to all local governments, are rated 4.

Countries that have taken such measures, but where implementation is done by the authorities responsible for supervising local governments rather than by independent bodies, are rated 3.

Countries where evaluation mechanisms exist, but are not consistently implemented or are only implemented for a limited number of local governments, are scored 2.

Countries that do not have legal provisions on local government performance and have no experience in assessing local government performance are rated 1.

Rating Grades for Local Government Performance	
There is legislation on measuring local government performance, and performance is assessed by independent bodies.	4
There is legislation on measuring local government performance, but performance is assessed by the authority responsible for supervising local governments.	3
Local government performance is assessed irregularly.	2
Local government performance is not assessed.	1

3.10. Urban Strategy

Urbanization is undoubtedly one of three phenomena that will have the most decisive influence on the fate of African countries, along with decentralization and globalization. How central governments are

preparing to cope with the rapid urbanization taking place in Africa – and the role assigned to local governments in this effort – will determine the effects of urbanization on population dynamics and the development of the continent.

Countries that have developed a relevant urban strategy adopted by all stakeholders and availed themselves of the institutional, technical and financial resources to implement this strategy offer the best enabling environment for cities and local governments to contribute to the effective management of urbanization.

Ratings

Countries that have a clear and relevant urban strategy, including a precise implementation plan and where institutions and resources are mobilised to implement it, are rated 4.

Countries that have adopted an urban strategy but do not yet have the institutions and means to execute this strategy are rated 3.

Countries where thinking on urbanization is taking place at the national level, but no strategy has been defined and the means to execute it do not yet exist, are rated 2.

Countries where there is no urban strategy and where leaders have a sense that evolving urban developments are neither welcome nor under control are rated 1.

Rating Grades for Urban Strategy	
A clear national urban strategy exists, along with the financial and technical arrangements and capacities necessary to implement it.	4
A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.	3
National reflection on urbanisation is underway, but an urban strategy has not yet been defined.	2
No national urban strategy.	1

3.11. Gender Equality

The United Nations (UN) is promoting an effective participation and equal opportunities for women and men at all levels of decision making in the political, economic and public spheres. Strengthening policies and legislation to promote gender equality involves taking women into account in local governance, which is an undeniable foundation for improving public governance.

This study reviews the mechanisms being put in place to ensure the participation of women in the political life of local and subnational governments, with a particular focus on women's presence in local elections.

Four mechanisms of women's involvement in local elections are considered:

1. Lists in local elections have a certain quota of women to be eligible, and these lists are rejected in the event of non-compliance with quotas.
2. Acceptance of the lists in local elections is assessed by considering the quota of eligible women.
3. Demands for at least 30% of seats to be reserved for women in local government assemblies.
4. The leadership of the territorial community should include at least one woman (for example as mayor or deputy mayor).

Ratings

Countries that provide for these four mechanisms receive a score of 4. Countries that implement three of these four mechanisms receive a score of 3.

Countries that implement only two of these four mechanisms are rated 2. Countries that do not provide for any or just one of the four mechanisms are rated 1.

Rating Grades for Gender Equality	
The country provides for 4 of the mechanisms of gender equality	4
The country provides for 3 of the mechanisms of gender equality	3
The country provides for 2 of the mechanisms of gender equality	2
The country does not provide for any or just 1 of the mechanisms of gender equality	1

3.12. Climate Change

To address climate issues, UN member states have adopted the Paris Agreement with the aim of making a joint effort to reduce greenhouse gas emissions and limit global warming to 2 degrees Celsius by 2100.

To achieve this goal, States Parties to the United Nations Framework Convention on Climate Change (UNFCCC) have committed to implementing nationally defined contributions (NDCs) to promote climate-friendly, low-carbon, resilient and solidarity-based development.

The effective enforcement of NDCs implies that they are territorialized, and that local and regional governments are empowered to develop and implement concrete and measurable programs of action meeting the MRV (Measurement, Reporting, and Verification) criteria as specified in the Paris Agreement.

Four mechanisms for involving cities and territories in African countries in the fight against climate change are listed:

- Laws and regulations provide for the inclusion of local and regional governments in the implementation of the national agenda in the fight against climate change, including through the development of a climate plan at the level of cities and territories.
- The national framework requires local and regional authorities to report on the implementation of the territorial climate plan.
- There are plans for the design of territorial risk prevention and/or emergency response in case of disaster.
- Explicit provisions ensure local and regional governments' access to climate finance.

The countries that provide for these four mechanisms for taking local communities into account in the fight against climate change are rated 4. Countries that implement three of these four measures are rated 3.

Countries that implement only two these four mechanisms are rated 2. Countries that do not provide for any or just one of the four mechanisms are rated 1.

Rating Grades for Climate Change	
The country provides 4 of the mechanisms in the fight against climate change	4
The country provides 3 of the mechanisms in the fight against climate change	3
The country provides 2 of the mechanisms in the fight against climate change	2
The country does not provide any or just 1 of the mechanisms in the fight against climate change	1

4. Presentation of the Ratings

The rating results for each criterion are presented in an overall report classifying the countries into four colors:

1. **Green** (scores of 36 or higher): Countries with the most favourable environments for the action of cities and local governments in accordance with the standards adopted.
2. **Yellow** (scores of less than 36 and greater than or equal to 30): Countries whose environment is somewhat favourable to the action of cities and local governments, but where some improvements are needed.
3. **Orange** (scores of less than 30 and greater than or equal to 24): Countries whose progress towards an enabling environment for cities and local governments would require major reform efforts.
4. **Red** (scores of less than 24): Countries whose environment is generally unfavourable to the action of cities and local governments.

Is the latitude afforded to cities and local governments in Africa improving?

Analysis for the period of 2012-2018

Created by United Cities and Local Governments of Africa (UCLG Africa) with the support of Cities Alliance, this publication is the third edition of the assessment of the environment established by African central governments to promote initiatives and action of cities and subnational governments, following the editions from 2012 and 2015.

This third edition provides the opportunity to follow the change in the quality of the institutional environment offered to cities and subnational governments and to highlight the major changes that have occurred from 2012 to 2018. The ten criteria used in 2012 and in 2015 were also used in 2018 for comparison purposes; the two new criteria introduced in 2018 are thus not part of the change analysis.

Overall, the environment for local government action in Africa is slightly better in 2018 than it was in 2012. The average overall rating went up about

18 per cent, but this figure hides the wide variations between countries and regions.

The figure below shows the dynamic between the four groups of countries:

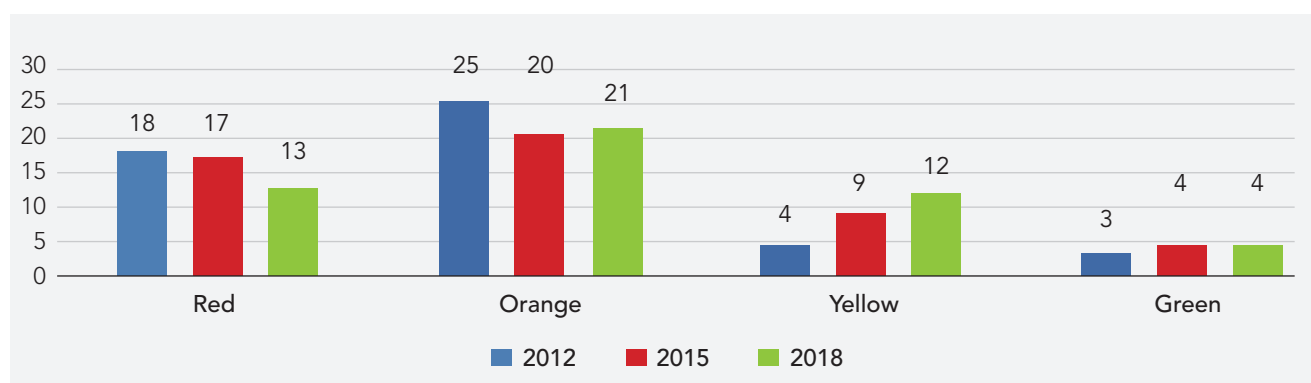
Green (rating of 30 or higher): countries with the most favourable environment for the action of cities and local authorities following the chosen standards.

Yellow (rating between 25 and 30): countries whose environment is favourable overall to the action of cities and local authorities, but that require certain improvements.

Orange (rating between 20 and 25): countries that require significant reform efforts to move towards an environment that is favourable to cities and local authorities.

Red (rating below 20): countries with an environment that is globally unfavourable to the action of cities and local authorities.

Figure 1
Dynamic of country groups in 2012, 2015 and 2018



We see a two-pronged shift. On the one side, there is a decrease in the number of countries whose institutional environment is unfavourable or somewhat unfavourable to cities and subnational governments. On the other, there is a stagnation of countries with a favourable environment and a slight increase in the number of countries whose environment is somewhat favourable to cities and subnational governments.

The countries can be divided into three groups: (1) countries that have significantly improved their institutional environment index in favour of initiatives and action of the cities and subnational governments; (2) countries whose environment has not changed; and (3) countries whose institutional environment for cities and local governments has deteriorated compared to the 2012 assessment.

Thirty-five countries increased their local governments' latitude. Among these, 13 countries had an increase that was greater than the average increase for African countries. Comoros had the strongest increase (+50 per cent), thanks to the local elections that were held and the improvement in the legislative and regulatory arsenal for decentralization. The countries with +40 per cent were Madagascar, Seychelles, and Zambia; these increases were due to reforms that were undertaken in these countries. Madagascar radically improved the institutional mechanism for local capacities, while organizing local elections throughout the country. Seychelles improved its legislative and regulatory framework for decentralization, defined

the framework for citizen participation in managing local governments, and created a true urban strategy. Zambia owes its remarkable improvement to the laws and regulations clarifying the transfer of responsibilities, local taxation and capacity building for local governments. Malawi comes in just behind these frontrunners with 33 per cent, thanks to the organisation of local elections, which replaced appointed executives and councils with elected ones; the enactment of laws and regulations favoring citizen participation in local management; and measuring the performance of local governments.

Figure 2 shows the varied regional trajectories. East Africa (44.76 per cent) is the region with the greatest improvement in the favourable environment index for the action of cities and local governments. This region includes four of the six countries that experienced the greatest improvement in their index (Comoros, Madagascar, Seychelles, Tanzania). The region with the second highest improvement in their index was West Africa (22.34 per cent), greater than the African average. The improvement of the index in this region was primarily due to the changes in three countries: Benin, Guinea-Conakry, and Ivory Coast, with indices of 27 per cent, 25 per cent and 20 per cent respectively. All other African regions (Southern, Northern and Central Africa) experienced less improvement in their indices than the continental average. Central Africa experienced the least improvement, less than 3 per cent, which is truly poor performance.

Figure 2
Improvement of the institutional environment in Africa by region

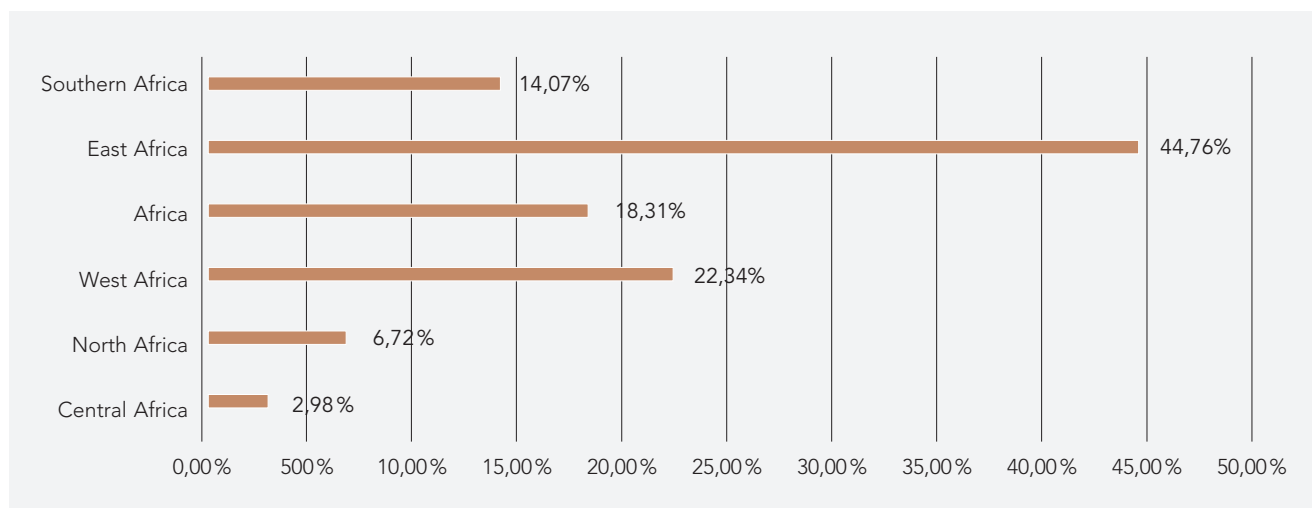
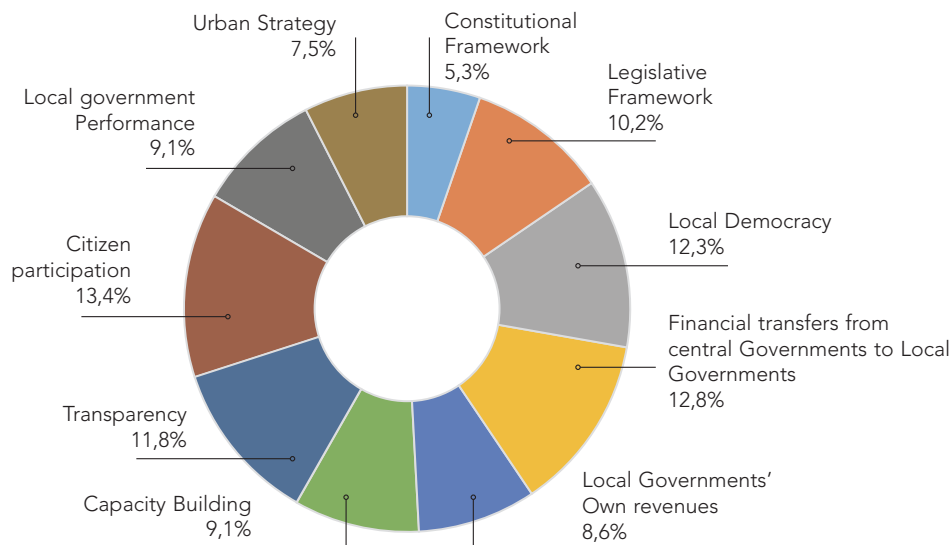


Figure 3 shows the relative contribution of each indicator to the average improvement shown. The five indicators that contributed the most to the improvement of the index are, beginning with the highest: citizen participation in local governance (13.4 per cent), financial transfers from the central

government to the local governments (12.9 per cent), improvement in local democracy (11.8 per cent). With the organization of local elections as well as the improvement of the legislative framework for decentralization in several countries (10.2 per cent).

Figure 3
Contribution of indicators to overall improvement of the institutional environment in Africa

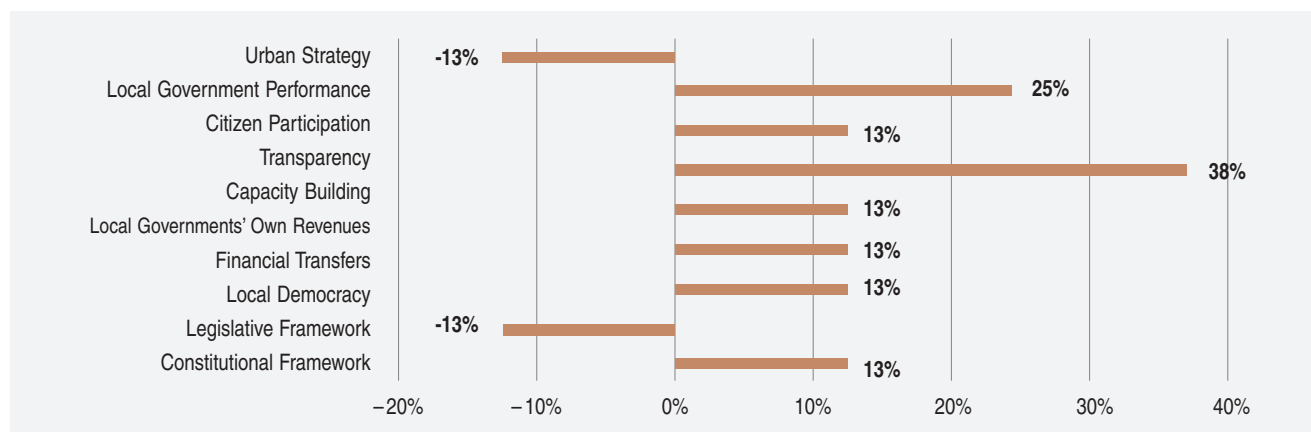


Figures 4 to 8 show the contribution of the various indicators to improvement of the institutional environment in the different regions.

Figure 4 shows the distinctive contribution of indicators in Northern Africa. While nothing has changed in terms of measuring the performance of local governments, this is not the same for the other indicators. We see a strong contribution of capacity building and citizen participation in the improvement of the index, almost a tenfold increase on average

in the region. Transparency, financial transfers, own resources, local democracy and the constitutional framework provided a modest improvement to the region's index at 14 per cent. Certain indicators have decreased, which is the case with the legislative framework, which went down because of the adoption of new constitutions and the delay observed in restructuring and adopting corresponding legislative texts; and the urban strategy, many of which have expired and need to be renewed.

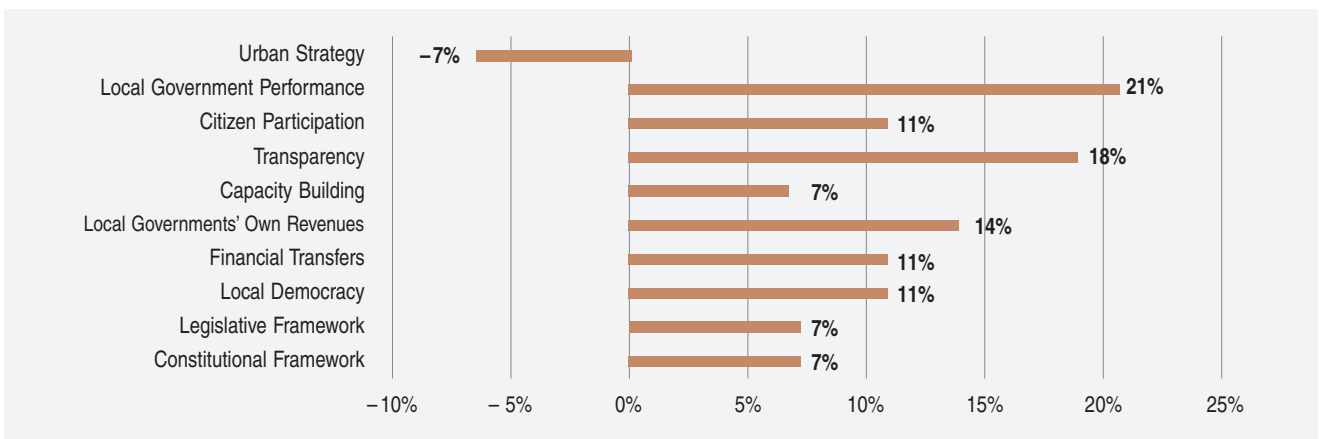
Figure 4
Contribution of indicators to overall improvement of the institutional environment in Africa



In Southern Africa (Figure 5), except for the urban strategy, we see a steady contribution of the other indicators in the improvement of the index. Local government performance, citizen participation and transparency seem to be part of the indicators that have moderately increased (7 per cent), while the improvement of local government performance was

more pronounced (21 per cent) and the efforts to provide transparency were improved (18 per cent). However, the urban strategy experienced a net decrease, with the expiration of the existing urban strategies and the launch of new considerations in most of the region's countries (with the notable exception of South Africa).

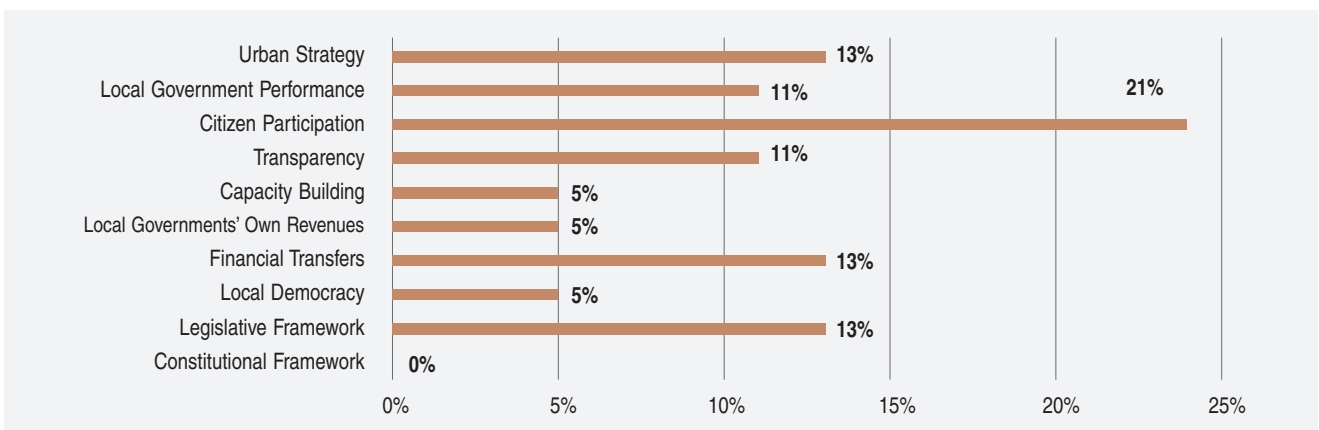
Figure 5
Contribution of indicators to overall improvement of the institutional environment in Southern Africa



West Africa (Figure 6) showed improvement in almost all the indicators. Three levels of improvement were identified. First, the greatest increase (24 per cent) was seen in citizen participation, shown in Benin, Guinea-Bissau, Senegal and Togo. The second level of improvement (13 per cent) was seen for the urban strategy, financial transfers from the central government to the local governments,

and the legislative framework for decentralisation. The third level of improvement concerns the measurement of performance for local governments, and transparency (11 per cent). Finally, improvements of 5 per cent were seen for capacity building for local governments, own resources and local democracy, creation of an urban strategy, and reinforcement of local capacities.

Figure 6
Contribution of indicators to overall improvement of the institutional environment in West Africa

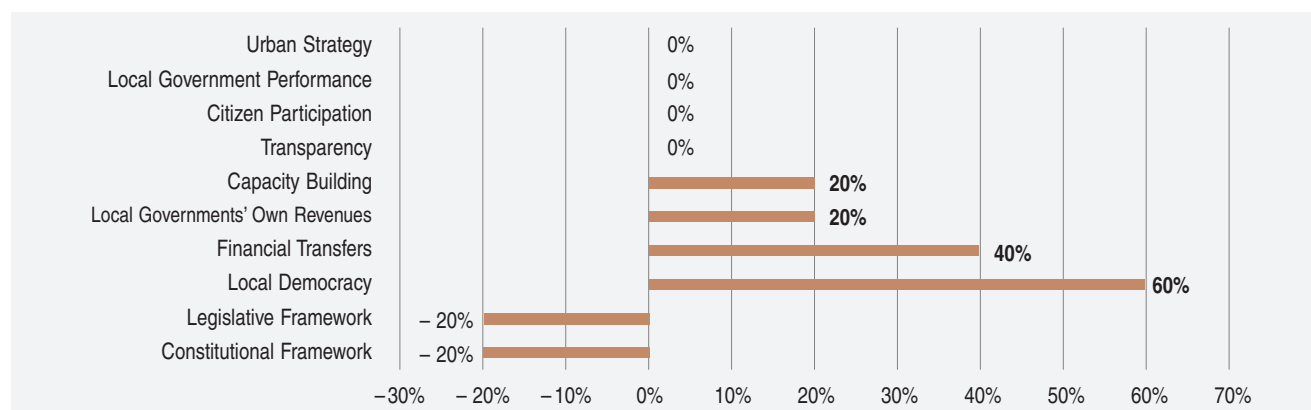


Central Africa (Figure 7) is unique in terms of improvement in the national institutional environment. Financial transfers (40 per cent) as well as local democracy (60 per cent) experienced significant variations from 2012 to 2018. In terms of local democracy, the main development was the election of governors in the Democratic Republic of Congo (DRC). The improvement in financial transfers primarily comes from Chad and Congo, which significantly improved their mechanisms for financial transfers. Local capacities as well as own resources

contributed 20 per cent each to the improvement. These two advancements took place in Chad, where a framework of reference defining qualifications and responsibilities and a national strategy for reinforcing decentralization actors were adopted in 2015 and 2013, respectively; and in Cameroon, where greater latitude was given for the local governments' own resources.

The constitutional and legislative frameworks negatively contributed to the general index for Central Africa.

Figure 7
Contribution of indicators to overall improvement of the institutional environment in Central Africa



East Africa (Figure 8) is one of the two regions of the continent (with West Africa) to not see a decline in indicators for the institutional environment for cities and subnational governments. The urban strategy strongly contributed to the progress of the index for this region (22 per cent). This contribution is due to Seychelles adopting an urban strategy equipped with human, technical and financial means; to Tanzania, where an urban strategy was adopted, even though it does not yet have all the means necessary for implementation; and to a lesser extent

Madagascar and Djibouti, where an urban strategy is being created. Local democracy contributed 11 per cent to the improvement of the index during this period, mainly as a result of local elections in Comoros and Madagascar, two countries where the local executives and councils were appointed in 2012. The improvement in the system of financial transfers from the central government to the local governments are due to the reforms in Burundi, Tanzania, and Uganda.

Figure 8
Contribution of indicators to overall improvement of the institutional environment in East Africa

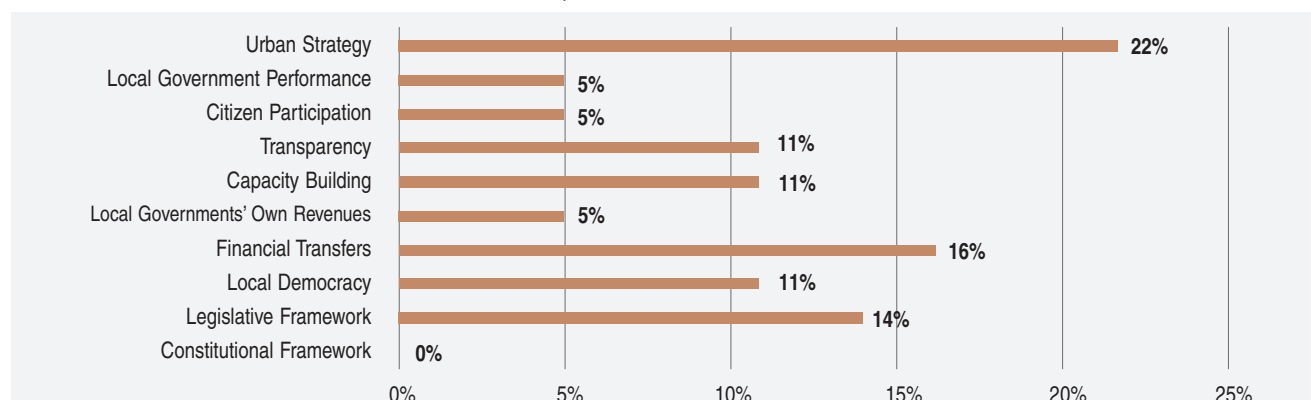


Figure 9 below shows the classification of countries according to four categories. As previously noted, the countries were classified into four groups by colour depending on their overall rating out of 40: (a) green (rating of 30 or higher): countries with the most favourable environment for the action of cities and subnational governments following the chosen standards; (b) yellow (rating between 25 and 30):

countries whose environment is favourable overall to the action of cities and subnational governments, but that require certain improvements; (c) orange (rating between 20 and 25): countries that require significant reform efforts to move towards an environment that is favourable to cities and subnational governments; (d) red (rating below 20): countries with an environment that is globally unfavourable to the action of cities and subnational governments.

Figure 9

Country classification for 2012, 2015 and 2018, depending on the quality of the national institutional environment

2012		2015		2018	
South Africa	33	South Africa	35	South Africa	37
Uganda	31	Uganda	34	Uganda	35
Morocco	30	Morocco	31	Tanzania	32
		Kenya	30	Morocco	31
Kenya	28	Zambia	29	Kenya	29
Rwanda	28	Rwanda	28	Zimbabwe	29
Ghana	26	Tanzania	28	Ghana	29
Tanzania	25	Zimbabwe	28	Rwanda	28
		Benin	27	Zambia	28
Botswana	24	Ghana	26	Benin	28
Nigeria	24	Namibia	25	Senegal	27
Senegal	24	Senegal	25	Sierra Leone	27
Cameroon	23	Swaziland	25	Burkina Faso	26
Gabon	23			Burundi	25
Namibia	23	Botswana	24	Swaziland	25
Zimbabwe	23	Burundi	24	Niger	25
Niger	23	Malawi	24		
Sierra Leone	23	Niger	24	Madagascar	24
Benin	22	Nigeria	24	Cameroon	24
Burkina Faso	22	Burkina Faso	23	Malawi	24
Burundi	21	Cameroon	23	Namibia	24
Eritrea	21	Gabon	23	Côte d'Ivoire	24
Chad	21	Mali	23	Gabon	23
Mauritania	21	Mauritania	23	Mauritania	23
Lesotho	21	Sierra Leone	23	Botswana	23
Swaziland	21	Chad	23	Mali	23
Gambia	21	Eritrea	21	Nigeria	23
Ethiopia	20	Gambia	21	Tunisia	23
Angola	20	Lesotho	21	Chad	22
Algeria	20	Algeria	20	Eritrea	21
Tunisia	20	Angola	20	Seychelles	21
Zambia	20	Côte d'Ivoire	20	Lesotho	21
Côte d'Ivoire	20	Ethiopia	20	Gambia	21
Mali	20	Madagascar	20	Djibouti	20
				Ethiopia	20
São Tomé and Príncipe	19	São Tomé and Príncipe	19	Angola	20
Djibouti	18	Tunisia	19	Algeria	20
Malawi	18	Djibouti	18	Guinea	20
Madagascar	17	Republic of the Congo	17		
Republic of the Congo	17	Egypt	17	São Tomé and Príncipe	19
Equatorial Guinea	17	Guinea	17	Togo	19
Egypt	17	Equatorial Guinea	17	Comoros	18
Mozambique	16	Mozambique	17	Republic of the Congo	18
Togo	16	Togo	16	DR of the Congo	18
Seychelles	15	Comoros	15	Equatorial Guinea	17
DR of the Congo	15	DR of the Congo	15	Egypt	17
Guinea-Bissau	14	Seychelles	15	Mozambique	17
Central African Republic	13	Guinea-Bissau	14	Liberia	14
Comoros	12	Central African Republic	13	Guinea-Bissau	13
Somalia	12	Somalia	12	Central African Republic	13
Sudan	12	Sudan	12	Sudan	13
Liberia	11	Liberia	11	Somalia	12

Table 9 shows a slow improvement in the institutional environment offered by the central government to cities and subnational governments. From 2012 to 2015, and then 2018, not only did number of countries with a favourable environment (green) or somewhat favourable environment (yellow) for cities and subnational governments increase, but also the number of countries with an institutional environment that is unfavourable (red) or somewhat unfavourable (orange) to cities and subnational governments decreased. Most African countries (68 per cent) still have an unfavourable or somewhat unfavourable environment for the initiatives and actions of cities and subnational governments. This number was 86 per cent in 2012 and 74 per cent in 2015. So, we are undoubtedly seeing progress in the implementation of institutional frameworks that support decentralisation.

The group of countries with a favourable environment for cities and subnational governments is almost stable. They represented 6 per cent of African countries in 2012, and 8 per cent in 2015 and 2018. They included three countries in 2012: Morocco, South Africa and Uganda. Kenya was added in 2015, but then replaced in 2018 by Tanzania as the fourth stable frontrunner.

Twelve countries have a somewhat favourable environment for the action of cities and subnational governments. There were four in 2012: Ghana, Kenya, Rwanda and Tanzania, and in 2015 Benin, Namibia, Senegal, Swaziland, Zambia and Zimbabwe were added. In 2018, Burkina Faso, Burundi, Kenya, Niger and Sierra Leone were added. Kenya was demoted from a favourable country (green) in 2015 to a somewhat favourable country (yellow) in 2018. Two other countries were also demoted: Namibia went from the somewhat favourable group of countries in 2015 (yellow) to the somewhat unfavourable group in 2018 (orange); and Tunisia went from the somewhat unfavourable group (red) to the somewhat favourable group (orange).

Twenty-five, then 20, then 21 countries in 2012, 2015 and 2018, respectively, comprised the group that requires serious effort to improve their institutional environment established by the central governments for initiatives and actions of cities and subnational governments (orange). Between 2012 and 2018, nine countries made an effort and moved to the next category up: Benin, Burkina Faso, Burundi, Niger, Senegal, Sierra Leone, Swaziland, Zambia and Zimbabwe. Sixteen countries stagnated in the same category: Algeria, Angola, Botswana, Cameroon, Chad, Eritrea, Ethiopia, Gabon, Gambia, Ivory Coast, Lesotho, Namibia, Nigeria, Mali, Mauritania, and Tunisia.

Eighteen, then 17, then 13 countries in 2012, 2015 and 2018, respectively, composed the group of African

countries whose institutional environment established by the central governments is unfavourable for initiatives and actions of cities and subnational governments. From 2012 to 2015, two countries left this category and moved to the one immediately above: Malawi and Madagascar. Only one country joined this group coming from the one above: Tunisia came from the next category up. Compared to 2012, Djibouti, Guinea-Conakry, Madagascar, Malawi, and Seychelles went from the red category to the orange one.

Thirteen countries stagnated in the red category: Central African Republic, Comoros, Congo, DRC, Egypt, Equatorial Guinea, Guinea-Bissau, Liberia, Mozambique, São Tomé and Príncipe, Somalia, Sudan, and Togo.

The general improvement of moving towards an environment that is favourable to the action of cities and subnational governments should be applauded. It should be noted that from 2012 to 2018, the strong contribution of financial transfers from the central governments to the subnational governments has been important in improving the institutional environment for cities and subnational governments, which is reassuring in terms of the political will for decentralisation.

It should not be overlooked that two countries were downgraded, going from a somewhat favourable environment to a somewhat unfavourable environment, or even an unfavourable environment for cities and subnational governments. Progress made can always be undone, which is why it is so important to maintain and reinforce the reform efforts to entrench and deepen the public policies for decentralisation and distribution of responsibilities to cities and subnational governments.

The delay in establishing institutional frameworks favourable to urban policies and strategies raises questions two years after the adoption of the United Nations New Urban Agenda, which recommends that member countries, including African countries, adopt national urban policies in order to face the challenges of becoming a primarily urban world. In Africa, the prolonging of this situation poses a problem at a time when we expect cities to play a major role in the structural transformation of the continent called for in the African Union's Agenda 2063. It is high time for Africa to modify its outlook on urbanisation and make urban policies an essential component of its development and integration strategy. In order to do this, the contribution of urbanisation to structural transformation in Africa should be among the topics on the agenda for the African Union leadership. ■

Country Profiles

Indicators established by UCLG Africa with the support of CA

Indicators

1. Constitutional Framework for Cities' and Local Governments' Action
2. Legislative Framework for Cities' and Local Governments' Action
3. Local Democracy
4. Financial Transfers from the Central Government to the Local Governments
5. Local Governments' Own Revenues
6. Capacity Building of Local Government Administrations
7. Transparency
8. Citizen Participation
9. Local Government Performance
10. Urban Strategy
11. Gender Equality
12. Climate Change

The highest score for each indicator is 4, and the lowest is 1.

Partnership

- United Cities and Local Governments of Africa (UCLG Africa)
- Cities Alliance (CA)

Algeria

22/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3	↑
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.....	3	
3	Local assemblies and executive bodies are elected throughout the country.....	4	
4	Resources are not transferred or are transferred erratically and irregularly.....	1	
5	The central government defines and collects local government revenues.....	1	
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments, but they concern only a few local governments.....	2	
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.....	2	
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.....	1	
9	Local government performance is not assessed.....	1	
10	National reflection on urbanization is underway, but an urban strategy has not yet been defined.....	2	
11	The country does not provide for any or just 1 of the mechanisms of gender equality.....	1	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1	

Explanation of the Rating

Algeria has a long history of decentralisation. Decree 63-189 of 16 May 1963 is the first official legislation from the Algerian central government reorganising municipalities after the end of French colonisation. This legislation maintains the 15 departments of Algeria and lists the municipalities by department and neighbourhood. Ordinance 67-24 of 18 January 1967 created the municipal code that organises the Algerian municipality, specifies its powers, and defines its financing. The municipal code is redefined by Law 90-08 of 7 April 1990, which stipulates that the municipality is the basic level of territorial government, with legal powers and financial autonomy. It has a name, territory and a capital. Finally, Law no. 11-10 of 22 June 2011 redefines the municipal code.

The Algerian Constitution does not include a chapter specifically addressing local governments, but Article 15 specifies that "the territorial governments are the municipality and the wilaya: the municipality is the basic level of government." The Constitution also specifies that "the elected Assembly is the foundation for decentralisation and the place where citizens participate in the management of public affairs." After the territorial reorganisation of 1984, Algeria consisted of 48 wilayas (departments), 160 dairas (neighbourhoods or districts) and 1541 municipalities, all governed by the same municipal statutes. The wilaya is the primary territorial administrative level, acting both as a decentralised administrative district and as a territorial government with a popular assembly.

In Algeria, the lack of certain regulatory documents prevents the local governments from taking charge of the responsibilities transferred to them. Algeria is organised into municipalities, which are led by elected councils and executives. The most recent local elections were in 2017.

Financial transfers from the central government to the local governments are unpredictable and irregular. They are also insufficient, because there is a clear inequality between the local governments' powers and the resources that are allocated to them. The Common Fund for Local

Governments (Fonds Commun des Collectivités Locales, or FCCL) has two components: the solidarity fund and the guarantee fund. The solidarity fund is intended for two types of operations:

1) Equalisation funds are intended to combat the inequalities and disparities of resources between municipalities and between wilayas. They fund the operations portion of local budgets. The equalisation funds consider the number of inhabitants and the financial situation of local governments. The equalisation funds represent 5 per cent of the solidarity fund budget. Exceptional equalisation subsidies may also be allocated to governments that are in a difficult financial situation and unable to cover their obligatory expenses (such as salaries, electricity, water, and telephone fees), or that are faced with catastrophes, natural disasters, etc.

2) Equipment subsidies fund the equipment portion of local budgets. These subsidies represent 40 per cent of the solidarity fund. They finance investments in various areas such as potable water, sanitation, and electricity.

The purpose of the guarantee fund is to offset the tax losses recorded against forecasts. These transfers coming from the FCCL are not new resources. They come from the annual fixed required contribution of 2 per cent of tax forecasts for municipalities and wilayas. In terms of the value added tax (VAT) paid to local governments beginning in 1992, its rate, which was 17 per cent, was recently decreased to 15 per cent, which represents a considerable loss for local governments.

The local taxation is made up of four primary taxes: Tax on professional activity (TPA); flat payment (FP) on salaries, wages, allowances and emoluments; the property tax, which is the prime municipal tax generating the most resources; and the sanitation and garbage removal tax. These taxes are set at the national level.

While the municipal code defines the profile of key staff members for local administrations, the municipalities do not have qualified managers. Furthermore, no capacity building strategy for local governments exists at the national level.

Algerian legislation provides for annual audits of the accounts for local governments, but this provision is only occasionally implemented.

No legislation exists regarding citizen participation in the management of local affairs. However, some governments have set up spaces for dialogue and consultation with civil society.

With an urbanisation rate of 72.6 per cent in 2018 (which is expected to reach 84.5 per cent by 2050), Algeria must manage an increasingly dense urban structure. From independence in 1962 to the early 2000s, the number of conurbations with 5,000 to 20,000 inhabitants increased from 95 to 580. A urban strategy is currently being considered.

A law adopted in January 2012 imposes a quota of between 20 and 40 per cent for women on the electoral lists of parties for legislative, municipal, and communal elections, depending on how many seats a district is allocated. In 2012 parliamentary elections, Algerian women won 31 per cent of parliamentary seats. However, women's position on the lists differs from one political structure to another and from one candidacy area to another, since it remains linked to other considerations.

Local governments are not involved in national programmes and projects to address climate change challenges.

Proposed Reforms

With an overall rating of 22 out of 48, Algeria is in the group of countries whose environment is unfavourable overall to cities and local governments. To advance towards an environment that is favourable to cities and local authorities, significant reform effort will still be required.

- **The first reform** should be to clarify the transfer of responsibilities to local governments. Currently, legislation confers significant powers on local governments, and the municipality has a general competence clause. According to the municipal code, the municipality may provide "municipal public services in order to satisfy the collective needs of its citizens" and "directly operate public services as an administrator." The area of municipal responsibility is so extensive that it practically covers all types of activities, in addition to those traditionally exercised on behalf of the central government such as civil status, national service, and elections. However, there is a clear imbalance between the many responsibilities recognised as belonging to the local governments and the human and financial resources that are allocated to them. As a result, it is the decentralised central government services in conjunction with their national directorates that continue to implement sectoral policies, including in areas that are recognised as belonging to the local governments. It is urgently necessary to redefine the local governments' responsibilities to avoid an unmanageable imbalance between their responsibilities and their resources. The reform should either confirm the general competence clause, in which case the resources allocated to the local governments must be adjusted to allow them to carry out their mandates; or it should revise the general competence clause, and then it would probably be necessary to transfer responsibilities in blocks that provide a clearer definition of the step-by-step management of responsibilities.

- **The second reform** should address the local governments' financing both in terms of local taxation and financial transfers from the central government to the local governments. It is necessary to review the transfer mechanisms to make them more transparent and visible to local governments. This review should focus on the principle of subsidiarity and the financial relationships between the different levels of government (municipalities and wilayas).

- **The third reform** should address the implementation of mechanisms to improve local management. The local governments' significant budget management problems have caused a structural deficit in the past, which the central government is trying to manage. There is a clear lack of auditing tool and tools to assess the governments' financial management performance. These audits should be systematically carried out and published on an annual basis whenever possible. It is also essential to implement methods and tools to improve the quality of local public spending. This includes encouraging transparency and integrity with contracts and setting up competent teams for monitoring contractual execution.

- **The fourth reform** concerns institutional capacity building for local governments. In 1980-81, the Ministry of the Interior launched a recruitment programme for university managers; but several years later, almost all the managers who had been recruited had left. In 2008, 250 experts and university professors were mobilised to provide continuing education and retraining for local managers; a similar programme was organised for mayors. These two initiatives did not have any impact. We note that there have been no advance on this matter since the previous rating. The reform should focus on developing a national capacity building strategy by involving the two human resources training institutions under the Ministry of the Interior and the local governments: the National Administration School (Ecole Nationale d'Administration, ENA) and the Continuing Education University (Université de formation continue, UFC). The reform should also seek ways to build the loyalty of trained managers to the local governments, particularly through better career opportunities and working conditions.

- **The last reform** deals with the fight against climate change. By 2030, the goals are to: reduce greenhouse gas emissions by 7 per cent to 22 per cent; reduce national consumption of fossil fuels by 10 per cent; have 25 – 30 per cent renewable energy for electricity production (i.e., 22000MW); reduce the volume of gas flares by at least 1 per cent; convert one million vehicles to liquefied petroleum gas (LPG) and 20,000 buses to compressed natural gas (CNG); and reforest 1.5 million hectares. These goals cannot be reached without the full involvement of the cities. That is why it is important to adapt the NDCs and to adjust territories' access to climate finance. ■

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Angola

22/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments as spheres of governance, detailing their recognised roles and responsibilities.	4
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are appointed.	1
4	Resources are not transferred or are transferred erratically and irregularly.	1
5	Local governments have some latitude to determine existing tax base and rates, but the central government is responsible for setting new taxes and accessing loans and financial markets.	3
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	Only partial rules and legal provisions on transparency in the running of local governments exist and they are not systematically followed.	2
8	National legislation on citizen participation exists but is not applied.	3
9	Local government performance is not assessed.	1
10	No national urban strategy.	1
11	The country does not provide any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

The 1975 Constitution of the Republic of Angola asserts the notion of local autonomy (autarquias) and the administrative and financial autonomy of local governments administered by elected bodies. Despite these articles in the Constitution, the government of Angola, ruled by a single party, remained centralised. From 1975 – 2002, Angola was the site of a lengthy armed conflict which seriously hindered its development process. The 1992 Constitution abolished the single-party state and strengthened the progressive deconcentration of the country, according greater authority to provincial governors for the first time. After this period, the country was once again plunged into civil war.

In 1999, Angola revived its decentralisation process with Law No. 17/99 of 29 October 1999, which set up government structures at the provincial, municipal and communal levels. It was not until 2007 and 2008 that Angola truly established a coherent policy when it elaborated the decentralisation strategy and legal framework to strengthen the responsibilities of the local governments. Angola's long-term vision document (the "Angola Visão 2025") and its Strategic Plan for 2009–2013 both confirmed the importance of decentralisation. Law No. 02/07 on local administration set the responsibilities of local governments and formalised the people's participation in decision-making through appointed provincial and municipal councils.

Administratively, Angola has 18 provinces, 163 municipalities, and 532 communes divided into neighbourhoods or villages. The communes are subdivisions of the municipalities.

The Constitution of 2010 explicitly mentions local governments as spheres of governance and details their recognised roles and responsibilities. Articles 213 to 222 define the responsibilities of local governments and organise the framework for their operation.

The laws and regulations that would make the transfer of responsibilities operational have yet to be passed; local governments have only a slight impact on the provision of local public services.

Assemblies and executive bodies are appointed by the government throughout the country. The first local elections will be organised in 2020.

In Angola, the various transfers to local governments are difficult to predict, which causes considerable problems for budgetary planning at the provincial and municipal levels.

Since 2006, local governments have had broader fiscal powers: they can set the tax base and rates for local taxes. Local governments are not, however, in charge of collecting the revenues from all local taxes.

Angola does not have a national strategy to build the capacities of local administrations or a national framework of reference defining the qualifications and responsibilities of local government staff.

According to Law No. 02/07, local government budget execution and in-house and public bookkeeping must be in compliance with the central government's financial management system. Audits are not conducted in a widespread and systematic manner.

National laws aim to promote citizen participation through the Municipal Council for Consultation and Social Dialogue (Conselho Municipal de Auscultação e Concertação Social, or CMACS). This framework for dialogue is not in place in the local governments.

Angola has no legislation on assessing the performance of local governments when it comes to their provision of local services, and it does not have an urban strategy.

Angola has no legislative provision on gender equality.

Local governments are not involved in national programmes and projects related to climate change.

Proposed Reforms

With an overall score of 22 points out of 48, Angola is one of the countries where the environment is generally unfavourable to local governments. Five reforms are suggested to improve the environment for city and local government action.

- **The first reform** should involve compliance with constitutional provisions. Article 220 of the Constitution stipulates that the assemblies and executive bodies of local governments are elected, so the heads of provinces, municipalities and communes should be elected. Complying with constitutional provisions by holding local elections is the number one priority to improve the environment for city and local government action. A legislative provision should enhance gender participation in local governance by setting a quota for gender equality.

- **The second reform** should address the transfer of responsibilities to local governments. Law No. 02/07 on local administration was the first to grant municipalities considerable responsibilities for the distribution, management and maintenance of water and electricity services. However, the line ministries continue to act at the local level, and the overlapping of responsibilities between the provinces, municipalities, and communes causes numerous jurisdictional conflicts. The definition of responsibilities at the various levels of local government is still vague, which is problematic. For instance, education and health services are the responsibility of both the provinces and the municipalities. The provincial vice-governors are responsible for agriculture, and there are also municipal-level agricultural and industrial activities in connection with agricultural development stations, input acquisition and distribution, and farmer support, among others. It would be useful to clarify and specify the exclusive responsibilities of each local government level and the metropolitan region of the capital, along with the responsibilities shared among the various levels of governance.

- **The third reform** should address how decentralisation is financed. The Fund for Municipal Management Support (Fundo para a Gestão Municipal, or FUGEM) created in 2008 to transfer funds directly to the municipalities was a major step toward implementing Law No. 02/07. FUGEM transfers are not formula-based; local governments seem to receive the same amount irrespective of the size, demographics, poverty levels and existing services provided. These transfers are ad hoc and unpredictable. Municipalities do not have the power to purchase goods and services, and procurement is handled at the provincial level. When it comes to local government revenues, approximately 85 per cent of total tax revenues are collected by the central government, and the rest is collected by the provincial governments. Although Law No. 02/07 stipulates that the communes can collect revenues from various sources, in reality they are not able to collect their own taxes, and most are unable to draw up budgets. In practice, the communes are budgetary units within a centrally managed budget. The municipalities are not yet fiscal entities and therefore not legally authorised to borrow funds, invest, and administer their own assets. The reform should proportion financial transfers from the central government to the local governments and ensure that the local governments have real latitude in local public spending decisions. The reform should also address local government taxation, as this field must be strengthened to consolidate the principle of local autonomy. There are no

mechanisms in place to monitor finances. To date, there is no oversight for FUGEM funds, and there has been no technical assistance or control over fund disbursement and utilisation. This proposed reform should revitalise the audit body (Tribunal de Contas) to ensure regular audits of local government accounts.

- **The fourth reform** should emphasise building the capacities of local governments. Despite the existence of the Local Administration Training Institute (Institut de Formação Administração na Local, or IFAL) that holds regular training courses for local agents, the level of local administration is weak. The central government is responsible for hiring local staff, and local governments have no latitude in regard to the quantity and quality of local human resources. IFAL training courses have had little impact because they only address municipal executives (who are political appointees), and because they mostly cover better knowledge of the legislative and regulatory framework for decentralisation. Technical training of lower-level staff on financial management, audits, planning and budgeting is, at best, limited. Decree No. 09/08 on Statutes Paradigm of Provincial Governments, Municipal Administrations and Communes (Paradigma Dos Estatutos Governos Provinciais, Administrações Municipais e Comunais Administrações Municipais e Comunais) attempted to set the technical organisation of local governments to implement the 2007 law. The reform should propose a framework of reference defining staff qualifications and responsibilities and a national human resource training strategy for local governments.

- **The fifth reform** deals with urban strategy. According to the United Nations Department of Economic and Social Affairs, Angola was 64.8 per cent urbanised in 2017, and it is projected to reach 80.4 per cent by 2050 (World Urbanization Prospects: The 2018 Revision). An urban strategy should emphasise territorial planning and the creation of regional development hubs. It should also elaborate a financing strategy to integrate the many settlements not fully integrated into the cities that welcomed refugees for decades.

- **The last reform** focuses on the fight against climate change. Local governments must be capacitated to elaborate bankable projects and contribute to the implementation of Angola's Nationally Determined Contribution (NDC). Local governments should also be supported to obtain access to climate funds. ■

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Benin

31/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2
6	There is a national reference framework of professions within local governments and a national strategy for the training and promotion of local government human resources, but implementation has so far only covered a few local governments.	3
7	Rules and legal provisions on transparency in the running of local governments that require regular, independent audits be conducted within specified timeframes exist and are applied.	4
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2
9	Local government performance is assessed irregularly.	2
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking. ...	3
11	The country provides for 2 of the mechanisms of gender equality.	2
12	The country provides 2 of the mechanisms in the fight against climate change.	2

Explanation of the Rating

Benin's decentralisation began with the multi-party system in 1990. In the Benin Constitution, Articles 150 to 153 of the section on "Subnational Governments" establish the subnational governments and gives them the right to freely administrate themselves through the elected councils and executives. It specifies that the central government will ensure and support the development of the subnational governments based on national solidarity, regional potential and interregional balance. However, the Constitution establishes specific legislation to govern decentralised cooperation, borrowing, the relationship with the central government, and financial resources, among others. The entire territory is made up of local governments divided into 12 departments and 77 municipalities. There is no distinction between urban and rural municipalities, but there is between common-law municipalities and special status municipalities, which include the cities of Cotonou, Porto-Novo and Parakou.

Seven areas of responsibility are transferred to the municipalities following the "block transfer of responsibilities" model. In addition to these responsibilities given to all municipalities, the municipalities with special status receive additional responsibilities in teaching and professional training, transportation and circulation, security and communications. Today, these responsibilities are completely transferred. Overall, however, entire sections of sectoral policies continue to be implemented by the central administration. The most recent local elections were organised on 28 June 2015 for the entire national territory.

Since 2008, Benin has had a mechanism for transferring resources from the central government to the local governments through the Fund for Municipal Development Support (Fonds d'appui au développement des communes, FADeC). Its implementation involves including in the central government's general budget one or more lines of credit intended to finance municipal operating expenses and investments. These lines of credit are covered

both by national resources and external technical and financial partners. The FADeC is under the Ministry of Decentralisation, Local Government, Administration and Planning and administered by the National Commission of Local Finances (Commission Nationale des Finances Locales, CONAFIL), which has a permanent secretariat. Funds are allocated to the municipalities as an annual endowment, according to a distribution key set by CONAFIL.

Aside from the local development tax (LDT) and setting the local tax rate, for which a margin is left to the municipalities, the local tax base is determined by the national assembly and the collection of tax revenue is ensured by central government services. For the property tax contribution on built properties, the margin for local governments varies between four per cent and eight per cent.

Benin has a framework of reference defining qualifications and responsibilities and a training strategy implemented through the Local Administration Training Center (Centre de Formation de l'Administration Locale, CeFAL), created and in operation since 2013.

The decentralisation legislation stipulates that annual audits must be conducted; this provision is carried out through implementation audits by FADeC. For several years, CONAFIL has carried out these audits annually.

The performance assessment for local governments is not systematically implemented. However, it should be noted that the National Association of Municipalities of Benin conducts an exercise which consists of municipalities carrying out a self-assessment based on several criteria. This exercise was conducted in 2007 and then again in 2012, without being finalised (46 municipalities/77 covered). The German Development Cooperation (GIZ) also supports this exercise in the 25 municipalities included in its action programme. In addition, the Association of Bogou Municipalities (Association des Communes du Borgou, ADECOB) instituted an award for good governance in 2017 that is based on 11 criteria, with each one correlating to an aspect of good governance.

Benin does not have specific legislation on participation, but there are local spaces for dialogue and consultation and procedures for citizen monitoring/control. Municipalities draw up their accounts annually.

The creation and adoption of a urban agenda is a useful complement to thinking about urbanisation in a country where spatial disparities are constantly widening as a result of differentiated dynamics of urbanisation, economic growth, and access to basic local public services. However, the urban strategy does not have adequate financial means for its implementation.

Regarding Gender equality, Benin has a legal arsenal relating to the participation and place of women in national and local politics, which is seen in the existence of quota for women on electoral lists and in positions of eligibility.

Finally, Benin's institutional framework provides for inclusion of the local governments in the implementation of the national agenda on the fight against climate change. Benin's National Assembly has just passed climate change legislation, making it one of the leading countries to adopt such legislation.

Areas to improve

With an overall rating of 31 out of 48, Benin is in the group of countries with a favourable environment for the action of cities and local authorities, but certain items should be improved.

- **The first item** for improvement is the consolidation of transfers to the municipalities. Significant efforts have been made since the FADeC was set up. This effort should be continued to allow the local governments to have resources equal to their responsibilities to meet the people's expectations in terms of access to basic services and goods. It would be worth conducting an assessment of the transfer of responsibilities and resources to give local governments the means to carry out their missions.
- **The second improvement** regards local taxation. More than the centralisation of the tax chain and the fact that local governments are excluded from this chain, it is the involvement of the central government (the various exemption plans) that weakens local financial autonomy. The plan to review the current investment code, which extends the exemption periods, will not help to repair the financial constraints of the municipalities. The involvement of the central government should consolidate the institutional mechanisms that protect the local governments' resources, including possibly, legal recourse.
- **The effectiveness of local governments** in providing public services could also be tweaked. The assessment of local governments' performance in public service delivery should be of primary importance in the list of items to be improved. In a country where subsidiarity will be increasingly reinforced with an increase in the share of public spending implemented by municipalities, strengthening the quality of public spending at the local level is imperative in order to provide efficient services. The improvement should rest on the initiative that has already been launched by the

National Association of Benin Municipalities (Association Nationale des Communes du Bénin, ANCB).

- **Local capacity also** deserves specific attention in the context of the reforms to be implemented. Legislation establishes the municipalities as project managers, but apart from municipalities with a special status with well-trained high-quality staff, many municipalities do not have adequate human resources to fully take over their responsibilities. There is a national strategy for capacity building in the municipalities and a framework of reference defining qualifications and responsibilities with training modules created by CeFAL, but these guidelines are not applied in all of the municipalities. For a long time, the loss of local, trained, competent human resources has been due to the lack of a statute for agents of subnational governments. This statute was voted on in 2015.
- **The other area** for improvement concerns local governance, specifically citizen participation in local management. Benin can boast of organising regular local elections that have established legislative and executive bodies elected following a transparent and fair process. However, no legislation or mechanism provides for citizen participation in the management of local affairs. With the support of GIZ, creating spaces for dialogue and consultation has helped the principle of citizen participation become a reality in many municipalities. This process is strengthened by Article 2 of Law No. 97-029 of 15 January 1999 on the organisation of grassroots democracy.
- **Operationalising the urban strategy** is also an area for improvement. With an urbanisation level of 47.3 per cent in 2018, Benin will reach a level of 65 per cent in 2050 (World Urbanization Prospects: the 2018 Revision). The institutional and financial implementation of the national urban strategy is more important than ever.
- **Lastly**, a national climate plan should be developed, as well as a system for reporting on this plan. It should also provide mechanisms for local governments to access to climate financing. ■

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Botswana

25/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution is neutral on the question of local governments.....	2
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.....	3
3	Local assemblies and executive bodies are elected throughout the country.....	4
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.....	2
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.....	2
6	There is a national reference framework of professions within local governments and a national strategy for training and promoting local government human resources that is applied to all local governments in the country.....	4
7	Only partial rules and legal provisions on transparency in the running of local governments exist and they are not systematically followed.....	2
8	There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation..	2
9	Local government performance is not assessed.....	1
10	No national urban strategy.....	1
11	The country does not provide any or just 1 of the gender equality mechanisms.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Botswana has one of the oldest decentralisation policies in Africa. The founding documents on decentralisation – the Local Government (District Councils) Act and the Townships Act – date from 1965. These acts have subsequently been repealed and replaced by the Local Government Act N°8 2012. The Constitution of Botswana is neutral on the topic of decentralisation and contains no chapter or article devoted to local government. However, Botswana does have two spheres of power: the central government and local governments.

There are two types of local governments in Botswana: district councils, of which there are 10; and urban councils, of which there are six.

Botswana's legislative framework clearly defines the action of cities with a clear division of responsibilities between the various spheres of governance. Furthermore, the country holds regular local elections throughout the national territory. The mayors of the district councils are elected indirectly, while the mayors of urban district councils are elected directly. All mayors are non-executive, and they are not always granted full leadership over the local government. The term of office for mayors is half that of the council. The next local elections are planned for 2019.

Fiscal transfers from the central government to the local governments are unpredictable and do not allow for realistic local planning. In general, the national amount of these transfers is not determined with precision on the national level. In Botswana, the central government's financial support of the local governments comes through three mechanisms: 1) a system of subsidies to offset the expense of the responsibilities transferred (the Revenue Support Grant), whose revenue capacity represents nearly half of local revenues; 2) a local government loan system (the Public Debt Service Fund); and 3) equipment grants.

For local governments, the constraint comes from the level of predictability for these transfers. Local elected officials make the effort to consult citizens on the projects that

would meet their needs, only to hear after the fact that the projects cannot proceed due to budgetary constraints. Local councils define development projects as part of the budget and planning process, but the central government has the last word on the amounts allocated. The Ministry of Local Government mobilises central government resources and transfers them to the local authorities. The Ministry of Finance and Development Planning sets the financial ceilings.

Local governments are legally authorised to collect taxes. Local taxation differs depending on the type of local government: district councils have mainly local taxes, while urban district councils also have property taxes and business taxes. Own revenues account for barely 10 per cent to 30 per cent of local budgets.

Botswana is one of the few countries to have a framework of reference defining the qualifications and responsibilities of local government staff and a national local government capacity-building strategy that is effectively implemented for all local governments. The Local Government Management Service within the local government umbrella ministry is responsible for hiring and training supervisory staff for local governments, and the power to hire support staff is delegated to the local level.

Since the Public Service Act came into force in May 2010, central and local government staff are under the authority of the central government, particularly the Corporate Services at Ministry of Local Government. Local government administration covers departments such as the treasury, education, health, technology, development and social planning, and community services. It is worth noting that Botswana has built on the accomplishments of the Unified Local Government Service (ULGS) set up in the early 1980s that gradually improved human resource quality. Capacity building includes training as well as improving salary structure, working conditions, and staff well-being. The programme has had a stabilising effect on local government administrations by lowering turnover among local executives.

The law provides for local government audits. In practice, there are three avenues to audit the books of local governments: The Auditor General is responsible for auditing the books of all local governments every year. The Local Authorities Public Accounts Committee set up by the Ministry of Local Government periodically examines local government books. Finally, the Directorate on Economic Crime and Corruption can verify the books of local governments, in response to complaints. In practice, audits are occasional. When they are done, the remarks issued on the accounts of most councils are minor; only a few urban district councils have been the subject of serious corrections.

Botswana's laws and regulations do not plan for measuring local government performance on the provision of local public services .

Botswana also does not have any laws on citizen participation. It does have local spaces for consultation, specifically the village assemblies (called 'kgotla') and Village Development Committees (VDCs).

Botswana currently does not have a urban strategy.

The number of women in the National Assembly and local councils remains low, and no effective measures have been put in place to promote the participation of women in electoral processes as well as political representation.

Local governments are not involved in the elaboration of National Determined Contributions (NDCs) and their implementation.

Proposed Reforms

With an overall score of 25 points out of 48, Botswana is one of the countries whose progress towards an enabling environment for cities and local governments would require significant reforms.

- **The first reform** should address local government finance, specifically transfers from the central government to the local governments and local government's own revenues. For the transfers, the main constraint on local governments is predictability. The lack of predictability creates awkward situations where citizens are consulted on projects that meet their needs only to hear from the central government after the fact that the projects cannot be done because of budget constraints. Reflections should begin with an overhaul of the transfers from the central government to the local governments, with the aim of determining both the annual amount or annual share of government resources to be transferred to local governments and transparent, predictable mechanisms to execute and distribute the transfers among local governments.

Discussions on own revenues should aim to provide local governments with more latitude to determine their own range of revenues with the least possible amount of intervention by the central administration. The issue of linking resource transfers and efficiency in the mobilisation of own revenues, particularly for the district urban councils, should also be raised.

- **The second suggested reform** concerns the establishment of a local government performance assessment system for administrative and financial management and the provision of services to the people. Laws and regulations must be established to create such a national assessment system, which is necessary for local governments in Botswana to significantly improve the efficiency of their actions in exercising their mandates.

- **The third reform** should address the elaboration and implementation of an urban strategy for Botswana. In the space of ten years, the country doubled the share of its population living in urban areas, from less than 10 per cent in 1971 to 18 per cent in 1981. During the following decade, between 1981 and 1991, the urban share of the total population more than doubled, rising from 18 per cent to 45 per cent. After the 1970s and 1980s with urban growth rates of more than 10 per cent, the 2000s have seen a significant drop in urban growth, which is now around three per cent per year. According to UN estimates, Botswana is 69.4 per cent urbanized in 2018 and this is expected to rise to 83.9 per cent by 2050 (World Urbanization Prospects: The 2018 Revision). Given the fact that most of Botswana's population now lives in cities, the issue of managing urbanisation has become a major challenge for the country's development, particularly as more than half of the population lives within a 100-km radius around Gaborone. A national urban strategy should build on better knowledge and forecasts of the urbanisation dynamic, and propose legal, institutional, organisational and financial modalities for implementation.

- **The fourth reform** focuses on the promotion of gender equality in elections. Botswana and the Democratic Republic of Congo currently have the lowest representation of women in parliament in the Southern African region at a mere 10 per cent, and there is a danger of further backslide after the 2018 elections. Currently the Cabinet is only 14 per cent women, with local government a bit higher at 19 per cent. The reform should propose a quota to foster gender equity in local government structures .

- **The last reform** will focus on the territorialisation of the National Determined Contribution. Districts and urban councils must be eligible for climate funds, and they must be empowered to develop and implement concrete, measurable action programmes that meet the criteria of the MRV (Measure, Notification and Verification) as specified in the Paris Agreement. ■

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Burkina Faso

28/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.....	3
3	Local assemblies and executive bodies are elected throughout the country.....	4
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.....	2
5	The central government defines and collects local government revenues.....	1
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.....	3
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes do exist but are not systematically followed.....	3
8	National legislation on citizen participation exists but is not applied.....	3
9	Local government performance is not assessed.....	1
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.....	3
11	The country does not provide for any or just 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Burkina Faso committed to decentralisation with its Constitution of 2 June 1991; Article 143 stipulates that the country is organised into local governments. This new decentralisation dynamic driven by the Constitution progressively took shape with the adoption of the first five decentralisation laws in 1993, initial municipal elections in 33 fully functioning municipalities in 1995, and a second round of elections in 49 urban municipalities in 2000.

With the adoption of Law No. 055/2004/AN of 21 December 2004 on the General Code of subnational Governments (GCIG) and the municipal elections of 23 April 2006, legislative bodies were established in 13 regions and 351 municipalities (49 urban municipalities and 302 rural ones) – a significant achievement in Burkina Faso's decentralisation process. This achievement was further strengthened by the elections in 2016.

The GCIG identifies 11 blocks of responsibilities to be transferred to the subnational governments. This transfer was handled progressively in three phases: 2006–09, 2009–14 and starting in 2014, when all 11 blocks of responsibilities were transferred to the regions and municipalities, each in specific areas. Five decrees, about 40 bylaws and four operations protocols were adopted or drawn up as part of the transfer and setup of the transferred responsibilities. In terms of the implementing decrees, their comprehensiveness and diversity as related to the GCIG is noteworthy. All these implementing decrees were adopted, but their application is not effective.

Law No. 14-2006/AN of 9 May 2006 addresses the determination of financial resources and expenses for the subnational governments. It gives the local governments the primary guidelines for creating and voting on their budgets, but it also determines their resources and financial expenses. Financial resources are transferred annually to the local governments to enable them to carry out the transferred responsibilities. These financial transfers in conjunction with the transferred responsibilities, which

became effective in 2009, reached 57 billion CFA francs in 2017. The transfers are carried out through inter-ministry orders or joint orders between the ministries involved in the transferred responsibilities and the ministries in charge of finance and decentralisation.

The subnational governments' own revenue primarily comes from tax revenue and non-tax revenue. The collection of these tax resources is handled exclusively by the central government.

In terms of capacity building, a national capacity building strategy for actors involved in decentralisation was developed in 2012 and 18 implementing decrees were adopted in 2013, including sample organisation charts for regional and municipal councils. Training institutes were strengthened, a F subnational government division was created at the National School of Administration and Judiciary (ENAM), and 13 Regional Administration Institutes were established in 13 regional capitals. Six of these are operational (Bobo-Dioulasso, Fada N'gourma, Ouahigouya, Dédougou, Gaoua and Ziniaré).

The local government council is required to report to the people on the state of local government management; the General Code of subnational Governments sets forth the councils' obligation to report to the citizens in Article 11. However, the planned audits are only sporadically carried out.

Democratic participation of citizen in the administration of subnational governments is established by the Constitution of June 1991. Law 145 of the GCIG organises citizen participation and calls for the people to play a major role in the development of their local governments as actors, beneficiaries, and judges of the political leaders' actions.

Burkina Faso is a West African country that covers an area of about 274,200 km² and had a population of around 17.88 million in 2014 (National Statistics and Demographics Institute, INSD).

Despite having one of the lowest urbanisation rates in Africa, recent history indicates a growing urban dynamic,

both in rate as well as proportion. The country only had two cities at the time of its independence in 1960, but today it has 49. The urbanisation rate increased from 6.3 per cent in 1975 to 12.3 per cent in 1985, and then to 15.4 per cent in 1996. In 2018 it stands at 29.4 per cent and is projected to increase to 50.2 per cent by 2050 (World Urbanization Prospects: the 2018 Revision).

In March 2015, Burkina Faso's Habitat Report III was prepared, and was a significant step towards framing a new urban agenda for the country. This agenda genuinely takes into account governmental policies as well as the priorities and recommendations of the citizens and partners of the Habitat programme. It reinforces the partnerships between the central government and the non-central government actors at the local and national level to create synergy and effectively contribute to the implementation of urban policies.

In April 2009, Burkina Faso's Parliament adopted a quota law to encourage better representation of women on the lists for local and legislative elections. It stipulates that both genders should represent at least 30 per cent of the representatives on election lists.

Finally, the country has not taken local governments into account as part of the mechanisms to fight the impact of climate change.

Proposed Reforms

With a score of 28 out of 48 points, Burkina Faso is in the group of countries whose progress towards a favourable environment for cities and local authorities still requires reform efforts and faces challenges. There are five primary reform propositions that could be considered.

- **The first reform** proposition must address decentralisation of funding. Assessment of the expenses for the responsibilities transferred to local governments has shown that they only receive 20 per cent of the resources needed to carry out their responsibilities in priority areas. This means that 80 per cent of the resources for responsibilities transferred to the municipalities and regions continue to be implemented by sectoral ministries. However, the central government is committed to transferring 20 per cent of its budget to the local governments by 2020. It is imperative that this commitment is fulfilled, especially since new benchmarks allowing the country to launch the third phase of decentralisation were adopted on 7 March 2018.

- **The second reform** should focus on an overhaul of local taxation, which may involve transferring certain central government taxes to the local governments. The Local Government Finance and Taxation Working Group was created under the supervision of the Secretary of States responsible for Territorial Administration and Decentralisation. This Working Group is presided over by a technical advisor from the Ministry of the Economy of Finance and Development (MINEFID) and a Technical Advisor from the Ministry of Local Administration and Decentralisation.

- **The third reform** should address citizen participation. Specific legislation should encourage the people's participation in local management and local governance. The participative budget – which includes the process of creation, implementation and assessment – is an important part of people participation and should be given special attention by the national and local authorities.

- **The fourth reform** addresses the setup of mechanisms to measure the effectiveness of local government management and the provision of local public services. According to Article 54 of the General Code on Local Governments, "the administrative and financial supervision are handled by the minister in charge of local governments and the minister in charge of finances, respectively, who delegate by order a party to represent this authority from the central government in administrative districts." The joint order that should specify the details of this supervision has not yet been issued. Consequently, the assessment of local governments' performance providing local public services has never been implemented. The legislature in Burkina should improve the framework for women participating in local public life in order to reinforce the representation of women in public bodies and in local governance.

- **The last reform** should address the institutional context of the fight against the effects of climate change by requiring the creation of a subnational climate plan, a report on the implementation of the subnational climate plan, and local governments' access to climate financing. ■

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Burundi

28/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.....	3
3	Local assemblies are elected, but executive bodies are appointed.....	2
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.....	2
5	Local governments have some latitude to determine existing tax base and rates, but the central government is responsible for setting new taxes and accessing loans and financial markets.....	3
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.....	3
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.....	2
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.....	2
9	There is legislation on measuring local government performance, but performance is assessed by the authority responsible for supervising local governments.....	3
10	National reflection on urbanization is underway, but an urban strategy has not yet been defined.....	2
11	The country provides for 2 of the mechanisms of gender equality.....	2
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Burundi has embarked on the process of decentralisation with real reforms in both the legal and institutional framework. With Law No. 1/18 of 8 December 2016, it became a champion of the ratification of the African charter on the values and principles of decentralisation, local governance and local development.

The Constitution addresses decentralisation in Chapter XI on Local Governments, enacted by Law No. 1/010 of 7 June 2018. Article 270 created the municipality as well as other local governments, while leaving the law free to determine the primary principles of their status, organisation, responsibilities and resources, as well as the conditions in which the local governments are administered. The first article of Law No. 1/016 of 20 April 2005 (revised in January 2010 and November 2014) addressing the organisation of the municipal administration stipulates that "the municipality is a decentralised local authorities, with legal powers, organic and financial autonomy..." The law established a new organisation of decentralised entities with elected bodies which had, until that point, been administered by entities appointed by the central government.

The Burundi sub-national government administration is organised as follows: 18 provinces, whose chief executive is an upper manager appointed by the central government; and 119 municipalities (communes) led by councils and appointed executives. The most recent local elections were in August 2015.

Article 5 of the municipal law states that the municipality is responsible for the management of local interests of its people, and that it provides and manages public services that are not the direct responsibility of the central government. The central government can delegate the management or execution of certain tasks that fall under its responsibility. The responsibilities shared between the central government and sub-national governments are stipulated in Law No. 1/16 of 25 May 2015 on the methods of transferring responsibilities from the central

government to the municipalities. For its implementation, decree no. 100/242 of 14 December 2017 stipulates the creation, organisation and operation of a joint arbitration commission (established in Article 40 of this law). This commission is working to propose decrees for decentralising responsibilities.

The communes are subdivided into collines (hills) in rural areas and neighbourhoods in urban areas. These municipal subdivisions also have elected councils. The colline or neighbourhood council is made up of five elected members through direct universal voting for a five-year term. The law at the time of the first post-transition elections excluded political parties from these first local elections.

The municipal council elects from among its members a president, vice president, and municipal administrator, who acts as secretary of the council. The municipal administrator is first elected, then appointed by decree; this person acts mayor. The most recent municipal elections were organised in 2015.

Financial transfers from the central government to the local governments are limited to budgetary support, according to Article 85 of Law No. 1/33 of 28 November 2014 and amending Law No. 1/02 of 25 January 2010 which address the organisation of municipal administration. Law No. 1/02 of 3 March 2016 on municipal tax reform determines the municipality's own revenue, which covers the operating fees and costs. Article 3 of this law stipulates that "the municipalities establish, collect, administer and account for the taxes paid to them with the same obligations and prerogatives as the central government's tax administrations." Article 5 provides the list of taxes established to benefit the municipalities. The law is currently being revised.

Burundi has a framework of reference defining qualifications and responsibilities for local governments, defined by Law No. 1/06 of 20 April 2005 addressing organisation of the municipal administration. It is supplemented by decree no. 100/067 of 21 April 1990 on the status of subnational

and municipal staff. There is a National Training Centre for Local Actors (Centre National de Formation des acteurs Locaux, CNFAL) housed in the Ministry of Municipal Development in charge of decentralisation.

Legislation establishes that regular audits of financial accounts for local governments should be carried out; the Court of Audit examines and certifies the administrative accounts and the municipal management. However, these audits are carried out irregularly.

Burundi does not have specific legislation on citizen participation, but spaces for dialogue and consultation exist locally as part of municipal law.

Each year since 2013, the Ministry of Municipal Development has organised an assessment of the municipalities.

With one of the lowest urbanisation rates (13 per cent in 2018 and 27 per cent projected by 2050 (World Urbanization Prospects: The 2018 Revision), Burundi does not have a national urban strategy, but does have a master plan for the city of Bujumbura called "Bujumbura 2045." Bujumbura is the country's capital and a national strategy is currently under consideration.

The women's quota for list eligibility is 30 per cent for senatorial, deputy and municipal elections.

The law does not provide for local governments' participation in programmes on climate change.

Proposed Reforms

With an overall rating of 28 out of 48 and despite the efforts made in the establishment of legal and institutional frameworks for local governments, Burundi is in the group of countries whose progress towards a favourable environment for cities and local authorities requires reform.

- **The first reform** should address the completion of the legal framework of decentralisation. The legal framework remains inadequate on several essential points. While the law provides a general competence clause to the municipalities, it comes with a limitation: the municipality is in charge of the management of the interests of its local population, and it manages public services and meets its population's needs that are not the direct responsibility of the central government, due to their nature, importance or by law. This implies that specific areas of local responsibility remain the responsibility of the central government, which is not currently the case. This creates conflict in responsibilities, particularly between local governments and decentralised central government services. Therefore, it is necessary to accelerate the process launched by decree no. 100/242 of 14 December 2017, which addresses the creation, organisation and operation of the joint arbitration commission and finalises the proposal of the decrees for decentralising responsibilities.

- **The second reform** addresses the financing of local governments in general. In the decree on the creation of the National Municipal Investment Fund, the central government plans to transfer 15 per cent of the national budget, but it currently transfers only

one per cent. Article 85 of Law No. 1/33 stipulates that: "...the central government allocates an amount of at least five hundred million Burundian francs (500,000,000 Fbu) to the municipality as budgetary support, to supplement its own resources..." The law also sets up an subnational Administration Support Fund (Fonds d'Appui à l'Administration Territoriale, FAAT) funded by taxes on Burundi's main cash crops. This fund is used to implement mechanisms to pay taxes intended for municipal resources and to oversee the distribution and actual payment of resources intended to ensure equalisation among the country's municipalities. While the FAAT is regularly funded, its resources are sometimes used for other purposes in the public interest; in the end, the funds received by the municipalities are not predictable. Through decree no. 100/104 of 21 November 2005, the government created the National Municipal Investment Fund (FONIC), which was amended by decree no. 100/270 of 22 November 2013 to address the reorganisation of the FONIC as a new mechanism for municipal investment financing. The reform should focus on clarifying roles between these different instruments and the reinforcing their mutual support.

- **The third reform** regards local development and urbanisation. Burundi is one of the least urbanised African countries, the capital of Bujumbura is 17.5 times larger than the country's second largest conurbation. Bujumbura alone constitutes almost three quarters of the urban population (Africapolis). The national urban strategy must address specific needs associated with rapid urban growth of the other cities and consider the best possible options in terms of national territorial development and strengthening a system of cities, of all sizes.

- **The fourth reform** addresses climate change at different levels, particularly at the level of subnational governments. It should focus on the actual execution of NDCs, which means that they should be organised at the local level, and that the local governments be responsible for creating and implementing concrete, measurable action programmes that meet the Measurement, Notification and Verification criteria as specified in the Paris Agreement, and that they be eligible for climate funding. ■

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Cameroon

26/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	A number of legislative provisions are in conflict with the Constitution, or some provisions in the Constitution are not implemented.	2
3	Local assemblies and executive bodies are elected, but not necessarily throughout the country.	3
4	Amounts of the transfers to local governments and their distribution among local governments are clear and predictable, according to a transparent formula and without restrictions on how they may be utilized.	4
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.	3
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2
9	Local government performance is not assessed.	1
10	National reflection on urbanization is underway, but an urban strategy has not yet been defined.	2
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 in terms of fight against climate change.	1

Explanation of the Rating

The decentralisation process in Cameroon has seen a significant revival since the adoption of Law No. 96/06 of 18 January 1996, revising the Constitution of 2 June 1972. In the section on decentralised subnational governments, the law establishes a second level of decentralisation, first that "the decentralised subnational governments (municipality and region) are legal entities of public law. They have administrative and financial autonomy to manage regional and local interests. They are freely self-governed by elected councils under conditions set by law."

The national territory includes ten regions and 374 local governments, including 360 municipalities and 14 urban municipalities. However, at this time only the municipalities have been set up, and the regions are not yet operational. The municipal elections in Cameroon, initially set for 2018, were postponed. The setup of the national decentralisation council and the inter-ministry committee for local services supplements the institutional steering mechanism for decentralisation. Cameroon recognises the general competence of the local governments. However, the law of 2004 that defines the responsibilities transferred to the decentralised local governments stipulates that the responsibilities transferred are not exclusive; they are exercised concurrently by the central government and the aforementioned local governments. There are responsibilities related to health, population and social action, youth, sports and recreation, culture, among others. This situation is the source of various inter-governmental tension and conflicts.

On paper, Cameroon has one of the most successful systems for financial transfers from the central government to the local governments in Africa, combining both predictability and transparency. The transfers are attached to central government taxes in the form of additional municipal centimes (centimes additionnels communaux, CAC), applied on central government taxes such as the personal income tax (10 per cent) the corporate tax (10 per cent), the VAT (10 per cent), the property tax (25 per cent), the gaming tax (10 per cent), the business license

tax (10 per cent) and the license tax (25 per cent). These resources are paid to the Fund for Municipal Equipment and Operation (Fonds d'Équipement et d'Intervention des Communes, FEICOM), which is in charge of paying them back to the municipalities according to transparent criteria. Two studies carried out at the request of the ministry in charge of decentralisation show that the cost of traditional municipal missions is 36.2 billion CFA francs, while the cost of responsibilities transferred from the central government to the municipalities is estimated at 115 billion CFA francs (base 2000); or 190/200 billion (base 2005). Moreover, the current levels of funds transferred to the local governments are very far from the figures provided above.

While in principle the transfer system is remarkable, it is another story with the local governments' own resources. The tax system for the local governments is determined by the National Assembly, which sets the area of application, assessment, base and rate of local taxes. The tax chain is exclusively under the management of central government services. In addition, the central government often interferes in the local governments' tax matters.

Cameroon has a framework of reference-defining qualifications and responsibilities for local governments and a national strategy for capacity building for local administrations. They are implemented by the Training Centre for Municipal Administration (Centre de Formation pour l'Administration Municipale, CEFAM), which was created in 1977 under the ministry responsible for local governments. Its operations are funded by central government subsidies, contributions from municipalities, and FEICOM. With support from GIZ, the Ministry of Territorial Administration and Decentralisation (MINATD) adopted a priority jobs database for local governments adapted to Cameroon's context; 25 priority jobs were included for the municipal administration in Cameroon. In addition, France is supporting a capacity-building initiative for project management in the local governments. A National Programme for City Job Training (Programme National de Formation aux Métiers de la Ville, PNFMV) was just implemented through a partnership between MINATD, the Ministry of Housing and Urban Development

(MINHDU), the Ministry of Youth Affairs and Civic Education (CVUC) and FEICOM. It is primarily focused on technical jobs and development of support for project management within local governments with a city contract.

The quality of the local public spending through conducting audits can be improved; the audits of local government accounts are carried out sporadically.

Cameroon does not have legislation establishing citizen participation in the management of local governments, despite establishing committees to monitor the physical and financial implementation of public investment and spaces for consultation and discussion in certain local governments with civil society, NGOs and decentralised cooperation.

There are no legal or regulatory mechanisms to measure local government performance.

Cameroon does not have a true urban strategy.

The adoption of a law in April 2012 addressing Cameroon's electoral code, amended and supplemented by a law in December 2012, made gender sensitivity a legal requirement in the constitution of all candidacy lists for municipal, legislative, regional and senatorial elections.

Cameroon does not have an institutional environment that takes the local governments into account in the fight against climate change.

Proposed Reforms

With an overall rating of 26 out of 48, Cameroon is in the group of countries whose improvement in the environment for action of cities and local authorities requires several reforms.

- **The first reform** should focus on respecting the Constitution's provisions for the establishment of regions and compliance with the constitutional provisions for the municipalities. In 2004, the National Assembly adopted Law No. 2004/019 establishing the rules regarding the regions, and an organisation of regional elections was planned. More than ten years later, however, the provinces continue to operate as decentralised administrative districts, and the regions that should have replaced them as local governments still do not exist. The establishment of regional governments must be a priority in order to comply with the constitutional provisions regarding the architecture of decentralisation. At the municipal level, a controversy is developing regarding the President of Cameroon's decision to nominate head executives for the urban communities. Some question the constitutionality of this nomination, arguing that Constitution stipulates a delegate only for the regions and not the municipalities. This question must be clarified in order to avoid discrediting the central government's respect for the Constitution. In the context of this reform, the principle of complementarity mentioned in the texts should also be clarified. This principle states that the central government can continue to exercise the responsibilities understood to be transferred to the local governments. Simply, cooperation must be organised between the different levels of governance in order to provide more effective public action. Contractual relationships could be established between the decentralised central government services, the regional administrations and the municipal administrations that specify the conditions of their cooperation.

- **The second reform** should focus on improving tax revenues for local governments. The primary taxes are business license, license, property, withholding, operating and service revenues. These taxes account for around half of local resources, and this percentage is even less for small municipalities. This reform should rationalise these taxes and implement a strategy for better collection.

- **The third reform** should address strengthening the accountability of local governments towards the people and the central government. Section VII of Law No. 2004/018 governing financial provisions specifies that the appropriate central government services ensure the control and management of municipal finances. Mechanisms must be established to encourage municipalities to keep their financial statements up-to-date, and possibly to have them audited by organisations independent of the central government. Easier access of local governments to the financial market supports this kind of development. It would also be helpful to implement a calibration system for local governments in terms of their performance management and providing services to the people. Incentives could be planned to encourage the highest performing local governments. Cameroon does not have a real urban strategy, even though concerns about urban management are well understood by the national decision makers. Over one half of all Cameroonians (56.4 per cent) already live in urban areas (World Urbanisation Prospects: The 2018 Revision); the UN projects this number will reach 73 per cent by 2050. Cameroon's two large cities, Douala and Yaoundé, have more than three million inhabitants each, and there are several rapidly developing urban areas, specifically Bafoussam, Bamenda, Loum, and Mbouda. The network of medium and small cities is also becoming denser. A development strategy for the urban sector is being finalised by the Ministry of Habitat and Urban Development. This strategy must be accompanied by institutional and financial mechanisms for effective implementation, keeping in mind that the battle for managing urbanisation will depend on the involvement and the empowerment of the local authorities.

- **The last reform** is climate change. Cameroon must commit to deep reforms in its methods for implementing commitments made by the country in the fight against climate change. The local governments must have the technical and financial resources necessary to put together bankable projects. ■

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Central African Republic

15/40

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3	↑
2	The legislation is unstable and inconsistent.....	1	
3	Local assemblies and executive bodies are appointed.....	1	
4	Resources are not transferred, or are transferred erratically and irregularly.....	1	
5	The central government defines and collects local government revenues.....	1	
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.....	1	
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.....	2	
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.....	1	
9	Local government performance is not assessed.....	1	
10	No national urban strategy.....	1	
11	The country does not provide for any or just 1 of the mechanisms of gender equality.....	1	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1	

Explanation of the Rating

The first references to decentralisation in the Central African Republic date back to colonial times, and after the end of the colonial administration, the new country authorities continued and intensified this movement to include the entire country. The first municipalities were created in 1957 under a statute for rural governments, and the Constitution of 16 February 1959 dedicated Article 36 to the legal existence of the subnational governments. The law of 8 June 1959 enacted their operational rules followed by pluralist elections that established the legitimacy of local authorities. Two new organic laws issued in 1964 ended the democratic participation in local management by replacing the elected mayors with appointed managers. The 1986 constitutional referendum revived the subnational governments, and two ordinances issued under the Constitution created and organised subnational entities with elected bodies on a single-party list.

Beginning in 1995 with the advent of the multi-party system, the Constitution of 14 January 1995 established the Fifth Republic and created four levels of subnational governments: regions, prefectures, sub-prefectures and municipalities. The Constitution adopted after the referendum of 5 December 2004 definitively established the place and legitimacy of the local governments in the national institutional landscape. After a period of socio-political crisis and war in the Central African Republic, a new Constitution was adopted by referendum on 13 December 2015 and enacted on 30 March 2016. In section IX, Article 129 establishes two types of subnational governments, regions and municipalities, that are freely self-governed by elected bodies. However, the Central African Republic has not organised local elections for over 30 years.

There is no legislation responsible for specifying the subnational governments' responsibilities, the institutional arrangements on supervision, financial resources, or the regulatory texts necessary to complete and operationalise the decentralisation process. The territory is divided into 174 municipalities and 7 regions. All the municipalities are

led by special delegations whose members are appointed by the central power, and who function as a deliberative body with a president acting as mayor.

Financial transfers to the local governments are very uncertain and only granted to a few local governments.

The tax revenue (duties, taxes and fees) and the retrocession of tax revenue (shares of allocated revenue) are the municipalities' primary resources. These resources are all determined and implemented by the central government. The collection of these tax revenues and/or their retrocession to the local governments are the exclusive responsibility of the deconcentrated central government services.

In the Central African Republic, there is no national framework of reference defining qualifications and responsibilities for subnational governments, or a national capacity building strategy for local administrations. Some training initiatives have been intermittently developed as part of programmes or projects with international cooperation and sister operations with local governments in the north.

The decentralisation legislation in the Central African Republic provides for financial supervision of the local governments. However, these audits are carried out irregularly.

The Central African Republic does not have specific legislation for citizen participation in local management and governance.

In the Central African Republic, there is no legislation for evaluating local governments.

The Central African Republic has not created a national urban strategy.

In November 2016, a so-called parity law was adopted by the National Assembly to include a minimum of 35 per cent women in the decision-making bodies. However, the application of this law remains weak.

The local governments in the Central African Republic are not involved in the creation or implementation of NDCs.

Proposed Reforms

With an overall rating of 15 out of 48, the Central African Republic is in the group of countries with an environment that is unfavourable to the action of cities and local authorities. To remedy this situation, seven reforms are suggested.

- **The first reform** regards the application of the Constitution's provisions for the election of assemblies and executives for the subnational governments. Appointing mayors rather than having democratic elections greatly diminishes the legitimacy of the local authorities. It is important to reestablish the link between decentralisation and local democracy.

- **The second reform** aims to define the local governments' responsibilities. The absence of clarification and delimitation of areas of responsibility between the various subnational governments themselves and between them and the central government does not encourage accountability. The military/political crises that shook the country in the 1990s put the issue of transferring responsibilities on the back burner. The law gives general responsibilities to the municipal council to create public services that require good management of local affairs. However, there are no areas of responsibility that are clearly defined for the local governments by law. Still, the municipalities are involved in the areas of social assistance, interment, firefighting, and building permits. The reform should clarify how responsibilities are shared between the municipalities and regions, specifically regarding sectoral policies. It should also suggest legislation and regulations to operationalise the transfer of responsibilities.

- **The third reform** should focus on the financial transfers necessary to carry out the responsibilities transferred to the local governments. The legislation of the Central African Republic is not clear on the financial part of decentralisation, and there are no implementing decrees for transfers. Therefore, the subsidies given to the municipalities are very low; the central government grants only 300 million CFA francs to be distributed among 174 municipalities, or an average of 1,724,000 CFA francs per municipality. These amounts are insignificant compared to the costs of the transferred responsibilities. In reality, the amount of the subsidies varies between 600,000 CFA francs and 5 million CFA francs depending on the number of inhabitants in the municipality. The subsidies represent between 4 to 30 per cent of local budget revenue. For the rare municipalities where the subsidies reach 30 per cent of the budget, this usually means that the municipality's own resources are almost nonexistent.

The reform should try to adjust the central government's transfers to be compatible with the transferred responsibilities. It should define the methods for distributing these transfers to the subnational governments, taking into account equal distribution (a majority of municipalities are rural and poor) and it should encourage mobilisation of the municipality's own resources.

- **The fourth reform** should address the local governments' own resources, which are almost nonexistent. Most municipalities survive on only the meager resources from the shares assigned from central government taxes. Some

municipalities have significant difficulties taking possession of their shares, which are collected by the central government services. In the outer reaches of the country, when local governments attempt to deposit checks, they face the lack of a banking network. Considering the frequent treasury problems, the central government uses the local governments' treasury. Therefore, the retrocession of shares becomes dependent on the central government's treasury, which makes any budget planning at the local government level uncertain. The reform should reinforce the local governments' own taxation powers, define the methods to better share the resources from the taxation shared with the central government, and find solutions to the treasury constraints that the local governments experience.

- **The fifth reform** concerns institutional capacity building for local governments. A plan to address this was submitted to the government in 2001. This document assessed the future needs of the local governments in terms of human resources and suggested solutions to address these needs. A plan to redeploy central government staff to the local governments was proposed with the support of an agent training and retraining programme. Nothing was done, however, and the plan created in 2001 is largely obsolete today. Municipal managers are few and unqualified. The reform should propose a national capacity-building plan based on a framework of reference defining qualifications and responsibilities for local governments.

- **The sixth reform** should aim to create an urban strategy. With an urbanisation rate of 41.4 per cent in 2018, and an expected rate of 60.2 per cent by 2050 (World Urbanization Prospects: The 2018 Revision), the country has an unbalanced urban system, accentuated by a lack of secondary cities. The population of Bangui is ten times larger than the second city, Berberati which, IN TURN, is 2.5 times greater than the third city, Carnot. The urban strategy should aim to evaluate the means of encouraging equilibrium in order to have a more balanced urban structure.

- **The last reform** should focus on the effectiveness of the fight against climate change. Climate change impacts are increasing in the Central African Republic, felt by both the urban and rural populations. While floods are common in urban areas, rural areas see the results caused by destruction of the environment as well as the hydrographic and forest resources. More than ever, the national framework should provide for the involvement of local governments in implementing effective programmes to fight climate change. ■

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Chad

24/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3	↓
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3	↓
3	Local assemblies and executive bodies are elected, but not necessarily throughout the country.	3	
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2	
5	The central government defines and collects local government revenues.	1	
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.	3	
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2	
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2	
9	Local government performance is not assessed.	1	
10	National reflection on urbanization is underway, but an urban strategy has not yet been defined.	2	
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1	

Explanation of the Rating

Chad's decentralisation policy is the result of resolutions from the National Sovereign Conference of 1993. Participants at this conference recommended that Chad form a strongly decentralised central government. These recommendations were approved by the people on 31 March 1996 with the adoption of the Constitution of 1996, amended in 2005.

Under section XIII, "Autonomous Local Governments," Article 198, the Chadian Constitution of 2018 establishes two types of local governments: municipalities and provinces.

Prior to 2018, the country was divided into 23 regions, 65 departments, and 280 municipalities. The new Constitution stipulates that an organic law will determine the number, names, and subnational boundaries of these autonomous entities. It guarantees their status as a legal entity, as well as their administrative, financial, asset and economic autonomy. Articles specify that the councils are elected for six-year terms, but the executives are elected by the assemblies for three-year terms and can be reelected once.

Based on the principle of subsidiarity, the autonomous local governments have both exclusive responsibilities and responsibilities that are shared with the central government, under conditions set by an organic law. The autonomous local governments have regulatory power to carry out their missions in their respective areas of responsibility within their territory. The distribution of responsibilities between the central government and the autonomous local governments is handled according to the provisions of the current Constitution and by the law in consideration of the local and national interests.

Municipal elections were rescheduled five times before they were finally held in January 2012. Only 42 municipalities were involved in these local elections, including the 23 regional capitals, the ten arrondissements (neighbourhoods) of the city of N'Djamena, the municipality of N'Djamena, as well as the nine other regional capitals with at least 20,000 inhabitants. The remaining 58 assemblies and executives were appointed by the central government. Local elections based on the new borders will take place in 2019.

Since 2014, a regular subsidy has been paid to the municipalities for operational expenses. The municipalities also receive resources from the Road Maintenance Fund (Fonds d'Entretien Routier, FER), which is intended for maintenance of the primary urban roads; the Special Environmental Fund (Fonds spécial pour l'Environnement, FSE), which finances municipal projects connected to environmental protection; and local development funds (FODELOC), which finance "social economy and solidarity" projects. A study on the implementation of funds financing the decentralised subnational governments is in process.

Local taxation is regulated in the Constitution; the assessment, base, and rates are defined by the National Assembly, and revenue is collected by deconcentrated central government services. Local governments have no room to maneuver.

Decentralisation in Chad is largely handicapped by the weak organisation and limited capacities of local governments. There is a framework of reference defining qualifications and responsibilities that was adopted in 2015 and a national capacity-building strategy for decentralisation actors that was created in 2013.

The various decentralisation legislative documents provide for the financial supervision of the municipalities, including control and audit. The municipalities' financial accounts should, in theory, be audited each year; but in practice, these audits are only carried out intermittently.

Chad does not have specific legislation for citizen participation in the management of local affairs. However, at the municipality level, there are initiatives to this effect as part of international cooperation programmes.

The assessment of local governments is not provided for by Chad's decentralisation legislation.

A national policy for territorial development, urban development and habitat for 2017–35 is being finalised.

In Chad, lists of candidates for legislative and local elections must include at least 30 per cent women in order to be valid (Ordinance No. 12/PR/2018).

Chad has no provisions to involve the local governments in the fight against climate change.

Proposed Reforms

With an overall rating of 24 out of 48, Chad is in the group of countries whose improvement in the enabling environment of cities and local authorities require significant reforms.

Six major reforms are proposed in order to improve the institutional environment for cities and local authorities.

Clarify responsibilities of subnational governments

- **The first reform** regards the autonomous local governments. It should quickly clarify and implement a division of responsibilities between municipalities and provinces: the rules regarding legal status, organisation, operation and allocations of the autonomous governments, as well as their relationship with the central government, including exclusive and shared responsibilities. To avoid conflicts between the autonomous local governments and the central government, the reform should define precise limits for responsibilities of the provincial governors and delegated administrators in the provinces and municipalities that “in the name of the government ensure the application of the laws, implement regulations and governmental decisions and exercise administrative control while respecting the principle of autonomy.”

- **The second reform** addresses the financial transfers from the central government to the local governments. They are provided for by Article 209 of the Constitution of 2018: “All transfers of responsibilities from the central government to the autonomous governments will be accompanied by an allocation of resources equivalent to those intended for their exercise. Any creation or extension of responsibilities that will cause an increase in expenses for the autonomous governments will be accompanied by resources determined by law.” The law provides for equalisation mechanisms to encourage equality between the autonomous governments. The reform should involve an updated study evaluating the costs of the transferred responsibilities in order to better distribute the financial transfers. The reform should also draw up decrees and statements necessary for applying and operationalising these transfers.

- **The third reform** concerns institutional capacity building for local governments. The lack of qualified staff in the municipalities is a major constraint to implementing decentralisation focused on providing basic public services. No attention has been given to this concern and human resources have not been transferred by the central government. Very few municipal managers are well trained, and the few who are often leave the municipalities for better work conditions elsewhere. In order to address the most pressing issues, particularly the problem with training managers in strategic positions, authorities in Chad decided to participate in international initiatives for capacity building within organisations such as AIMF (international organisation of mayors of cities in French-speaking countries) and PDM (Programme for Management Development). They also decided to reinforce the National Administration School (Ecole Nationale d’Administration, ENA). This reform action should take stock of training needs, followed by the devised of a strategy to bring together continuing education and initial training.

- **The fourth reform** should address the management of urbanisation. Chad is an unusual country: 57 per cent of the country is occupied by the Sahara Desert in the north, where less than 1 per cent of the population lives. The country has a low level of urbanisation; 23.1 per cent of the population lives in cities in 2018, and projections from the United Nations Department of Economic and Social Affairs project an urbanisation level of 39.3 per cent by 2050 (World Urbanisation Prospects: The 2018 Revision). Territorial development is very difficult due to the low urbanisation rate, the unbalanced position of the capital within the national urban system whose primacy continues to grow, and the slow growth of cities. The urban strategy should focus on implementing a policy to balance and develop the country. It should eventually concentrate on technical and financial management of the urbanisation process.

- **The fifth reform** should address the local governments’ own resources. Legislation in Chad provides for the national assembly to determine the local governments’ own resources; it specifies the taxes that the local governments can collect directly. There are about a dozen taxes, including property, business and other license taxes. However, while the taxation of the municipalities and rural communities is fairly well recognised, the law is imprecise regarding regional and departmental revenue. It is very difficult to determine the ability and effort for mobilising local resources if local governments cannot manage the assessment or even the issuance and collection of rolls issued by the General Tax Directorate and collected by the Public Treasury Agents. The municipalities are completely excluded from the tax chain, which constrains the mobilisation of resources. The reform should aim to enlarge the local governments’ taxation powers and strengthen their involvement in the management of local taxes.

- **The last reform** addresses the local government’s contribution to the fight against climate change. Reform efforts should consider technical support for carrying out subnational climate plans, as well as giving the autonomous local governments access to climate financing. ■

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- Law No. 009/Pr/2005 of July 15, 2005 addressing the special status of the city of N’Djamena
- Law No. 011/Pr/2004 of June 7, 2004 addressing the financial and tax plan for decentralised subnational governments
- Law No. 012/Pr/2004 of June 7, 2004 addressing the accounting plan for decentralised subnational governments
- The Chadian Constitution of 2018.
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Comoros

21/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3	
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3	↑
3	Local assemblies and executive bodies are elected throughout the country.	4	
4	Resources are not transferred, or are transferred erratically and irregularly.	1	
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2	↑
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1	
7	No rules or legal provisions on transparency in the running of local governments exist.	1	
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.	1	
9	Local government performance is not assessed.	1	
10	No national urban strategy.	1	
11	The country provides for 2 of the mechanisms of gender equality.	2	↑
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1	

Explanation of the Rating

Comoros, which has been independent since 1975, includes three islands: Grande Comore, Anjouan and Mohéli. Comoros had a serious internal crisis in 1997, during which its existence was threatened by separatists from the different islands. The current Constitution was adopted by referendum in December 2001. The islands have wide autonomy in the areas of the economy, taxes, health and justice. The regimes that came to power following independence initiated decentralisation policies. Since 1976, Comoros has been organised into different levels of local government: wilayas (islands), bavous (regions) and moudirias (municipalities). However, these various local governments were removed and the basic framework for Comorans reverted to the village, under the leadership of the traditional leader (see Constitutional amendments of 1982, 1992 and 1996).

The adoption of a new Constitution by referendum in 2018 marked a new dynamic in the setup of decentralised local governments, within the framework of a new unified, central government. Each island has wide ranging autonomy and its own president and council. The Union of Comoros is divided into autonomous islands and then into municipalities (Law No. 11-006/AU of May 2, 2011, enacted on 21 July 2011). For administrative reasons, the municipalities are grouped into prefectures as follows:

- Grande Comore (or Ngazidja), capital Moroni, eight prefectures, 28 municipalities;
- Anjouan (or Ndzuwani), capital Mutsamudu, five prefectures and 20 municipalities; and
- Mohéli (or Mwali), capital Fomboni, three prefectures and six municipalities.

In respect of the Union's Constitution, each island is autonomous and is led by an elected governor and council. Article 99 of the new Constitution stipulates that "the islands are granted legal powers. They are free to self-govern and have management autonomy. They are each managed by a governor and advisory council." Article 109 stipulates that "the municipality, like all other subnational governments, is created by law." Article 103 of the new constitution ("in cooperation with the Union,

the island acts on the following matters: Administration of local governments..." leaves the councils and executives from the three islands under the supervision of the municipalities. The assemblies and executives appointed by the island executive were replaced by the elected assemblies and executives in the February 2015 elections.

Law 11-005/AU sets the municipalities' responsibilities in Article 9, but nothing has been implemented yet. The sectoral ministries continue to carry out the responsibilities transferred to the municipalities.

Financial transfers from the central government to the local governments in Comoros are ad hoc, unpredictable and irregular. Article 74 of the law on transferring responsibilities specifies that any transfer of responsibilities be accompanied by the transfer of corresponding resources. Two financial instruments have been set up for operational and equipment expenses. But in practice, these instruments have not been set up because of a lack of regulatory legislation for implementation; the transfers are ad hoc and unpredictable. For the moment, the amount of support for the municipalities is distributed among the three islands according to Article 9 of Decree No. 16-275/PR enacting Law No. 16-003/AU of 26 December 2016, regarding the 2017 fiscal year finance law.

In terms of local taxation, the local assessment and the collection methods are set by law. Comoros' Public Treasury is solely responsible for collecting local taxes through its agencies throughout the national territory.

In Comoros, there is no national strategy for capacity building in local administrations, or framework of reference defining qualifications and responsibilities for local governments.

Legislation in Comoros provides for a financial management control mechanism for local governments. The implementing decree that should specify the various legal means available to supervising island and Union authorities has still not been enacted, and therefore this control is not effective.

There is no legislation for citizen participation, and no local space for dialogue and consultation exists.

The people in Comoros have no experience with assessing the performance of the local governments.

There is no national urban strategy.

According to Law No. 17/AU Articles 1 and 2 of 22 June 2017, nominations for the Union executive as well as the executives for the autonomous islands must have at least 30 per cent of each gender. The same thing holds for the parties presenting their candidacy for election of representatives. However, women still have limited participation in politics (United Nations, Economic Commission for Africa, 2017).

In Comoros, there is no institutional framework involving the local governments in actions on climate change.

Proposed Reforms

With an overall rating of 21 out of 48, Comoros is in the group of countries with an environment that is unfavourable to the action of cities and local authorities. Improvement of this environment should include a series of reforms to be implemented as soon as possible.

- **The first reform** should aim to clarify the decentralisation architecture. While some passages suggest that the legislation of local governments is the responsibility of the Union, Article 103 of the new Constitution stipulates that “in cooperation with the Union, the island acts in the following matters: Administration of local governments...” The municipalities thus have two supervisory relationships (Islands and Union), and the methods for communication between these three levels of governance still need to be determined.

The reform should propose a common corpus for action of the local governments at the Union level and should clarify the relationships between the municipalities, the islands and the Union. The reform should define the exact scope of the supervision that can be exercised by the central government or the autonomous islands over the local governments. Finally, the reform should highlight and clarify the financial management control missions for the municipalities in order to improve the quality of local public spending.

- **The second reform** should focus on municipal borders. Many municipalities have undefined borders, and conflicts related to these borders are rampant. The border conflict between Moroni municipality and the city of Itsandra to the north and that of Ikoni to the south are examples of such conflicts example. Despite efforts made by the government with the assistance of the decentralised cooperation programme (Programme de Coopération Décentralisée, PDC) financed by the European Union through a study led by the University of Comoros, the map of the Island of Ngazidja has never been finalised, and 11 of the 28 municipalities in Ngazidja have undefined borders. The purpose of this reform will be to define the municipal borders to avoid increasing inter-village conflicts caused by border disputes.

- **The third reform** should address the definition of transferred responsibilities. Currently, legislation is silent on the responsibilities transferred to the municipalities by the Union or by the islands. This transfer of responsibilities

should be organised by law for the responsibilities previously held by the Union, and through deliberation by island councils for the responsibilities previously held by the islands. To date, no legislation has been enacted. In practice, the responsibilities are interwoven between the different levels of governance and between the decentralised entities and administrations.

The reform should propose a responsibility structure between the three spheres of power (Union, islands and municipalities).

- **The fourth reform** should address the local governments’ finances. The decentralisation law provided different paths for resources from local taxes (property, housing and patient taxes) to state grants. Still, the planned taxes are completely out of sync with Comoran economic and social reality. For many specialists, it is difficult to imagine that a town hall could ask its inhabitants to pay taxes on their arid plots or on their shelters made of brick, corrugated iron or straw. The reform should define both the municipalities’ own resources and a system for financial transfers not just from the Union, but also from the islands. These transfers must be proportional to the transfers of responsibilities and take into account the issues of equity and equal distribution in a country where the disparities are politically sensitive.

- **The fifth reform** regards urban strategy. While the urbanisation rate is low (29 per cent in 2018, with two thirds of the population living in rural areas), urban growth continues at a rate of 6.5 per cent per year. The population is young: 56 per cent of inhabitants are under age 20 with a demographic growth rate of 2.8 per cent, one of the highest in Africa. All the projections show that urbanisation will accelerate, with an anticipated urbanisation rate of 41 per cent by 2050 (World Urbanization Prospects: The 2018 Revision). It is necessary to anticipate this by providing the country with an urban strategy and defining the technical, human and financial means to implement it.

- **The sixth reform** should focus on identifying concrete steps to increase the level of women’s the participation of women. Seats should be reserved for them in the local governance bodies, and at least one woman should be included in local leadership.

- **The seventh reform** addresses setting up a national agenda on the fight against climate change, the creation of an institutional framework that provides for including the subnational governments, and providing them with access to climate financing. ■

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Congo Brazzaville

20/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected, but not necessarily throughout the country.	3
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2
5	The central government defines and collects local government revenues.	1
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.	1
9	Local government performance is not assessed.	1
10	No national urban strategy.	1
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

Decentralisation in Congo has gone through four periods (1976-1977, 1989-1990, 1992-1997, 2003 to today), with inconclusive results. The reason is the confusion of roles, lack of legislation to apply the decentralisation laws, conflicts in responsibilities between the various authorities, and the lack of political will. Decentralisation also suffered because of political instability and the civil war during the 1990s. New impetus was given to the decentralisation process by the 2002 Constitution, which, in Articles 174 to 177, recognises, among other things, that "local authorities freely self-govern through elected councils under the conditions provided for by law."

The Constitution looks to legislation to specify the responsibilities of the local governments. The 2003 laws made it possible to complete the process of decentralisation with the establishment of two levels of local government: the Department (12) and the Municipality (6). The most recent local elections to replace the municipal and departmental council in Congo were held in July 2017. It is important to note that decentralisation does not concern rural areas, which are directly administered by the central government. Thus, base-level local governments are not present throughout the national territory.

Despite these advances, there continue to be difficulties in defining the responsibilities transferred to the municipalities. Several implementing decrees have still not been enacted.

The transfers from the central government to the local governments are essentially represented by the global decentralisation grant, which is the central government's financial contribution intended to compensate for the additional costs linked to the transfer of responsibilities. As per the legislation, the global decentralisation grant must ensure the full compensation of costs by financing balances that are not covered by the transfer of central government taxes. Thus, according to the terms of the central government/department contract signed between the central government and the presidents of departmental councils, each department or municipality

should receive the sum of one billion CFA francs to carry out its community interest projects each year, which are decided on by the departmental or municipal councilors. In reality, the payment of this amount by the public treasury is often problematic.

Local taxation (made up of primary taxes that are, among others, property, business license and license taxes) is handled exclusively by the central government, which determines the assessment, tax base and the rate. The collection of revenue from these taxes is the responsibility of deconcentrated central government services.

However, the local governments benefit from the revenue of additional centimes on the VAT (5 per cent). This local tax revenue represents up to 50 per cent of the local governments' resources.

In terms of capacity building for local governments, there is no framework of reference defining qualifications and responsibilities or national strategy for training local actors.

Legislation provides for conducting audits to ensure good financial management of the local governments, but in practice these audits are not carried out.

There is also no provision for citizen participation in the management of local governments, and no practice for cooperation with civil society at the different government levels.

Finally, Congo does not have an urban strategy to manage the urbanisation process, even though the country has one of the highest urbanisation rates in Central Africa.

The new electoral law in effect in Congo requires, in Article 61, that the parties and political associations reserve 30 per cent of their quota for women.

The local governments in Congo are not involved in the creation or implementation of Nationally Determined Contributions (NDCs). Legislation and regulations do not provide for assessment of the performance of local governments, and no performance evaluation exercise for local governments in the area of providing local public services is carried out.

Proposed Reforms

With an overall rating of 20 out of 48, Congo is in the group of countries with an environment that is unfavourable to the action of cities and local authorities. The following reforms are necessary in order to improve the enabling environment for cities and local authorities.

- **The first reform** should address the respect of Constitutional provisions that establish local governments. No Constitutional provision limits the creation of local governments to only urban areas. According to the Constitution, the principle of the equality of citizens and their rights to enjoy the same freedoms is in favour of the institution of municipalities in both urban and rural areas. Reform should consist of implementing full decentralisation with elected assemblies and executives throughout the national territory.
- **The second reform** concerns the sharing and clarification of responsibilities between the central government and the different levels of local governments. The identical wording of the responsibilities for both the municipalities and the departments (since the communal territories are included in the departmental territories) creates a risk of conflict of responsibilities. The reform should help to define a systematic transfer and not the case-by-case procedure recommended by Law No. 10-2003 of 6 February 2003. According to this law, "the procedures for the exercise by the local governments of the transferred responsibilities are carried out, as necessary, by regulation, after examination by the technical committee for decentralisation evaluation of the report from the local government concerned, the local representative of the central government or the ministry whose transferred responsibility is being managed." This ad hoc procedure which involves increased negotiations with each central administration or ministry for each of the responsibilities to be transferred is not realistic, and it is unlikely to strengthen the process for transferring responsibilities. The objective of this reform should be to spell out the allocation of responsibilities to the different levels of local governments and to put the transfer agreements between the central government and the local governments into effect by establishing a structured dialogue through national associations of local governments.
- **The third reform** should address the financial transfers from the central government to the local governments. The legal and regulatory legislation specifies that the basis for evaluation of a responsibility to be transferred is constituted by the financial capacity of the local government evaluated according to fiscal potential on one hand, and on the other the need for financing evaluated according to the amount of expenses resulting from the transfer of responsibility. The assessment of charges is given to the technical committee for decentralisation assessment. In any case, the resources transferred must be equivalent to those implemented by the central government before the transfer of these responsibilities. The law specifies that the resources to be transferred as compensation for the charges include transfers of taxation and the global decentralisation grant, which must ensure the full compensation of responsibilities by financing

uncovered balances by the transfer of taxes. In practice, this legislation is not applied. Not only are transfers late in arriving, but overall, they are inconsistent, irregular and unreliable. The evaluation of the cost of the transferred responsibilities has not yet been done, and as a result, the amount of the national general decentralisation grant has no objective criteria to consider. The vertical imbalance penalising the local governments is one of the reform points that must be addressed to ensure sustainable financing of decentralisation.

- **The fourth reform** addresses the implementation of mechanisms encouraging transparency in local financial management and better performance of local governments in terms of provision of local public services. The control of budgets for local governments and accounts for authorising and accounting officers is provided for by legislation. This concern is addressed once again by Article 34 of Law No. 8-2003 of 6 February 2003 related to the organic law on supervision of local governments, and it is organised by Decree No. 11,479 MEFB/CAB which allocates and organises the services of the General Direction of Financial Control. The reform should supplement the mechanism for prescribing financial and performance audits of local governments in terms of providing local public services.
- **The fifth reform** regards the urban strategy. Congo has an extremely high urbanisation rate, with a little over 66.9 per cent in 2018 and 80 per cent projected by 2050 (World Urbanization Prospects: The 2018 Revision). This strong population concentration in the cities accentuates the trend of a growing demographic void in the rest of this very sparsely populated country. This feeling of emptiness is accentuated by the fact that four fifths of the urban population lives on a single axis along the extreme southern edge of the country, connecting the two largest cities in the country: Brazzaville, the political capital and river port on the Congo river, and Pointe-Noire, the maritime port. The reform should pay particular attention to the implementation of a balanced national urban structure in order to unleash the economic potential of all of the urban centres and territories in the Congo.
- **The last reform** addresses the local government's contribution in the fight against climate change. Climate change programmes and projects should be managed to a greater extent by the local governments, which should be given access to climate financing. ■

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Côte d'Ivoire

26/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3	
2	All responsibilities and powers are clearly defined in accordance with the Constitution, and the relevant statutory laws and regulations are in place.	4	↑
3	Local assemblies and executive bodies are elected throughout the country.	4	↑
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2	
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2	
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1	
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2	
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2	
9	Local government performance is not assessed.	1	
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.	3	
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1	

Explanation of the Rating

Ivory Coast has an old decentralisation policy governed by French Law No. 55-1489 of 18 November 1955. This policy has been progressively confirmed by various laws from 1985 to 2003. Some implementing decrees were enacted beginning in 2005 to operationalise the transfer of responsibilities to local governments. The territorial division introduces a new type of decentralised subnational entity called the district, made up of a group of regions. The goal of this entity, among others, is to lead large supra-regional development projects and to fuse the economic and cultural potential of these large groups. The region and the municipality are now the two types of local governments in charge of ensuring the full involvement of the people in the management of their affairs.

As part of decentralisation, the national territory is divided into 12 districts, two autonomous districts, 30 regions, 107 departments, 507 sub-prefectures and 800 villages; in addition, the country has 31 regions and 1,281 communes. Section XIII of the Constitution of 2016 on subnational governments, while specifying that the law determines the fundamental principles of the free self-government of the subnational governments, their responsibilities and their resources, stipulates that "any transfer of responsibilities between the central government and the subnational governments will be accompanied by the allocation of resources equivalent to those intended for their exercise" (Article 174).

The definition of responsibilities transferred to the local governments has been addressed in 112 legal and regulatory texts – 16 laws, 74 decrees, and 22 orders.

The country has 197 municipalities that do not include the entire national territory, and 31 regions which do cover the whole national territory. The most recent local and regional elections were organised in October 2018.

The local governments have retroceded taxes, the revenue from which is collected by the central government services, and the income from local taxes from companies

with less than 10 million in sales, the revenue from which is collected by the municipalities themselves.

Article 107 of the financial plan for local governments stipulates that "the council of the local government cannot establish any tax that has not already been created by law." It was recently decided to have a common, centralised fund for the local tax revenue, in addition to distributing this revenue between the municipalities and the regions, and this has weakened the financial autonomy of local governments.

The distribution of the national amount of financial transfers to local governments is handled according to formulas, but their payment is not always effective.

In terms of reinforcing the local administrations' capacities, there is no legislation or institution to train municipal staff. However, there are initiatives as part of international cooperation projects and programmes. It should also be noted that a study was carried out and a draft decree was drawn up to create an Institute for Local Administration Capacity Building. The decree for creating this institute is in the process of being enacted.

Audits of local governments are prescribed by law and carried out by the supervising authority. These audits are infrequent, in spite of the recent enactment of the law on the transparency code in public finances.

Furthermore, the law does not provide for the performance assessment of local governments in terms of providing local public services.

There is no national legislation on citizen participation in management of local governments, but there are spaces for dialogue and consultation included in many of the local governments.

Ivory Coast's urbanisation level in 2018 was 50.8 per cent. Its structural urbanisation processes will lead the country to a level of about 67.4 per cent by 2050 (World Urbanization Prospects: The 2018 Revision). However, the financial and human resources necessary for the proper implementation of an urban strategy are lacking.

No mechanism is provided to reinforce the participation of women in local governance, despite Article 36 of the new Constitution which stipulates that “the central government should promote women’s political rights by increasing their opportunities for access to representation in elected assemblies.” According to the Constitution, “the methods for implementing this article will be set by law.” Today, of the 197 mayors, there are 11 female mayors and 60 female deputy mayors, and one woman president of regional councils out of 31.

The country has no mechanism for including the local governments in the fight against climate change, even if they participate in the creation of the nationally determined report.

Proposed Reforms

With an overall rating of 26 out of 48, Ivory Coast is in the group of countries requiring significant reforms to improve the environment for cities and local authorities.

- **The first reform** should address the financing of local governments. An assessment done at the request of the Union of Cities and Municipalities of Ivory Coast (UVICOCI) and the Association of Regions and Districts of Ivory Coast (ARDCI), with the support of UCLG Africa show that from 2011 to 2015, only 17% of the resources intended for the responsibilities transferred are implemented by subnational governments. The current reform is focused on creating a roadmap for progressive decentralisation of resources to the local governments.

- **The second reform** should address local taxation. Local taxation in Ivory Coast can be greatly improved. The country is one of the few where local governments do not have their own taxation area. Each year, the finance law sets the rules for distribution of taxes between the central government and the local governments, as well as between the local governments themselves. No local tax is exclusively intended for local governments; all taxes are shared between the central government and the local governments. Often, the central government changes the rules regarding the distribution of revenue for the primary local taxation without consulting with the local governments, and the local governments find that large parts of the resources have been cut after the finance law is adopted. The reform should not only provide the local governments with a real tax margin to manoeuvre, but also define the conditions to encourage mobilisation of resources at the local level.

- **The third reform** could address the strengthening of local administrations. Local government officers are recruited according to methods set by the law on the status of subnational government staff. In addition, as part of the sectoral decentralisation policies, the central government has transferred some links for implementing national sectoral policies to the local governments. Based on this, the staff corresponding to the links to be transferred to the local governments has been systematically assigned to them. There are several possible situations: this staff is either paid directly by the central government, or the

staff is paid by the local governments using funds received from the central government. While this solution allows the local governments to take charge of the local public services, it has two drawbacks. The first is that in practice, this staff is more accountable to the central government than the local governments. There are many examples of government officers who refused to take instructions from the local governments into account, preferring to favour their central government organisation. The second drawback is that the issue of staff capacity building in the local governments becomes more complex because the government officers assigned to the local level are not guaranteed to continue their career at that level. Creating a real training strategy, as well as a framework of reference defining qualifications and responsibilities for the local governments, should provide the foundations for a sustainable strategy for strengthening human resources for the local administrations.

- **The fourth reform** should address transparency in public management. The account audits for local governments are done irregularly, and no performance assessment for the local governments’ provision of local public services is carried out. In addition, the staff of the General Inspection of the Treasury needs to be strengthened. Although financial control is in the process of being set up, the fact remains that reforms are needed, particularly on the conditions for improving the quality of local public spending in general by operationalising audits and performance assessments. Women’s participation is a reform that Ivory Coast should address; there is no legislation planned for this matter. Even though women are very active in public life, they are underrepresented in elected office. Women only represent 11.41 per cent of the elected National Assembly, for example.

- **The last reform** should aim to improve involvement of local governments in implementing measures to fight against climate change, as well as assisting their efforts to access climate funding. ■

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Democratic Republic of the Congo

20/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Resources are not transferred, or are transferred erratically and irregularly.	1
5	The central government defines and collects local government revenues.	1
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.	1
9	Local government performance is not assessed.	1
10	No national urban strategy.	1
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

The Democratic Republic of Congo (DRC) gained its independence on 30 June 1960. From 1996 to 2003, it was roiled by civil war, which ended with the Global and Inclusive Agreement. This agreement held out the promise of a new era of free, pluralistic and democratic governance.

The Democratic Republic of Congo is governed by a Constitution, enacted on 18 February 2006 following a referendum. It clearly establishes decentralisation as a new mode of organisation and management of public affairs in general and local public affairs in particular, replacing a system of excessively centralised management instituted during independence. According to Article 3 of the Constitution, "Provinces and decentralised territorial entities of the Democratic Republic of Congo have legal powers and are managed by local bodies. These decentralised territorial entities [DTEs] are the city, the municipality, the sector and the chieftaincy. They enjoy the free self-governance and autonomy of management of their economic, human, financial and technical resources."

The 2006 Constitution establishes three levels of governance: the central government, the province and the decentralised territorial entity. Legislation divides the country into 25 provinces and the city of Kinshasa, which has special status similar to a province. Previously, the DRC had been divided into 11 provinces.

The other levels of local governments were to be set up within 36 months after the adoption of the 2006 Constitution, after demarcation of the territories of the various decentralised territorial entities. However, demarcation is still not effective, and the DTEs created by the law are not operational. The city is either a provincial capital or any conurbation with at least 100,000 inhabitants with public facilities and economic and social infrastructure that has been given the status of city by a decree from the prime minister. The head executive is a mayor. The sector is a generally heterogeneous group of independent traditional communities organised by traditional divisions. Sectors have an elected leader who is invested by the central government. The chieftaincy is a generally homogeneous group of traditional communities organised by traditional

divisions and headed by a traditional leader recognised and invested by the government.

The transfer of responsibilities to the local governments is still in process. Legislative and regulatory texts clarify the DTE's responsibilities, which still need to be defined.

The provinces throughout the national territory have elected assemblies and executives. As yet, the DTE councils as well as the executives are appointed. The provincial, municipal, urban and local elections planned for October 25, 2015 were postponed. Elections for governors and deputy governors in eight provinces with vacant positions were held in August 2017.

The DTEs have the right to 40 per cent of the national revenue allocated to the provinces. The provinces themselves have the right to 40 per cent of the national resources, with 60 per cent for the central government. The decentralised entities would thus have 40 per cent of the national resources.

A DTE's own resources include the minimum personal tax, participation income, local taxes and duties, and common interest taxes. The key to distribution of common interest tax revenue among the DTEs and the provinces has not yet been set by legislation. The resources are decided on and collected by the central and provincial governments without involving the DTEs.

Institutional capacity building for local governments is a work in progress that requires investment; there is no local framework of reference defining qualifications and responsibilities or national strategy for local capacity building.

Article 180 of the 2006 constitution stipulates that the "Audit Court, under the conditions set by law, controls the management of the central government's finances, public assets, as well as accounts for the provinces, decentralised territorial entities and public bodies. Each year it publishes a report submitted to the President of the Republic, Parliament and the Government." However, these audits are carried out irregularly.

The Democratic Republic of Congo does not have any specific legislation for citizen participation and there are no local spaces for dialogue and consultation at the municipality level.

The assessment of local governments in terms of providing local public services is not addressed in any legislation, and no assessments have been carried out.

The Democratic Republic of Congo does not have an urban policy despite the significant challenges of unplanned urbanisation and development in the country, which is one of the largest in Africa.

In terms of election operations, the law stipulates that each political party must have a representation of at least 30 per cent women at all levels on its election lists.

Local governments are not involved in national programmes and projects to fight climate change.

Proposed Reforms

With an overall rating of 20 out of 48, the Democratic Republic of Congo is in the group of countries with an unfavourable environment for the action of cities and local authorities. The following reforms might be suggested to improve the environment for cities and local authorities.

- **The first reform** should address the local governments' own taxation. Several indications call the financial autonomy of the decentralised territorial entities into question. Legislation stipulates that budgets of decentralised territorial entities be integrated, in terms of expenses and income, in the provincial budget in accordance with the provisions of financial law. However, taxes are set in accordance with provincial tax legislation. The key to distribution of common interest tax revenue among the provinces and decentralised territorial entities should be set by legislation that establishes these taxes, following the recommendations of the Provincial Governors' Conference. This has not yet happened. These provisions make the DTEs primarily dependent on the provinces, which is not in accordance with the spirit or the letter of the constitution of 2006; this could also cause problems with the distribution of resources even though the provinces have not yet come to an agreement with the central government regarding their own resources.

While legislation specifies that the financial resources of a DTE includes its own resources, no implementing legislation provides details on the resources coming from the national revenue allocated to the provinces, resources from the National Equalisation Fund, or the exceptional resources. Legislation highlights that the taxes specific to each DTE are taxes levied on local matters, not imposed by the central government. Finally, legislation calls for decentralised territorial entities to establish their own mechanisms for collecting revenue – something they do not know how to do. All these issues could be addressed as part of local taxation reform.

- **The second reform** could address the financial transfers to the provinces and decentralised territorial entities. First, the withholding stipulated by the Constitution for the transfer of 40 per cent of the national tax revenue to the provinces has been replaced by a retrocession, which is never carried out. Second, the distribution of resources from the provinces among the decentralised territorial entities is based on the criteria of production capacity, area, and population. Presently, the legislation is unclear

about the resources to be shared between the provinces and the central government. In addition, Article 181 of the Constitution provides for the establishment of a National Equalisation Fund, and it has been given legal powers. The goal of the National Equalisation Fund is to finance public investment projects and programmes in order to encourage national solidarity and correct the imbalance of development between the provinces and the DTEs. The fund's budget is provided by the public treasury, with up to 10 per cent of the total national revenue reverting to the central government each year. An organic law establishes its organisation and operation. For this fund to truly play its equalisation role, it is necessary for specific regulatory texts to define in advance the mechanisms and methods for implementing the financial transfers from the central government to the provinces, and from the provinces to the decentralised territorial entities. The creation of these regulations must be the primary objective of the reform of the transfer system.

- **The third reform** should address the urban policy. The DRC is the largest a country in Africa with just over 60 million inhabitants, making it one of the region's most populous countries. The urbanisation level was 44.5 per cent in 2018, and projections suggest DRC will be 63.8 per cent urbanised by 2050. The population distribution is unbalanced, with most of the DRC's urban population living in Kinshasa. The urban population growth rate remains one of the highest on the continent (7 to 8 per cent), which may point to a doubling of the current urban population in ten years or less.

The DRC's sheer size and speed of urbanisation require a national urban policy as well as a national territory development strategy. Because the country is experiencing recurrent political turmoil with persistent rebellions in several regions, a strategy should be devised for fragile cities that have been exposed to political-military crises. In these cities, the reconstruction of community life in the post-conflict situation will depend on the intervention and effectiveness of local authorities.

- **The last reform** deals with the fight against climate change. Being a pivotal country for biodiversity, the DRC does not include the local governments in the various programmes and projects to address the impacts of climate change. The reform should enable local governments to access various climate funds for their different projects. ■

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Djibouti

24/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3	
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3	
3	Local assemblies and executive bodies are elected throughout the country.	4	
4	Resources are not transferred, or are transferred erratically and irregularly.	1	
5	The central government defines and collects local government revenues.	1	
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1	
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2	
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2	↑
9	Local government performance is not assessed.	1	
10	National reflection on urbanization is underway, but an urban strategy has not yet been defined.	2	↑
11	The country provides for 3 of the mechanisms of gender equality.	3	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1	

Explanation of the Rating

The most recent presidential elections in Djibouti took place in 2016. Initiatives and changes in the decentralization process were at the heart of the creation of the Ministry of Interior and Decentralisation to focus specifically on the issue. One of the Ministry's primary initiatives is finalising the General Code on subnational Governments, which is still in progress.

These actions have strengthened the existing legal framework. Djibouti has Law No. 174 addressing decentralisation and the status of the regions.

In 2010, the National Assembly definitively anchored decentralisation in the national institutional landscape through Law No. 92/AN/10/6th L of 21 April 2010, revising the Constitution. The section dedicated to subnational governments stipulates that they are legal entities under public law with administrative and financial autonomy. The subnational governments are the regions, municipalities and any other subnational government with special status. They are freely self-governed by elected councils.

Article 87 of the Constitution specifies that the missions, organisation, operation and financial plan of the subnational governments are determined by organic law. In terms of decentralisation, the country includes five regions and three municipalities, which make up the capital. In January 2012, the second local and regional elections were held, setting up the new councils and the executives across the national territory, followed by the elections on 24 February 2017, in accordance with Decree No. 2017-039/PR/MI establishing the organisation for Regional and Municipal Elections.

Currently, the financial transfers from the central government to the local governments is limited to a regular operating budget, which is recognised and set forth by law. However, this budget remains very limited and covers salaries and operating expenses such as office supplies, gas, water, and electricity.

As part of the tax reform reflected in the 2017 Finance Law, the central government has begun making tax transfers,

but only for the benefit of the regions. Certain business licenses and local taxes are transferred to the regions, but they are just the beginning of establishing a mechanism to collect these transferred taxes and business licenses. Regions (not the municipalities) have begun collecting business licenses and local taxes, including classes 9 and 10 of the General Tax Code, which pertain to certain business licenses addressing specific activities and the license and property tax on built and unbuilt property.

Djibouti lacks capacity at the local level. There is no national strategy for capacity building in local administrations, or national framework of reference defining qualifications and responsibilities for local governments.

Transparency mechanisms exist in practice, but they are not systematically applied.

There is no legal framework for consultation in the subnational governments to reinforce citizen participation in managing local affairs; there are, however, neighbourhood councils. A General Code on subnational Governments has just been created and provides for citizen participation. The National Assembly was expected to adopt this code in 2018.

Djibouti's legislation does not provide for the evaluation of local governments.

The country does not have a national urban policy, but there is an Urban Development Master Plan for the city of Djibouti (capital) and an Urban Development Master Plan for the five regional capitals that has not yet been applied.

In February 2018, Law No. 219/AN/18/7th L amending Law No. 192/AN/02/4th L was voted on and applied for the first time during the legislative elections. It stipulates that the political parties and/or coalitions of political parties leading up to voting must include at least 25 per cent of women on their list for eligible positions, at the risk of being disqualified. There are quotas for women that must be respected for the lists in local elections to be eligible and the required presence of at least one woman in local leadership, even though this quota remains less than 30 per cent.

The institutional framework provides for inclusion of the subnational governments only in the implementation of the national agenda in the fight against climate change.

Proposed Reforms

With an overall rating of 24 out of 48, Djibouti is in the group of countries requiring significant reforms to improve the environment for cities and local authorities.

- **The first reform** concerns strategic steering of the decentralisation process. Beyond the phase of adoption for legislation and regulatory provisions, implementation of the decentralisation policy should be managed by establishing objectives, means, steps and a monitoring system for established institutions. In practice, the decentralisation process follows the rhythm of joint initiatives from the government and funders, and it is often driven by the head of the central government in general political discourse when approaching election periods and/or discourse at the end of terms for local elected officials. When authorities act through normative legislation, we see significant delays between voting on a law and actually applying them through decrees. In terms of transferring responsibilities, the government's promise to implement effective taxation set forth by Article 5, paragraph 2 of the decree has not been honoured. Stimulating the strategic direction of the process involves revitalising the Ministerial Committee for Decentralisation (Comité ministériel pour la décentralisation, CMD), supported by a technical committee, the National Committee for Decentralisation (Comité national pour la décentralisation, CND). These bodies were created by decrees but have not yet been formed. These two committees should design the coordination and monitoring needed to guide the process of decentralisation from the centre. The reform should propose strategic management of the process by identifying the role of the institutions involved and proposing ways of strengthening their capacities.

- **The second reform** concerns the process of transferring responsibilities to local governments. The administration and regional system in Djibouti are traditionally strongly centralised, in spite of the election of assemblies and executives to lead the regions and municipalities. The country's five regions are administered by regional governors who are also responsible for coordinating decentralised services, which should be corrected. In practice, decentralisation remains largely ineffective, due to the lack of transferring responsibilities to regions and the decentralisation of financial resources. Relaunching the responsibility transfer process involves revitalising the moribund committee for monitoring the conditions and methods for transferring responsibilities from the central government to local governments created by Decree No. 2007-0432/PR/MID. Its role will be crucial and allow for effective management of the established calendar. Constraints on this reform include the committee's irregular and virtually nonexistent meetings, the lack of financial and human resources, and problems accessing the documents issued by the committee.

- **The third reform** regards tax and financial decentralisation, which is at the heart of the process to strengthen decentralised entities. The effectiveness of service delivery depends on the proportionate and timely allocation of resources to local governments, as well as the transparent and efficient management of these resources. The process of determining and paying funds, managing and allocating them to planned activities, and undertaking local revenue generation initiatives all contribute to strengthening the financial autonomy of local governments. The commitment of national actors to support the process of transferring resources to decentralised entities is also an important factor. National amounts to be transferred to local governments should be based on an "equalisation formula" that takes into account population, poverty line, remoteness and potential for resource development, among other factors. The ability of local governments to plan their actions will depend on the transparency and predictability of transfers.

- **The fourth reform** addresses urban policy. With an urbanisation rate of about 77.8 per cent in 2018 and an expected rate of 84.7 per cent by 2050 (World Urbanization Prospects: The 2014 Revision), Djibouti is experiencing a fast and unplanned urbanization. Despite development efforts by the government and its partners in recent years, urban poverty and extreme poverty have increased. The reform should create a national urban policy and define the involvement of the various national and local actors in a coordinated way. An important development is Djibouti's national integrated slum upgrading programme that is under development with the support of the World Bank. While there has been progress in women's involvement in government, the quota remains under 30 per cent.

- **The fifth reform** would encourage an increase in seats reserved for women in assemblies and local and/or subnational governments.

- **The sixth reform** would establish an institutional framework that requires local and/or subnational governments to create a subnational climate plan, to report on the implementation of this plan, and help local governments to access climate financing. ■

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Egypt

19/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.....	3
3	Local assemblies are elected, but executive bodies are appointed.....	2
4	Resources are not transferred or are transferred erratically and irregularly.....	1
5	The central government defines and collects local government revenues.....	1
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.....	2
7	Only partial rules and legal provisions on transparency in the running of local governments exist and they are not systematically followed.....	2
8	There is no national legislation on citizen participation, and no locally organised spaces for dialogue and consultation.....	1
9	Local government performance is not assessed.....	1
10	No national urban strategy.....	1
11	The country does not provide any or just 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Decentralisation in Egypt has been a long process. Initial progress was made in 1960, when a law created the governorates and delegated many functions to local authorities. The second stage was the Constitution of 11 September 1971 that provided for local governments with legal status and a certain degree of autonomy (Article 161 of the Egyptian Constitution). That same year, Law No. 57/1971 promulgated the new constitutional principles and attempted to improve local government efficiency. The third stage in the solidification of decentralisation came in 1975 with the creation of two additional local governments: the borough (hai) and the rural district (markaz). Subsequently, a Supreme Council of Local Administration was created in 1981, composed of governors and local council chairs at the governorate level under the direction of the Prime Minister. The fourth stage was the new Constitution of 2014, which emerged from the Arab Spring and devoted an entire section (Section 3) to local administration. However, all the laws and regulations necessary to make the provisions in the constitution operational remain to be drafted.

The territorial division contains three levels. The first two are: (a) 29 governorates; and (b) 433 districts, the major administrative units under the governorates. These districts do not exist in the governorates of large cities. There are four large cities: Cairo, Alexandria, Port Said and Suez. Alexandria is the exception and contains a district. The urban and provincial governorates and the large cities and districts correspond to the second tier. The last tier (c) consists of the 220 boroughs, provincial cities, cities, and village units. All the provincial cities are governorate capitals, except Shubra El-Kheima in the Qalyubia Governorate. The capital of Qalyubia is the city of Banha. The provincial cities are divided into boroughs like the large cities. Village units contain a parent village and surrounding villages. The governor is appointed directly by presidential decree. The head of the district executive body is the district chief (ra'is al-markaz), appointed by the Prime Minister. The head of the executive body for cities is the mayor (ra'is al-madina), appointed by gubernatorial

decree, as are the village and borough chiefs. Local government councils are elected.

Financial transfers from the central government to the other spheres of governance (governorates, districts and boroughs) are unpredictable, not very stable, and do not allow the efficient provision of local public services.

In Egypt, there are also own revenues and revenues shared between the central government and local governments. The shared field consists of: half the revenues from export and import duties; half the revenues from taxes on securities; half the revenues from taxes on commercial and industrial profits; and one quarter of the revenues from taxes on farmland. Own revenues come from taxes on vehicles and other means of transportation, and taxes on entertainment and leisure activities. In all cases, though, local governments cannot alter the local tax base or rates.

Egypt has a national capacity-building strategy for local administrations, and Decrees Nos. 705/2014 and 707/2014 establish national bodies in charge of the human resources of local administrations. However, the country does not have a national framework of reference for local government staff qualifications and responsibilities.

Many institutions exist and are, in principle, in charge of verifying financial management by local governments. However, audits are conducted only occasionally.

In Egypt, there are no specific laws on participation and no local spaces for consultation and participation.

There are no laws on local government performance assessment, and such performance is not assessed.

Egypt has a high level of urbanisation: 42.7% in 2018 and an estimated 55.6% in 2050, according to World Urban Perspectives 2018 Revision. The major city of Cairo has a population of more than 12 million (2018). Given this urbanisation, several initiatives have been developed to support the urban sector, and many programmes have been implemented. There has, however, been no reflection on an urban strategy.

The law governing local council elections and any decision on quotas are still in discussion in parliamentary committees.

A law to increase women's participation in local council elections through a quota system has been drafted but still in discussion in parliamentary committees.

Local governments are not involved in the national climate change programmes and projects.

Proposed Reforms

With an overall score of 19 points out of 48, Egypt is one of the countries where the environment is generally unfavourable to city and local authority action. Improving the enabling environment for cities and local authorities calls for a certain number of reforms.

- **The first reform** is to strengthen local autonomy. Because of the existing appointment practices, heads of local government in Egypt face challenges in adapting public spending to local preferences. While some governors are able to improve territorial application of public policies, the system of vertical organisation of powers as a whole weigh against local preferences. The governors hold financial and administrative power over deconcentrated central government services, but their authority cannot influence changes made by ministers in the implementation of sectoral policies.

In addition, the deconcentrated central government services have few obligations towards governors' initiatives. The line ministries have the power to hire, fire and promote local executives, which strengthens their accountability to the central government. In addition, most governors are appointed from outside the local government sphere (nearly 70% of governors are former members of the armed forces or former police officers). Finally, Egypt is undoubtedly one of the few African countries where a people's assembly oversees approving local government budgets and plans.

The reform should clarify the content of Article 179 of the new Egyptian Constitution, which stipulates that the law shall regulate the manner in which governors and heads of other local administrative units are appointed or elected and shall determine their competences. The reform should then tackle the link between decentralisation and deconcentration in such a way as to strengthen local autonomy.

- **The second reform** should emphasise clarifying the distribution of responsibilities among the various spheres of government. In principle, laws divide up responsibilities, but the regulatory texts to detail the different links of responsibility are missing, and the texts themselves often introduce some uncertainty. For example, according to the law, a service assigned to a sphere of local governance does not mean that the service will necessary be provided by the local level. Services are often provided by several spheres of governance. There are many similar examples of competing responsibility: health, where supply is regional or central and distribution is local; social well-being (central pensions, etc.); transportation (national and local roads); the environment, where local governments may act as agents for the central government; sanitation, with regional sewerage processing but local waste collection;

and primary education, where educator certification and some aspects of curricula are set at the central level, educator service standards and pay scales are set by the governorates, and school books are chosen by schools.

Reform should focus on the division of responsibilities between the central government and the various levels of local governance, and across the different levels.

- **The third reform** concerns the financial transfers from the central government to local governments. Two transfer methods exist. The first is shared taxation. While 50% of the revenue from these taxes is paid to the local governments based on collection site, the remaining 50% are transferred to common funds to be distributed to all governorates, except Cairo and Alexandria, according to a specific formula. The tax rate is not stable and changes over time. This source of revenue contributes greatly to local fiscal revenues: nearly 40%. The second transfer is the 'Common Fund' administered by the Ministry of Finance. However, how fund resources are distributed among eligible governorates is decided after consulting the Ministry of Local Development. The criteria for allocating funds to governorates take into consideration population size, geographic sector and need. These resources provide nearly 30% of governorate budgets, particularly in Upper and Lower Egypt. Finally, transfers of Suez Canal Authority's profits are distributed by the Ministry of Finance to five governorates. These revenues are distributed as follows: 50% to Ismailia, 30% to Port Said and Suez, 10% to North Sinai, and 10% to South Sinai. The reform should adjust the scale of financial transfers from the central government to the other spheres of government (governorates, districts and boroughs) so that they are in line with the cost of the responsibilities transferred. It should make the transfers predictable and stable to allow for the efficient provision of local public services and avoid territorial disparities from worsening (import-export duties, Suez Canal, etc.).

- **The fourth reform** deals with gender equity, particularly the central role of women in local governance processes. The current situation, characterised by the weak representation of women in the councils and in the leadership of local governments, must be resolved. Reform should propose measures to ensure the presence of women in local governing bodies.

- **The last reform** focuses on the fight against climate change. Local governments must be part of national programmes and projects and have access to climate funds. ■

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Equatorial Guinea

19/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Resources are not transferred, or are transferred erratically and irregularly.	1
5	The central government defines and collects local government revenues.	1
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	No rules or legal provisions on transparency in the running of local governments exist.	1
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.	1
9	Local government performance is not assessed.	1
10	No national urban strategy.	1
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

Equatorial Guinea is made up of the mainland region called Rio Muni, the islands of Bioko, Annobón, Corisco, Elobey Grande, Elobey, Chico, and small adjacent islands. Decentralisation was established through the Constitution of 1995, which institutes political pluralism.

In Section VI, the Constitution stipulates that local governments have their own legal status. They are under the responsibility of the government and administration of the regions and handle the promotion of economic and social development programmes and plans. The local governments contribute to carrying out central government development plans. In Article 102, the Constitution stipulates that the law determines its responsibilities, operations, and legal framework. To date, this legislation determining the local governments' operating conditions as well as the implementing legislation have not been adopted. It should also be mentioned that the Constitution does not affirm the principle of local autonomy and that of the elected bodies.

The Ministry of the Interior and Local Corporations, the sectoral ministries active at the provincial level, and the districts are in charge of the local governments. The territorial divisions include two large regions, one on the mainland and the other insular, divided into seven provinces: two provinces on the island of Bioko, one province on the island of Annobón, and 4 provinces in the mainland region of Rió Muni. These provinces include 30 municipalities and several traditional chieftaincies and villages. The provinces are run by the governors appointed by the central government for a period of five years. The municipal level is run by elected councils. The most recent local elections were held in 2017.

The main constraint on the environment for cities and local authorities is the lack of legislation operationalising the transfer of responsibilities. The legislation for local governments still needs to be developed and the implementing legislation is nonexistent, which prevents

the local governments from assuming the transferred responsibilities.

The financial transfers from the central government to the local governments are not part of the national financial landscape. Legislation does not provide for systematic financial transfers to the local governments. Local governments cannot count on these transfers in their budget planning.

Local taxation does not provide many financial resources for the local governments in Equatorial Guinea. Furthermore, it is governed by national provisions, and the Local governments have no room to maneuver to change the rate or base for local taxes.

Local governments have very little human capacity and rarely hire development managers. Considering the low standard of the currently practiced responsibilities, the local staff is generally made up of labourers and enforcement staff. There is no national framework for reference defining qualifications and responsibilities for local governments, or a national capacity-building strategy for local administration.

Legislation in Equatorial Guinea does not provide for any control of the financial management of local governments. In addition, the ministry in charge of local governments has no method for carrying out audits of the local financial accounts.

Despite local elections, the participation of local citizens in local public management is not widespread in Equatorial Guinea. No specific legislation exists regarding this issue and citizens are rarely consulted because local development plans are so scarce. Finally, there are no spaces for dialogue and consultation for citizens at the local level.

Local governments have almost no experience implementing sectoral policies, and no assessment has been done on their performance in this area. No national legislation provides for the assessment of the local governments' performance in terms of providing services.

Equatorial Guinea has no urban policy, despite an urbanisation rate that includes almost half of the national population.

Equatorial Guinea has no quotas for the participation of women in local government.

Local governments are not involved in national programmes to fight climate change.

Proposed Reforms

With an overall rating of 19 out of 48, Equatorial Guinea is in the group of countries with an environment that is globally unfavourable to the action of cities and local authorities. Several important reforms must be undertaken for Equatorial Guinea to truly progress towards a national environment that is more favourable to cities.

- **The first reform** addresses the responsibilities of local governments. Even though local governments are written into the Constitution, in practice they do not have a separate legal status. Municipalities operate in the field like decentralised central government agents, and as such, they have only a marginal influence on the development of public policies, including those that concern them. Equatorial Guinea would now like to engage in a more advanced decentralisation process to move towards greater local democracy. This involves bringing the local governments into the development process, granting municipalities legal status and financial autonomy, and selecting local assemblies and executives by democratic vote. The reform should also establish the principles of free self-governance for local governments, subsidiarity, respect for diversity and cultural differences, as well as the shared and complementary responsibilities with the central government.

- **The second reform**, as an extension of the first, should address the transfer of responsibilities. The reform must work to create specific legislation that extends and specifies the constitutional provisions. Local governments legally have no responsibilities and simply act as extensions of the sectoral ministries. The reform should define the local governments' own responsibilities by taking into account the geographic and socio/political characteristics of the various subnational levels of government in the country. It should determine which options to use in transferring responsibilities, a general competence clause or block transfer of responsibilities, and a schedule for the transfers. The reform should define these options in conjunction with the actions of sectoral ministries in the field and the complementarity that should be established between the decentralised administration and the extended administration. Finally, the reform should learn from other countries' experience, specifically regarding the contribution of decentralised central government services to strengthening the project management of local governments.

- **The third reform** concerns financial transfers to the local governments. This reform should go together with defining the transfer of responsibilities. It should also address local governments accompanying and facilitating the action of sectoral ministries in the field; they do not

carry out any action. The first challenge for the reform is to define the costs and responsibilities when they were implemented by the central government, then distribute financial transfers. This exercise must consider the three levels of local governments: the regions, provinces and base-level local governments. It should also be founded on the principles of national solidarity, territorial equity and encouragement to fulfill the conditions of decentralised local service provision.

- **The fourth reform** should improve the governance of the local governments by providing legislation for citizen participation mechanisms in the management of local affairs and assessment of local policies. Today, the central government is exclusively in charge of implementing public policies, including at the local level. This situation reinforces the unilateralism of national decisions to the detriment of unique characteristics of each territory, which, if they were expressed, could help in the decision-making process. Beyond the quality of the local public spending options, citizen participation should also help to improve the mobilisation of resources for local development. The reform should also specify the methods for performance assessment of local governments in terms of providing local public services. It should indicate the methods for decentralised central governments services to guide local governments and help them progressively improve their performance by implementing sectoral policies. The reform should propose specific legislation on citizen participation, control of local financial management, as well as methods for assessing local governments' performance.

- **The fifth reform** regards urbanisation. In 2018, the urbanisation level is estimated at about 72.1 per cent; it will reach 82.6 per cent by 2050. (World Urbanization Prospects: The 2018 Revision). The urban structure is balanced and made up of about ten cities. The cities of Bata (173,046) and Malabo (155,963) are just under 200,000 inhabitants, while the other cities are much smaller, such as Ebebiyin (25,000 inhabitants), Aconibe (11,192 inhabitants), and then Añisoc, Luba, Evinayong and Mongomo, which have about 10,000 inhabitants each. The urban strategy should aim to strengthen the equilibrium of the urban structure by developing other regional hubs. It should also define the conditions for sustainable financing of urban infrastructure to support national development and offer alternatives to oil.

- **The last reform** deals with the fight against climate change. The reform should strengthen the local governments' ability to create sustainable projects that contribute to the implementation of Nationally Determined Contributions (NDCs). It should also give local governments access to climate funding. ■

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Eritrea

23/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.....	3
3	Local assemblies and executive bodies are elected throughout the country.....	4
4	Resources are not transferred or are transferred erratically and irregularly.....	1
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.....	3
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.....	1
7	Only partial rules and legal provisions on transparency in the running of local governments exist and they are not systematically followed ..	2
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.....	2
9	Local government performance is not assessed.....	1
10	No national urban strategy.....	1
11	The country does not provide any or only 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or only 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Since obtaining its independence in 1991, Eritrea set up a process to elect assemblies and executive bodies to administer its villages, districts and provinces. The 1997 Constitution establishes, and in some instances provides for, the setting up of local governance structures whose leadership is supposed to be based on democratic principles. However, to date this Constitution has yet to be implemented. Between 1993 and 1997, the central government and local governments underwent a series of reorganisations. In 1996, the territorial divisions in Eritrea were restructured, and the country replaced 10 provinces with six zobas or semi-autonomous regions, each composed of several sub-regions. The zobas are administered by governors and have their own local assemblies. At the central level, the Ministry of Local Government has an oversight role over the local public governance structures and focuses on formulating policy, regulations and staff identification and capacity building. The responsibility for activity, programme and policy implementation is left to regional and local governments.

The local government law of 1996, amended in 2004, contains provisions aimed at improving the opportunity for women to participate in local government affairs.

In Paragraph 5 of Article 1 "The State of Eritrea and its Territory," the Constitution stipulates that Eritrea is a unitary government divided into local government units, and that the powers and duties of these local governments shall be determined by law. Such laws are not yet in place, and this is a constraint on the proper fulfilment of the duties, functions and responsibilities of local governments as transferred by the central government.

The 56 sub-regions (subzobas) are placed under the authority of regional assemblies elected for five-year terms of office. The last local elections were held in 2014.

The central government has set up various financial transfers to local governments, but the national amount of these transfers and the modalities for distribution among the local governments are not known in advance. This is a major limitation on local autonomy and planning.

Local governments have considerable authority to set policy and issue regulations, raise taxes, and appoint executive staff at their respective levels. The local authorities have discretionary power to raise taxes and rates as "locally determined in the local government" as long as these taxes "are not prohibited by central government financial policy."

Eritrea does not have a national strategy to build the capacities of local administrations or a national framework of reference defining the qualifications and responsibilities of local government staff. However, a few local capacity-building initiatives can be noted in the context of specific international cooperation interventions.

Eritrean legislation does not contain specific laws on auditing the financial management of local governments. The Ministry of Local Government approves budgets and audits; but while budget approval follows a specific schedule, audits are conducted only occasionally.

The Constitution of Eritrea gives a large role to the people's participation in central and local government administration, and many of its articles refer to the issue. However, Eritrea has no laws on public participation in the management of local affairs. Numerous arenas for consultation exist, which is an offshoot of the current government's outlook. These arenas for consultation are active in the local planning process.

Eritrea has no specific legislation on assessing the performance of local governments when it comes to the provision of local public services, and no experience assessing local government performance.

There is no national urban strategy in Eritrea.

In Eritrea's local elections, quotas have been put in place to facilitate the representation of women; at least 30 per cent of seats are reserved for women in local governance bodies.

The institutional framework does not provide for the inclusion of local and regional authorities in the implementation of the national agenda on climate change.

Proposed Reforms

With an overall score of 23 points out of 48, Eritrea is one of the countries whose environment is generally unfavourable to the action of cities and local authorities. The progress towards an enabling environment for cities and local governments would require significant reforms. Four main reforms are suggested to improve the environment for city and local government action.

- **The first reform** should address the transfer of responsibilities to local governments. The administrative and functional organisation of Eritrea's central government illustrates the lack of local autonomy and the preponderance of the central government in implementing public policies. Local managerial staff are accountable to the central government for the implementation of programmes and policies. The administrators appointed to the provinces are accountable to the central government, while the deconcentrated services located in the local governments are accountable to their respective line ministries. With this configuration, the central government has the leverage to directly apply most sectoral policies at the local level without the knowledge or consent of local governments. The transfer of responsibilities is slowed down by the absence of laws and regulations required for their effective implementation. Thus, the model is more one of deconcentration than decentralisation; overall, the central administrations have kept the initiative, and local populations are mobilised only to give their opinion and suggestions. Reform should help in clarifying the definition of the responsibilities assigned to the various levels of local government and determine the exact role of the deconcentrated administration, which should itself be better organized with greater technical capacities. The reform should also propose transfer modalities and the necessary laws and regulations.

- **The second reform** should address the financial transfers from the central government to local governments. From the perspective of increasing the weight of local governments in public spending, the financial transfers must be proportionate to the level of the responsibilities transferred to offset the vertical imbalance. Ideally, these transfers would be unconditional, predictable and stable in order to improve the financial autonomy of local governments. Reform should also increase transparency in local public management and emphasise modalities for conducting financial audits of local governments to improve the quality of local public spending.

- **The third reform** should address urban strategy. After three decades of war, Eritrea has a dismantled urban structure, with urban growth fuelled by many refugees and a fragile economic foundation. The war from 1998-2000 had adverse effects on the economy at large and on cities in particular. According to a report by the Ministry of Local Government's Urban and Council Affairs division, there were 118,483 households –approximately 596,537 people – living in urban areas (November 1995). This represented approximately 17 per cent of the total population. In 2018, Eritrea is 40.1 per cent urbanized, and it is projected to reach 60.1 per cent by 2050 (World Urbanization Prospects: The 2018 Revision). Less than

the pace and intensity of urbanisation which needs to be managed, it is the local economy of cities that needs to be strengthened. Eritrea contains 20 urban centres: Asmara, Massawa, Assab, Keren, Mendefera, AdiKeih, Akordat, Barentu, Nakfa, Tessenei, Ghindae, Dekemhare, Senafe, Segheneity, Adiquala, Afabet, Hagaz, Debarwa, Ghirmaika and Tsorena. A survey by the Ministry of Trade and Industry counted 223 major industrial units in the country, with most located in the capital city of Asmara. Other urban industrial centres are Massawa (salt, cement, seafood), Assab (salt, seafood), Ghinda (tanneries), Dekemhare (batteries, biscuits, aluminium, marble, glue, woven bags), and Debarwa (pasta, biscuits, plastic, aluminium). Eritrea's cities have an important economic role, especially in industrial processing, and as such they attract considerable investments. The urban strategy should emphasize the functional specialisation of cities and their contribution to national development. It should also find suitable solutions to the problem of zoning in Eritrean cities. Most Eritrean cities are mountain cities located between 1,000 and 2,500 metres above sea level, often within difficult terrain. The fact that urbanisation is generally linear - whether along the main roads or the coastline - calls for greater attention to the shape of cities and their densification.

- **The fourth reform** deals with local government administration capacity building. The current local personnel system is not consistent with decentralisation principles. The various local government levels have very few qualified staff and are not called upon to implement public policy directly at the local level. The few executives are seconded to central government staff. The country does not have a national strategy on local administration capacity building. A framework of reference defining local government staff qualifications and responsibilities needs to be elaborated along with the corresponding staff training plan. Finally, there should be some innovation in the role of deconcentrated central government services, which should shift from the role of central government policy and programme practitioners to the role of contracting authority support for local governments.

- **The fifth reform** should focus on strengthening policies and legislation to promote gender equality through the inclusion of women in local governance..

- **The sixth reform** should focus on the effective contribution of local governments to the Paris Agreement, which implies that NDCs are territorialized and local governments empowered to develop and implement concrete, measurable action programmes. ■

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Ethiopia

22/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution is neutral on the question of local governments.	2
2	The legislation is unstable and inconsistent.	1
3	Local assemblies are elected, but executive bodies are appointed.	2
4	The transfer of resources to local governments or their distribution among local governments is predictable according to a transparent formula.	2
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.	2
7	Only partial rules and legal provisions on transparency in the running of local governments exist and they are not systematically followed. .	2
8	National legislation on citizen participation exists but is not applied.	3
9	Local government performance is not assessed.	1
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking...	3
11	The country does not provide any or only 1 mechanism of gender equality.	1
12	The country does not provide any or only 1 mechanism in the fight against climate change.....	1

Explanation of the Rating

During the highly centralised Derg regime (1975 to 1991), Ethiopian municipalities were pushed aside and did not operate as independent local authorities. After the fall of the Derg, the new regime adopted decentralisation as the cornerstone of the construction of a democratic and ethnically diverse nation.

Since 2000, the strong socio-political demand to establish local governments triggered sweeping institutional reform leading to the adoption of institutional and legal frameworks favouring decentralisation. This institutional reform combined with strong commitment to fiscal decentralisation underscores the political will towards giving local governments direct and transparent power in public spending. The goal is to create and strengthen the role of local governments so that they can ensure better participation of people in the management of public affairs and greater democracy in decisions on the decentralised provision of public services.

Ethiopia is a federal state, with nine regional states, 928 local governments, and two cities that have special status similar to that of the regional states (Addis Ababa and Dire Dawa). The country is fully decentralised, with elected local councils and appointed executive bodies; the last local elections were held in April 2013.

The Constitution of Ethiopia is neutral on the subject of local government; no article addresses decentralisation and/or local autonomy. This neutrality comes from the fact that legislation on local government is within the purview of the regional states, not the federal government.

Each region must draw up its own laws on local government, taking into account its own unique context. Because of this, the legislation is not always consistent from region to region, nor always in harmony with national legislation. Overall, however, local governments in Ethiopia have responsibilities in the areas of education, health, justice and safety, and they take care of urban roads, drainage, solid waste collection and hygiene.

The Ethiopian model gives local governments the latitude

to set the rates of local taxes within a range set by the central government. However, the central government collects a large share of local revenues, making spending more decentralised than revenues. Finally, access to the financial market is not allowed.

The intergovernmental fiscal framework currently includes a few resource transfers to finance local public services. Local governments sometimes receive financial aid from specific projects conducted by development partners and NGOs, and conditional transfers for capital investments from the regional states or federal government. But these resource transfers are unpredictable and often arbitrary.

It should be noted that in some ways Ethiopia has made considerable efforts towards establishing an enabling institutional environment for cities. Ethiopia is one of the few African countries where, on the regional level, all three branches of government – legislative, executive, judicial – are independent from the central government. However, on the local level, fiscal decentralisation is still light, with vast disparities between local governments (particularly between urban and rural municipalities).

Aware of the gap in capacities at the local level, the federal government has begun training local government employees in national institutions and has organised various symposiums and conferences. These include training programmes launched by the government for local elected officials with modules on basic management, financial management, integrated rural development, and ethics. The National Capacity Building Programme (NCBP) targets 14 sectors, including the reform of the civil service, fiscal reform, judicial reform, decentralisation, information and communication technologies, the private sector, the construction industry, urban management, cooperatives, among others. The government has also set up the District Level Decentralisation Programme in rural areas and the Urban Management Components initiative in urban areas to build capacities. In addition, the Capacity Building for Decentralised Service Delivery (CBSDS) project has been set up with the support of the World Bank.

The Constitution of Ethiopia does not provide for the auditing of local government accounts; Article 101 on the Auditor General limits the office's field of action to ministries and other agencies of the federal government. There are laws on citizen participation in the management of local governments, but no consultative forums for people's participation have been set up in the local governments.

There is no mechanism to assess local government performance.

Ethiopia is implementing a national urban strategy entitled the Urban Local Government Development Project with the financial support of the World Bank. Ethiopia is one of the least urbanised countries in East Africa, With urbanisation at approximately 20.8 per cent in 2018, projections suggest it will reach 39.1 per cent by 2050 (World Urbanization Prospects: The 2018 Revision).

Ethiopia's institutional framework does not have yet a law that provides affirmative action for women in the local elections and local governance.

The institutional framework provides for including local and regional authorities in the implementation of the national agenda on climate change.

Proposed Reforms

With rating of 22 points out of 48, Ethiopia is one of the countries whose environment is generally unfavourable to the action of cities and local authorities. Four main reforms appear to be priorities.

- **The first reform** should emphasise the countrywide harmonisation of legislation on local governments. While the Constitution of Ethiopia details the prerogatives of the regional states within the federation, it makes no mention of local governments. Legislation on local governments is left up to the federated region states, and there are no safeguards for coherence throughout the federation as a whole. In practice, this situation has led to different legislation among regional states. This means that the responsibilities of local governments often vary greatly from one regional state to the next. For example, in the Amhara and Oromia regions, legislation on local governments authorises them to hire staff, while in the Afar Region local governments must communicate their human resource needs to the regional government, which is in charge of hiring.

- **The second reform** deals with improving local government performance in the provision of local public services. Currently, the lack of legislation on public participation in local administration, combined with the lack of local civil society consultation forums does not foster better allocation of local public spending. The legislation also does not contain any system to evaluate the efficiency and effectiveness of local government performance. Audits are rarely mentioned in regional legislation. In many cases, local elected officials hold civil service jobs, making them both judge and jury. This considerably complicates the process of assessing municipal administration performance.

- **The third reform** concerns local government financing. In theory, Ethiopia has a system in which local own revenues finance local responsibilities. In practice, however, rates are set by the central government. Local governments have weak tax bases, particularly in rural areas, which means that they cannot raise sufficient revenues to cover the responsibilities they have been assigned. Because of this, the vertical imbalance tips heavily against local governments. To finance this imbalance at the regional level, the federal government transfers a proportional share of resources to the regional level, and the regions should in turn transfer resources to the local governments. While the national amount of transfers from the central government to the regional governments is known (40 per cent of national revenues), the amounts transferred from the regional governments to the local governments is less well known. The amount that each region allocates to its local governments and how this sum is divided among the local governments are not known, which makes predictability impossible in local government budgets. Reform should help mitigate the flagrant vertical financial imbalance and define transfers that consider the major urbanisation underway. It should also agree on modalities that allow local governments to borrow and give them access to the financial market.

- **The fourth reform** deals with local government administration capacity building. Institutional development levels for local governments in Ethiopia are low. While many initiatives and programmes exist, the national capacity-building programme suffers from the lack of a framework of reference that defines the qualifications and responsibilities of local personnel. It is more necessary than ever to integrate these various training courses to ensure greater impact on the institutional development of local governments.

- **The fifth reform** should focus on strengthening policies and legislation to promote gender equality in local government and governance processes.

- **The sixth reform** should focus on the effective realisation of NDCs to support the Paris Agreement, which implies that local and regional authorities are territorialised and empowered to develop and implement concrete, measurable action programmes that meet the criteria of the agreement's Measure, Notification and Verification (MRV) process. Local governments should also be eligible for climate funds. ■

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Gabon

25/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	A number of legislative provisions are in conflict with the Constitution, or some provisions in the Constitution are not implemented.	2
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Resources are not transferred, or are transferred erratically and irregularly.	1
5	The central government defines and collects local government revenues.	1
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.	3
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	National legislation on citizen participation exists but is not applied.	3
9	Local government performance is not assessed.	1
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.	3
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

The origins of decentralization in Gabon go back to colonial times. In fact, the French law of 1955 regarding municipal reorganization in French West Africa, in French Equatorial Africa, Togo, Cameroon and Madagascar set up Libreville and Port-Gentil as fully operational municipalities. Then law no. 26/59 of June 22, 1959 created the rural municipalities and determined their operating rules. Local autonomy was then introduced at the end of the 1990s in the wake of democratization and creation of the Commission consultative interministérielle sur la réforme administrative (Interministerial advisory commission on administrative reform, CIRA) in 1997, which provided the foundations for current decentralization. Article 112 of the Constitution specifically mentions the local governments while leaving the definition of responsibilities to legislation.

Article 112 of the Constitution stipulates that the local governments are freely self-governed by elected councils under conditions provided for by law, specifically regarding their responsibilities and resources. The country has a two-level decentralized system: the municipality (50), which includes the urban and rural municipalities (the latter has not yet been setup) and the department (47), which is both a decentralized administrative district and decentralized local government. The province is a decentralized entity; it is subdivided into departments that are both administrative districts and the second level of local governments. The most recent municipal and departmental elections were held in December 2013; the next elections are scheduled for the end of 2018.

Throughout the country, the local governments are run by two elected bodies: the council and the advisory council. The Gabonese Constitution provides for the creation of specific legislation for decentralization that establishes the principle of subsidiarity. The responsibility transfer process was initiated in 2009, in other words, almost 15 years after decentralization was launched, but in practice, many responsibilities remain under the technical ministries in spite of the law. The only responsibilities that have actually been transferred are civil status and

sanitation. Article 264 of organic law no. 15/96 of June 6, 1996 on decentralization simply states that the transfer of responsibilities set forth by this law be done as needed according to a schedule proposed by the government and adopted by the parliament. However, there is no specific schedule for implementing these transfers.

However, county has been decentralized and local councils are made up of members elected by universal voting. Members of office including the mayor are elected indirectly.

In Gabon, in spite of the law, the central government does not transfer the national tax shares (the tax on industrial and commercial profits, tax on securities income, tax on freelancer income, tax on the value add (VAT)) to the local governments; there is no implementing legislation that authorizes these transfers.

The guideline legislation for decentralization establishes a tax area belonging to the municipalities. It includes property taxes on built and unbuilt properties, taxes on business licenses and licenses, housing tax and neighborhood tax. But the base and the rate for these taxes are set by the National Assembly.

The level of institutional development for the local governments remains low and sometimes very low for many of these entities. In fact, local public services have significant deficits in technical and administrative staff. To compensate for this shortcoming, the law provides for secondments of central government staff to local governments, but the seconded staff must be financially supported by the beneficiary communities, which is not always possible. Law no. 1/2005 of February 4, 2005 addressing the general status of the civil service provides for the establishment of a local civil service, which by law includes, "...civil agents, local government police force agents, local government fire fighters, government employees or contractors for local governments."

However, it should be noted that the Gabonese Constitution is one of the few in Africa to anticipate conflicts in managing responsibilities between the local governments themselves or between the central government and the local governments; these conflicts are to be "brought

before administrative bodies, by the responsible authorities or the central government representative.”

The Constitution provides the methods for carrying out audits on local accounts, even if they are only sporadically carried out. In fact, Article 76 of the Constitution stipulates that the Audit Court sanction the management errors committed in this area by the central government, local governments and other bodies under its control.

In addition, the Constitution provides that “local discussions addressing specific problems that do not fall under the law can be organized by either the elected councils or the citizens involved, under the conditions set by law.” The elected councils can therefore organize municipal referendums during which the people are called to rule directly on municipal policy. But this provision has never been applied.

With an urbanization rate of 87% in 2015, and an expected rate of 91% by 2050 (World Urbanization Prospects: The 2014 Revision), Gabon has created an urban strategy implemented with the support of the World Bank; it addresses the six primary provincial capitals (Libreville, Franceville, Port-Gentil, Oyem, Lambaréné and Mouila).

In Gabon, gender equality is addressed in two ways: First, the adoption of a Constitution that recognizes the equality of citizens, no matter what their gender, and second the quota law reserving 30% of the spaces on the candidate lists for local and legislative elections for women.

The local governments are not involved in the creation or implementation of Nationally Determined Contributions (NDCs).

Proposed Reforms

With an overall rating of 25 out of 48, Gabon is in the group of countries requiring significant reforms to improve the enabling environment for cities and local authorities.

- **The first reform** should focus on better defining the transfer of responsibilities. It should be mentioned that in 1996, the logic of the organic law was to first establish a new organizational and operational framework for the local governments taking the new multipartisan context into account. At that time, the transfer of responsibilities was not a priority. Now that this political culture is established, the issue of transfer of responsibilities should be addressed in accordance with the principle of subsidiarity. Especially since the blockages in the field are multiplying with central ministries fearing that the transfer of responsibilities will result in cuts to their budgets, which are already insufficient to accomplish their own missions. Attention should be paid to sharing responsibilities between the levels of local government to avoid conflicts in those responsibilities. In Gabon, the territorial tax assessment of a department could be the same as that of a municipality, greatly increasing the risk of conflict in terms of responsibilities.

- **The second reform** should address the system for transfers to local governments. In Gabon, the Impôt sur le Revenu des Personnes Physiques (personal income tax, IRPP), whose national percentage is set on an ad hoc

basis (with differentiated percentages depending on the local governments) and refunded to local governments depending on the place of collection, shows the need for reforming the system. In fact, ordinance no. 005/81/PR of March 3, 1981 sets the amount of shares determined on IRPP: for the municipal territory, the IRPP revenue is distributed as follows: 25% for municipalities, 7% for equalization funds, 68% for the central government; for the departmental territory: 65% for the municipalities; 7% for equalization funds, 28% for the central government. This ordinance is not particularly clear and various national actors don't really understand it well. However, the industrial and commercial income tax, tax on securities income, tax on freelancer income and tax on the value added tax (VAT) are awaiting implementing legislation in order to benefit the local governments. The grants for equipment are divided equally between the local governments, regardless of any criteria. The assessment of financial implications of the transfer of responsibilities by the technical decentralization committee presided over by the Secretary General of the Ministry in charge of financial supervision is pending. The reform should provide an update on these transfers and focus on adjusting them to the challenges involved and making them transparent and predictable.

- **The third reform** should address the methods for increased transparency in local management and performance of local governments. In practice, performance audits and assessments are sporadic. However, Law 15/96 provides for all the controls for the financial supervision exercised by the Ministry of Finance, the General Inspectorate of Finance, the central government's audit office, and the Court of Audit. The reform should focus on the methods for improving the quality of local spending.

- **The fourth reform** should address local taxation. In Gabon, local taxation is the responsibility of the National Assembly, which defines the area of application, the base, assessment and rate of local taxes. Furthermore, the collection of local tax revenue is the responsibility of the central government services. The reform should help to reinforce the area of the local governments' own resources and give a better margin for mobilizing local resources.

- **The fifth reform** addresses the local governments' contribution in the fight against climate change. A significant effort must be made to engage the local governments in managing the programs and projects to fight against climate change; the local governments should also have access to climate financing. ■

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- Law no. 15/96 regarding decentralization
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Ghana

31/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3	
2	All responsibilities and powers are clearly defined in accordance with the Constitution, and the relevant statutory laws and regulations are in place	4	↑
3	Local assemblies are elected, but executive bodies are appointed	2	
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula	2	↑
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2	
6	There is a national reference framework of professions within Local Governments and a national strategy for the training and promotion of L.G human resources applied to all LGs in the country	4	
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed	2	↓
8	National legislation on citizen participation exists and is applied	4	↑
9	There is legislation on measuring local government performance, but performance is assessed by the authority responsible for supervising local governments	3	↑
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking ...	3	↓
11	The country does not provide for any or just 1 of the mechanisms of gender equality	1	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change	1	

Explanation of the Rating

Since independence, the successive governments in Ghana considered decentralisation to be a necessary condition, not only for socioeconomic development, but also to achieve the political goals of improving the legitimacy of government powers. And so in Ghana's history, from independence to today, more than ten parliamentary commissions have been established to analyse decentralisation reforms.

Ghana is a parliamentary democracy. In Articles 240 to 256 of its Constitution, it explicitly mentions local governments, while deferring the definition of their responsibilities to the legislative level. The most recent local elections were in 2015. There are several types of local governments. In 2012, 216 governments were surveyed, and 38 new ones were added in 2017. The country now has six metropolises, 87 municipalities and 161 districts. 30 per cent of municipal council members are appointed by the central government following consultation with local primary actors. Legislation stipulates that half of these appointed members must be women, and 30 per cent of the representatives of traditional authorities must be women. The local assemblies include managers of decentralised services, traditional leaders and deputies, who sit on the assemblies in an advisory capacity. These adaptations of the principle of direct universal suffrage are intended to rally all the other pre-existing legitimacies around decentralisation. In terms of the local executive, the district chief executive is appointed by the head of the central government, but this appointment must be ratified by two thirds of the members of the district assembly. However, in a major advance for local governance, the Ghanaian government that took office in January 2017 has announced its intention to introduce direct universal suffrage for the election of local executives for the next local elections. It should be noted that political parties are excluded from local elections in Ghana.

In Ghana, decentralised services of the central government are under the authority of the district assemblies, but they maintain strong ties with their parent administrations.

The assimilation of sectoral ministry staff by the district assemblies is a modest advance towards greater decentralisation in the implementation of national sectoral policies. In addition, since 2010, each local government has created its own budget for six areas of decentralised services: agriculture, social security, city and countrywide planning, urban roads, and primary roads. The local government develops proposals within an estimated budget provided by the sectoral ministries. After approval by the sectoral ministry of the amount to be allocated, the Ministry of Finance transfers funds directly to the local government concerned. However, the central government still retains a certain weight in the definition of local government budgets, even if the transfers are made directly from the Ministry of Finance to the local governments, without going through the sectoral ministries.

Ghana has five transfer systems: the District Assemblies Common Fund (DACF), which is conditional; the District Development Fund (DDF) made up of funds from development partners and from the DACF, allocated based on results; the salaries of government employees (at national and local levels) managed by the sole authority of the Controller and Accountant General Department; an "Urban Grant" for metropolises (defined as more than 250,000 inhabitants) and municipalities (more than 95,000 inhabitants); Grant-in-Aid, which is the support from development partners allocated by project; the "Ceded Revenue," which involves the tax revenue formerly belonging to the central government and now transferred to local governments, such as revenues derived from casinos.

Article 252 of the Constitution of the Republic of Ghana of 1992 establishes and operationalises, through law 455 of the National Assembly, the District Assemblies Common Fund with a percentage that cannot be lower than 5 per cent of the total national revenue (today 7.5 per cent) which comes from clearly identified national taxes. These funds are distributed according to a formula based on four important criteria: pressure for demand of services (measured based on the population size), equality factor (a minimum portion of funds ensured for each local government), needs (health, education, access to water

and roads), and the responsibility factor (how the district assembly achieves its resource mobilisation goal). The DACF today represents 60 per cent of local government resources. In 2009, the District Development Fund was created and is funded by the DACF in the amount of USD 20 million and by the Canadian Department of Foreign Affairs Trade and Development (DFATD), Agence Française de Développement (AFD), Danish International Development Assistance (DANIDA) and the Kreditanstalt für Wiederaufbau (KfW).

Local taxation comprises both property taxes and other taxes that are set at the central level; the central government is often involved in this area of local taxation. Loans must be approved by Parliament.

The framework of reference defining qualifications and responsibilities is established by sub-section 4 of section 46 of the Local Government Act of 1993. The District Planning Coordinating Unit (DPCU) includes ten managers from the central administration and sectoral departments. It is broken down by type of local government (metropolises, municipalities and districts). Furthermore, the municipal administration training centre, the Institute of Local Government Studies, (ILGS) was established with the support of the Government of the Netherlands to strengthen human resource capacities in local governments, particularly planning managers, financial service heads, general secretaries (town clerk), etc.

According to the provisions of law 1589, the infra-municipal structures were established to encourage participatory democracy and the engagement of citizens in the decision-making process for their towns. There is a longstanding practice of action by civil society organisations in the work of local governments, specifically regarding the use of public resources and providing local public services.

An audit mechanism exists in Ghana, but it is not systematically applied. Often the local governments themselves are reluctant to submit their accounts to aud

The District Development Fund provides the funding for the performance assessment of local governments.

With the level of urbanisation at 56 per cent in 2018, Ghana is projected to reach a level of 70.5 per cent in 2050 (World Urbanization Prospects: The 2018 Revision). Ghana has an urban strategy supported by the World Bank's Urban Development Grant, Cities Alliance, GIZ, and the AFD-funded Ghana Urban Management Pilot Project (GUMPP).

Ghanaian legislation provides for 40 per cent women in elections and nominations, but in practice only 16 per cent of mayors are women. In addition, according to legislation, half of the members appointed to municipal councils, i.e., 15 per cent of councils, should be women.

Ghanas INDC does not have strong mechanisms for involving cities and local governments in the fight against climate change.

Areas to improve

With an overall rating of 31 out of 48, Ghana is in the group of countries with a somewhat favourable environment for the action of cities and local authorities, but with significant areas for improvement.

- **The first improvement** involves implementing elected councils and executives. This reform is slated for implementation in the 2019 deliberations, and it is a continuing commitment which was reiterated by the new Head of State. Installing elected executives will improve the quality of local governance and strengthen local democracy and accountability.

- **The second improvement** addresses the financial transfers from the central government to the local governments. Elected officials regularly complain about the lack of certainty affecting the allocation of financial transfers from central to local governments. In many cases, promised transfers never arrive, or arrived with a significant delay affecting 25 per cent of the planned amount and about 20 per cent of the total revenue from local Ghanaian finances. On average, a third of the DACF amount is actually paid to local governments. The reform of transfer mechanisms from the central government to the local governments needs to be placed on a stable and predictable footing. The DACF is made up of three parts. The Parliament, made up of local elected officials (one or two representatives per collective), votes each year on the allocation criteria for the first part of the DACF. Another part is allocated automatically (base), and a third part is reserved for central government investments in local governments (e.g., sanitation, youth employment). Finally, the payment to local governments is irregular and invariably impacts local plans and budgets, in particular when inflation is high.

- **The third improvement** could address the assessment of local governments' performance in terms of providing local public services. Legislation indicates that the President of Ghana has the power to call for the performance assessment of a local government services, and if this is not done, he can transfer the management power of the local government to a person or a body of his choice. The Regional Coordinating Council (RCC) is theoretically in charge of this mission, but seems to be largely inactive on this issue, and no assessment has been launched. The reform could analyse the reasons for this inaction by the RCC and suggest ways to revitalise the institution as well as the conditions and methods for regularly carrying out the performance assessment for local governments. It should be noted that the primary reason for this inaction is the lack of financial resources provided for the allocated responsibilities.

- **An institutional reform** should be formulated around better involvement of local governments in implementing policies and reporting to fight against climate change. ■

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Guinea Bissau

15/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution contains provisions that implicitly or explicitly restrict the actions of cities and local governments.	1
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are appointed.	1
4	Resources are not transferred, or are transferred erratically and irregularly.	1
5	The central government defines and collects local government revenues.	1
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.	1
9	Local government performance is not assessed.	1
10	No national urban strategy.	1
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

Decentralisation in Guinea-Bissau was introduced with the multi-party system and the Supreme Court's legalisation of several opposition parties. The pluralist presidential and legislative elections that were held in July 1994 returned the country to a normal constitutional system.

In December 1994, the process of decentralisation was begun as a supplement to the liberalisation process that had started in 1986. This process is not clearly addressed in the Constitution, as is the case in many African countries. No decentralisation legislation has been adopted, and it remains in the draft stages. The recognition of opposition parties and the establishment of a multi-party system were agreed upon by the central government in order to contribute to the restructuring of the economy while trying to respond to growing political pressure for greater democratisation of the country's institutions.

From a political/administrative point of view, the country is divided into eight regions and subdivided into 39 sectors or municipalities, and one autonomous sector, Bissau, the capital.

The constitutional amendment project of 2001 was not successful, because the planned reforms were not executed.

Various articles of Chapter V of the Constitution of 1996 organise the framework for developing local governments. Legislative and regulatory texts should specify the methods for implementation. These implementing texts have never been enacted, which limits the scope of the various articles of the Constitution.

Guinea-Bissau has never organised local elections. Local authorities are appointed by the government and specifically by the Minister of Territorial Administration.

Financial transfers from the central government to the local governments are practically nonexistent; they are erratic and sporadic. Resources from local taxation are very weak; local taxation is set by the central government, and the collection of revenue is the responsibility of the decentralised central government services.

In Guinea-Bissau, there is no national strategy for local administration capacity building.

The legislation in Guinea-Bissau provides for audits to be carried out of the local governments' financial accounts (Article 82 of the Constitution), but these audits are irregular.

Guinea-Bissau does not have any specific legislation for citizen participation in local government management; there are no local community spaces for dialogue and consultation.

Legislation and regulations in Guinea-Bissau do not provide for performance assessment of local governments.

Guinea-Bissau has no national urban strategy. The country does not have any provisions regarding the participation of women in public life.

Guinea-Bissau has no strategy for promoting gender equality. However, a law on quotas is currently under consideration.

Finally, Guinea-Bissau has taken no appropriate steps to involve the local governments in national programmes and projects for the fight against climate change.

Proposed Reforms

With an overall rating of 17 out of 48, Guinea-Bissau is in the group of countries with an environment that is globally unfavourable to the action of cities and local authorities. The country is in a pre-decentralisation stage, and five major reform areas are necessary for the country to move towards a more favourable environment for cities.

- **The first reform** regards clarifying the institutional aspects of decentralisation. Initial clarification should address coexistence of a district council and regional State committee within the same local territory. The council is, in principle, composed of elected members from the territory, while the State committee represents the central government in the territory and its composition is set by law. This duality depends on the scale of division of the national

territory. Article 79 of the Constitution stipulates that “in each political/administrative district, the highest local body is the council; its executive function will be greater than that of the committee of state for this district.” Article 86 of the Constitution specifies that the regional State committee is the executive body for the region. It seems that at the regional level, the elected assemblies and executives are supplanted by the appointed committees who have the regional executive power, even if it is specified that the latter are responsible for applying the decisions of the former. While the elected assemblies and executives for the local governments seem to retain the initiative for development actions, Article 90 gives another impression. It stipulates that State committees for administrative sectors below the regional level will be responsible for carrying out the activities connected to regional and national programmes in their respective territories and should be subordinate to the State committees of the next highest level, which are responsible for guiding and directing their activities. This article implies that the State committees for the local governments are responsible for implementing national and regional actions. Finally, Article 79 of the Constitution indicates that in each political/administrative district, the decentralised central government services will be subordinate to the local council, to the State committee, and to all other higher bodies in the corresponding administrative branch. In practice, decentralised central government services are accountable more to their parent administration than the local governments of their territory. The reform should aim to remove the ambiguities in the legislation to make the national institutional environment clearer in terms of initiatives and actions of the local governments.

- **The second reform** should define the decentralisation strategy. The draft law on decentralisation gives the regions and sectors new decision-making, operation and control functions, but leaves the responsibility of managing development financing to the central government. In general, these functions are not clear; for example, “raise citizens’ political and civic consciousness,” “reinforce the country’s defenses,” “assess the local resources for regional economic development,” etc. Decentralisation is theoretical in the sense that both the intermediate and local levels have received no new resources to implement the new responsibilities given to them by decentralisation. Guinea-Bissau is currently in a stage where the principles set forth in the Constitution have not yet been applied. The various political crises are undoubtedly the cause of this situation. However, a more positive view suggests a review of the entire decentralisation structure by building on a redefinition of the subnational management levels and the methods for their governance that would allow the central government to increase efficiency and performance, and thus increase legitimacy in the eyes of the people. A new public governance must be designed which would better involve citizens in the management of affairs that concern them, which would anchor the democratic process at the local level and build cooperation between the central and local levels of government.

- **The third reform** should address the urban strategy. While urbanisation is lower in Guinea-Bissau compared to the regional trend, the country is quickly catching up.

The total population increased threefold from 1960-2010; the urban population increased fifteen fold, and the rural population twofold. Still today, the only city with more than 100,000 inhabitants is the capital of Bissau (300,000 inhabitants). According to data from the UN Department of Economic and Social Affairs (World Urbanization Prospects: The 2018 Revision), the urbanisation level is 43.4 per cent, meaning that almost one out of two people in Guinea-Bissau is already living in a city. The UN projections suggest an urbanisation level of 57.2 per cent by 2050, i.e., almost two inhabitants out of three. The reform should help to define the primary pillars of an advanced planning strategy for urbanisation as well as methods for balancing the national territory, specifically through a policy for balanced regional centres. The reform should also define the technical and financial methods for implementing this strategy.

- **The fourth reform** concerns financing for cities and local authorities. Currently, the transfers from the central government to the local governments depend primarily on a decentralisation process rather than a political will for decentralisation, taking into account the responsibilities transferred to local governments. Local taxation is in the nascent stages. Resources from local taxes are trivial and cripplingly complex. They are set at the national level, removing any margin to manoeuvre from the local governments in terms of the base and rate for taxation. In a country where the public finances are in a global, unprecedented crisis, the financial reform of local governments should begin with a realistic analysis of the concrete possibilities for sharing public resources between the central and local levels. It should also assess which responsibilities and resources would be best handled at the local level while respecting the principle of subsidiarity. Since this process must begin from scratch, it would be advisable to provide mechanisms that ensure citizen participation in the definition of local public spending priorities and in its capacity to make local authorities accountable for their financial management and effectiveness of the local policies.

Finally, the reform should more clearly define an area for the local governments’ own resources, and possibly an area of shared resources, as well as a transparent and reliable system for financial transfers from the central government to the local governments.

- **The fifth reform** aims to involve the local governments in the fight against climate change. Implementing appropriate measures should allow for the involvement of local governments in achieving the SDGs. The central government of Guinea-Bissau should define a national strategy on climate change with appropriate measures to involve local governments and provide them with climate financing. ■

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- Constitution of Guinea-Bissau, amended in 1996.
- Law on Decentralisation, 1994.

Guinea Conakry

22/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Resources are not transferred, or are transferred erratically and irregularly.	1
5	The central government defines and collects local government revenues.	1
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.	2
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.	1
9	Local government performance is not assessed.	1
10	National reflection on urbanization is underway, but an urban strategy has not yet been defined.	2
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

In Guinea, decentralisation began with the second Republic, which in 1986 institutionalised local governments and extended them across the entire country. Article 88 of the Constitution of 23 December 1990 establishes local governments, including municipalities and the Rural Development Communities (Communautés Rurales de Développement, CRD). Article 89 establishes the free self-government of local governments by elected councils, and Article 90 institutes the transfer of responsibilities, resources and means to the subnational governments.

On May 15, 2006, the National Assembly adopted the local governments code which consolidates all legislation governing decentralisation into a single document. When this code was created, the legislation on decentralisation was reviewed to remedy gaps, omissions and contradictions. In addition, the legal void on the fundamental principles of self-government of the local governments was filled.

There are three types of local governments: the rural community (RC), urban municipality (UM), and the capital of Conakry, which is made up of five urban municipalities.

Section XII, Article 134 of the Constitution of April 19, 2010 stipulates that the subnational organisation of the Republic is made up of districts and local governments. The subnational districts include prefectures and sub-prefectures. The local governments include regions, urban municipalities and rural municipalities. The principle of free self-governance of the local governments by elected councils is recognised. Guinea is organised into eight regions, 38 urban municipalities, one city and 303 rural municipalities. After more than a decade of waiting, long-anticipated local elections took place on 4 February 2018. Sectoral policies (health, water, education, etc.) continue to be implemented by central administrations because of the lack of implementing decrees for certain laws or the lack of human and material resources at the local government level. Special attention should be given to the trials that have taken place since 2014 in the pilot municipalities of Kindia and Forested Guinea to provide first-aid services as part of a post-Ebola revitalisation plan.

In Guinea, the local governments' own taxation area is practically nonexistent because the revenue from

the primary local taxes is shared between the central government and the local governments. These taxes primarily include the single professional tax, the business license, and the single property tax. Collection of local taxes is mixed. Heading V, Section 5 of the Taxation and Financial Plan, of the local governments code on procedures for collecting local government tax revenue stipulates that the fees of shared revenue allocated to the local government at a rate of 50 per cent or more are borne by the receiver of the local government; the fees of shared revenue, the proceeds of which are allocated to the local government at the rate of less than 50 per cent, are borne by the competent decentralised central government services.

In Guinea there is no national framework of reference defining qualifications and responsibilities for local governments. However, a national capacity-building strategy for local governments was created and approved by the Ministry of Administration and Territorial Decentralization (MATD) in 2015.

Legislation in Guinea provides for transparent financial management of local governments. Article 76 of the local governments code states that the central government monitors accounting for the local governments; it also has the right to monitor the financial management capacity of local governments. However, this monitoring is sporadic. The Audit Court rules on the financial management of the local government for the previous year.

Guinea does not have national legislation on citizen participation in the management of local governments, or on the assessment of local governments in terms of provision of local public services.

With a urban population of 36.1% per cent (World Urbanization Prospects: The 2018 Revision), Guinea Conakry has undertaken several urban development projects and programmes. A national urban strategy is currently being developed to meet the expectations of a growing urban population. Various support programmes have been competed in the main cities of Guinea, such as the Second Cities Promotion Programme (Programme de Promotion des Villes Secondaires, PVS) financed by the European Commission from 1998 to 2004. The second phase of the Urban Development Programme (Programme de Développement Urbain, PDU 3) financed by the World Bank

supported urban decentralisation and included the five Conakry municipalities that make up the capital.

The legislation provides a quota of 30 per cent women on electoral lists but there are no penalties for political parties that do not comply.

Guinea Conakry does not have any mechanisms for including local governments in the fight against climate change.

Proposed Reforms

With an overall rating of 22 out of 48, Guinea-Conakry is in the group of countries with an environment that is generally unfavourable to the action of cities and local authorities. Five primary reforms are necessary to stimulate improvement of this environment.

- **The first reform** should address the transfer of responsibilities to the local governments. According to the law, local governments have the following missions: 1) To supervise community life so as to foster and guarantee their citizens' exercise of the rights and duties conferred on them by the law; 2) To promote and strengthen harmony in relationships between citizens in the lasting and peaceful enjoyment of their territory and its resources; 3) To manage collective assets on behalf of their citizens to their equitable benefit; 4) To promote and encourage the economic, social and cultural development of their community; and 5) To provide their citizens with services to meet their needs and expectations as far as their capacities and resources allow. The implementing decrees that concretely define the mechanisms for transferring responsibilities to the local governments have still not been enacted. Some of the responsibilities to be transferred involve primary infrastructure, including healthcare, education, roads, and rural paths. They have not yet received the corresponding transfer of resources, such that these responsibilities are still handled by sectoral ministries. In practice, most responsibilities transferred to the local governments by law are rarely or never managed by their beneficiaries. The sectoral ministries claim that they have a poor understanding of the legislation or a lack of local ability to handle the planned transfers. The reform should identify the sectoral political segments to be transferred to local governments, their cost, and the methods for their transfer. Following the local elections in 2018 and the arrival of the newly elected teams, the process for transferring responsibilities and resources to local governments could be encouraged or even accelerated. Clarify and simplify the mechanisms for financial transfers

- **The second reform** addresses the transfer of financial resources from the central government to the local governments. According to the local governments code, any transfer of responsibilities implies a corresponding transfer of resources that should ensure the full compensation of the transferred charges. Article 377 of the code even specifies that the expenses corresponding to the fulfilment of the responsibilities transferred should be evaluated prior to the transfer of the responsibilities in question, and any new expenses falling on local governments because of the central government's modification, through regulations and rules on the exercise of transferred responsibilities, must be offset according

the terms set forth in the law. An consultative commission presided over by a judge from the Audit Court, including representatives from each category of local government involved, will estimate the resulting expenses of the increase or decrease of responsibilities; this estimate should then be set by joint order from the minister in charge of local governments and the minister in charge of finances. The advisory committee prepares a balance sheet for the National Assembly showing the evolution of the responsibilities transferred to local governments at the time of the examination of the finance bill for that year. The compensation methods will be handled by transferring central government taxes or increasing the amount of the operating grant or by a combination of the two. None of these principles of the local governments code (concomitance and fair compensation) has been applied; transfers are ad hoc and unpredictable. In addition, Article 374 of the code introduces an additional level of complexity by stipulating that the initial amount of the operating grant is set per local government, to be registered in the finance bill based on the opinion of the National Assembly, which is given assessment items provided by the finance minister. In practice, an assessment must therefore be done government by government, which is tedious. The code stipulates that the operating grant be indexed annually to the nominal gross domestic product, and it is adjusted with each new transfer of responsibilities. Finally, the code provides for a special equipment grant for the local governments. This grant is an unconditional subsidy from the central government provided on a one-time basis. The reform should clarify and simplify the mechanisms for financial transfers from the central government to the local governments and enact the corresponding implementing legislation.

- **The third reform** should address local taxation. The Subvention for Local Development (Contribution pour le Développement Local, CDL), which was the local governments' only revenue, was removed in 2011 and compensated for by larger transfers. The "shared revenue" coming from the central government (single vehicle tax; motorboat tax; bus station, slaughter or market management tax; single professional tax; business license; single property tax; royalties on mines and quarries; forestry royalties) are not systematically paid to the local governments. The reform should aim to increase local governments' own taxation and define the methods for sharing tax revenue and encourage cooperation with decentralised central government services for better mobilisation of local resources. The legislature should improve the framework for women participating in local public life in order to reinforce the representation of women in a country where they make up more than half of the population. Finally, attention should be given to climate change and the involvement of local governments in establishing a national agenda to fight climate change and its effects, as well as to provide them with various mechanisms for accessing related financing. ■

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Kenya

31/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments as spheres of governance, detailing their recognised roles and responsibilities.	4	
2	All responsibilities and powers are clearly defined in accordance with the constitution.	4	↑
3	Local assemblies and executive bodies are elected throughout the country.	4	
4	The transfer of resources to local governments and their distribution among local governments are clear and predictable, with utilisation determined at the national level (conditional transfers).	3	↓
5	Local governments have some latitude to determine existing tax base and rates, but the central government is responsible for setting new taxes and accessing loans and financial markets.	3	
6	There is a national framework of reference defining the qualifications and responsibilities of County government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.	2	
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes exist and are applied.	4	
8	National legislation on citizen participation exists but is partially applied.	2	
9	Local government performance is not assessed.	1	
10	National reflection on urbanisation is underway, but an urban strategy has not yet been defined.	2	
11	The country does not provide any or just 1 of the mechanisms of gender equality.	1	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1	

Explanation of the Rating

Kenya adopted a new Constitution in August 2010 after more than ten years of a national dialogue on the type of governance system that should replace the centralised system, which was an anachronism inherited from a post-independence governance framework that reflected Kenya's colonial legacy.

Article 1 of the Constitution establishes two levels of government: the national government and 47 county governments. Both levels of government are defined as distinct and interdependent, and they are required to conduct their mutual relations based on consultation and cooperation. Article 189 further emphasises the need for government at either level to perform its functions, and exercise powers, in a manner that respects the functional and institutional integrity of government at the other level. Kenya's system of devolved government is therefore based on interdependence and cooperation. This combination is referred to as a cooperative system of devolved government.

The County Executive Committee – which is composed of the governor, deputy governor, and County Executive Committee members (the equivalent of ministers at the national level) – and County Assemblies are elected.

The Fourth Schedule of the Kenyan Constitution clearly defines the functions assigned to the national and county levels of government. A function or power of government at one level, however, may be transferred to a government at the other level by agreement between the governments. The Transition to Devolved Government Act of 2012 was enacted to facilitate and oversee the transition to the devolved system. The Act established the Transition Authority, whose responsibilities include undertaking a functional analysis necessary to expedite the phased transfer of functions to county governments as prescribed by law. Most of the functions have been transferred, and a few still require unbundling before transfer. The process is

ongoing and expected to be finalised before the term of the Transition Authority comes to an end in 2016.

Article 202 of the Constitution requires revenue raised nationally to be shared equitably among the national and county governments. This is further clarified in Article 203, which states that for every financial year, the equitable share of the revenue raised nationally that is allocated to county governments shall be not less than 15 per cent of all revenue collected by the national government. The county governments can borrow both locally and abroad, but only subject to the guarantee of the national government. The law prescribes the conditions county governments must meet before their requests for borrowing may be considered. County governments can only impose two taxes: property rates and entertainment taxes. They may impose any other tax only with the authority of an Act of Parliament. They can impose charges for the services they provide and business permits.

County governments are required to prepare and submit consolidated financial statements annually to the Auditor General for auditing. The Auditor General consistently audits all accounts of county governments annually.

The County Government Act is divided into 15 parts, of which three are dedicated to citizen participation, public communication and access to information and civic education. Significant challenges remain in ensuring all these legal provisions are implemented.

The national government developed the National Capacity Building Framework in November 2013 to provide a systematic approach in strengthening the capacity of both the national and county governments to achieve their mandates. However, since then, there is no national framework of reference defining staff qualifications and responsibilities.

Kenya has legislation on citizen participation, but it is not yet fully deployed.

A County Performance Management Framework was launched in 2017, but currently counties are not being assessed.

Urbanisation in Kenya is very dynamic. According to estimates, one out of every 12 Kenyans lived in urban centres in 1962. At the end of the 2000s, one out of every four Kenyans lived in urban centres. Projections estimate that approximately 46.3 per cent of the population will live in urban areas in 2050 (World Urbanization Prospects: The 2018 Revision). It was in this context that the National Urban Development Policy (NUDP) was drafted in 2008 to mark national decision makers' will to manage this population distribution process and unlock the economic potential of urban zones. However, a strategy for implementation including the allocation of human, technical and financial resources is lacking.

Article 177 of the Constitution states that for elective and nominative functions, either men or women may not be represented by more than two thirds. However, no list is rejected if it does not adhere to this provision of the Constitution.

There is a national climate change action plan for 2013–17, but it does not have any links with counties in its elaboration and implementation.

Areas to improve

With score of 31 points out of 48, Kenya is a country whose environment is rather favourable to the action of cities and local authorities, but where some improvements are needed.

• Alignment of legislations

Various sectoral laws related to the devolved system of government, particularly those whose functions have been devolved or assigned to county governments, need to be reviewed and aligned with the requirements of the Constitution, particularly on devolution.

• Capacity building

The county governments are nascent institutions, which have been assigned substantial powers, responsibilities and resources. There is a need to build their capacity, institutional and individual, so they can effectively undertake their responsibilities. Part of the capacity building should entail development of a common scheme of service for all personnel serving in county governments. This will ensure adherence of norms and standards across the counties in the management of human resource and facilitate mobility of staff across counties and national government.

• Representation of county governments in the Senate

In the Kenyan Constitution, the Senate is mandated to protect the interests of county governments. There is currently little structured interaction between the Senate and county governments, thus creating an information gap that makes it difficult for the Senate to fulfil its constitutionally envisioned role effectively. To make the Senate more effective in fulfilling its mandate, it could include representation from county governments so that their interests are effectively articulated.

• Monitoring, evaluation and ranking

The current legal framework does not provide for monitoring, evaluation and ranking of county governments or cities, municipalities and towns. Reform should establish a legal mechanism for undertaking evaluation and ranking to encourage local governments to compete and thus perform better. The rankings will inform citizens about the performance of their local government in relation to others, and thus establish a basis for engaging their leaders on performance.

• Division of revenue

The national government currently has a bigger say in determining the equitable share of revenues that are allocated to the two levels of government. The National Treasury submits the Division of Revenue Bill directly to Parliament for approval. County governments have little opportunity to voice an opinion on the bill other than to express their views at the Intergovernmental Budget and Economic Council (IBEC), which is a consultative forum without any executive powers. As an intergovernmental relations structure, IBEC should have its role enhanced so that it directly advises Parliament on the division of revenue. This will increase support of the division of revenue by both levels of government.

• Disbursement of funds

Currently, the National Treasury disburses funds monthly to the counties. There have been reported cases of delays in the disbursement, which negatively affect the planned implementation of county budgets. The National Treasury should revert to quarterly disbursements as stipulated by law.

• Gender equality

Kenya is not performing well on the participation of women in local governance. This situation could be changed through the setting of quotas for women's participation in local elections and women's presence in the governing bodies of local governments.

• Climate change

Kenya must improve local governments' contribution to combating climate change by capacitating them to elaborate bankable green projects and by allowing them access to climate funds. ■

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Lesotho

23/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.....	3
3	Local assemblies and executive bodies are elected throughout the country.....	4
4	Resources are not transferred or are transferred erratically and irregularly.....	1
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.....	2
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.....	2
7	Only partial rules and legal provisions on transparency in the running of local governments exist and they are not systematically followed.....	2
8	There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation.....	2
9	Local government performance is not assessed.....	1
10	No national urban strategy.....	1
11	The country does not provide any or just 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Just after its independence in 1966, Lesotho faced considerable political upheaval resulting in a military regime seizing power which it retained from 1986 to 1993. The first general elections were held in 1998 and did not allow a return to normal constitutional order. In 2002, elections were held that were recognised as transparent and fair, which put an end to the socio-political instability. The first local elections were held in 2005, and the most recent in September 2017.

Lesotho is a constitutional monarchy with two spheres of government: central and local. Article 106 of the Constitution stipulates that Parliament shall establish local authorities to enable urban and rural communities to govern themselves and elaborate and implement development actions. The primary laws are the Local Government Act of 1997 and the Local Government Elections Act of 1998 as amended in 2004.

The system of decentralisation recognises two levels of local government, with District Councils as the upper tier, and Community Councils and Urban Councils as the lower tier. The capital, Maseru, has special status as a City Council. There are 10 District Councils, 11 Urban Councils, and one City Council. The number of Community Councils has been reduced from 128 to 64 to correspond to the parliamentary electoral constituencies. Assemblies and executive bodies are elected throughout the entire country; the last local elections were held in 2017 in 77 councils countrywide (11 Urban Councils, 65 Community Councils, and one Municipality).

According to the legislation, local governments are responsible for implementing sectoral policies and the line ministries are responsible for regulation, support and advice, and assessment of these policies. The implementing regulations are lacking, however.

Transfers from the central government make up the bulk of local revenues. How the local governments will use these funds is specified by the Ministry of Local Government

when it approves their budgets. These transfers are unpredictable and unstable, which provides a significant impediment to any strategic approach to local spending.

Local authorities are recognised to have their own revenues and have the right to change the rates of certain taxes in order to improve mobilisation of their own revenues. These revenues are small overall.

The Ministry of Local Government established the Local Government Service Commission in compliance with the provisions of the Local Government Act of 1997. This Commission is responsible for hiring human resources for local government job openings. Each local government must have a council secretary (or Secretary-General in the case of the Maseru City Council). The personnel structure consists of the secretary-general supported by sector managers for health, public works, finance, administration, human resources, legal affairs, etc.

Article 74 of the Local Government Act establishes a local civil service. Lesotho does not, however, have a national capacity building strategy. Local government staff come from two initiatives. First, after local governments were established in the first local elections in 2005, the central government transferred nearly 3,300 executives from the deconcentrated central government services to the local government administrations. In 2006, more than 1,100 executives were hired to fill job openings in local administrations. The recruitment was facilitated by the fact that at equivalent rank and education level, local administration executives earn salaries 40 per cent higher.

Chapter XII of the Constitution of Lesotho provides for the auditing of local governments. These audits are done only occasionally and do not concern all local governments.

Lesotho does not have any specific laws on the people's participation in managing local governments. However, council members in every local government are obliged to consult the community to elaborate and execute development programmes.

Lesotho has no laws on assessing local government performance.

Lesotho does not have a strategy to manage urbanisation. In 2011 a new electoral legislation introduced 30 per cent seats reserved for women.

Local governments are not fully involved in the implementation of the country NDC.

Proposed Reforms

With an overall score of 23 points out of 48, Lesotho is one of the countries whose environment is generally unfavourable to the action of cities and local authorities. Progress towards an enabling environment for cities and local governments would require significant reforms. Analysis of the national situation suggests the following reforms.

- **The first reform** concerns the assignment of functions and duties. The Decentralisation Implementation Programme plans a three-phase transfer process: a two-year transitional phase (2004–05) leading to the election of local leaders and the decentralisation of a few functions; a five-year development phase (2006–11) during which additional functions would be decentralised; and a five-year consolidation phase (2012–16) during which local government operations, efficiency and effectiveness would be developed.

However, this programme is not at all on schedule. The line ministries still have difficulty in identifying and transferring the budgets for the responsibilities that are now the purview of the local governments. Among other things, the unpredictable and unstable nature of the transfers to local governments is harmful to planning and the provision of local public services. The reform should help clarify the chains of sectoral responsibility to transfer, and how local governments will cover them.

- **The second reform** concerns the financial transfers from the central government to the local governments. Legislation on local government provides for local governments' own revenues, but the option taken is to finance local governments through massive transfers. Thus, in 2006, under the impetus of a joint working group between the Ministries of Finances and of Local Government, a budget line labelled the "Development Fund for Councils" was planned in the national budget. Seventy-five percent of this amount is distributed to the local governments according to population, and 25 per cent according to surface area.

However, these transfers are unpredictable because the national amount is set on an ad hoc basis. Given the weakness of local taxation, these transfers make up a large part of local budgets. The case of Maseru, the capital, is indicative of the situation: transfers from the central government make up 90 per cent of the local government's budget. This situation shows a worrisome dependency of local governments on the central government, which transforms them into local executing agencies, particularly as these transfers are conditional.

And yet, for all that, the transfers are far from enough to cover the local government revenue gap. The reform should help ensure the stability and predictability of

transfers and determine their proper proportions, notably by helping the line ministries identify the cost of the chains of responsibility from the ministries that must be transferred to the local governments to comply with decentralisation laws. It should also define the necessary equalisation mechanisms and incentives to ensure territorial solidarity on the national level and healthy competition between territories. The reform could, in this way, emphasise correcting the vertical deficit that obliges local governments to manage permanent shortfalls.

- **The third reform** should address local taxation. Local taxation levels should be a concern, as revenues from local taxation make up less than 10 per cent of local government budget resources. Local government decisions regarding the base and rates for local taxes are subject to approval by the Ministry of Local Government. However, the structural problem with local taxation is tied to the tax base itself; the only local tax collected is the property tax. Local taxes on economic activity are missing and not offset by various fees and levies collected locally. The reform could address redefining a broader range of own revenues for local governments and defining a range of resources shared between the central government and the local governments.

- **The fourth reform** is urban strategy. With a population of 2.2 million, Lesotho has known considerable urbanisation, going from an urbanisation rate of 3.5 per cent in 1960 to 28.2 per cent in 2018. The urban population is growing at the rate of 3.5 per cent a year, while the total population is growing at the rate of 0.33 per cent (World Urbanization Prospects: The 2018 Revision). Lesotho does not have very large cities; the urban network consists primarily of small cities in addition to the capital, Maseru (pop. 267,559). The other cities are: Hlotse (pop. 47,894), Mafeteng (pop. 43,200), Teyateyaneng (pop. 28,142), Mophale's Hoek (pop. 23,481), and Maputsoa (pop. 23,029). An embryonic urban network is beginning to emerge from the dynamic growth in these cities, and its proactive structuring calls for the definition of a national urban strategy for Lesotho.

- **A fifth reform** should focus on the empowerment of local governments for an efficient contribution to the fight against climate change. Local governments must be empowered and fully funded to develop actions at the ground level for climate change mitigation. ■

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Liberia

16/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution is neutral on the question of local governments.....	2
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are appointed.....	1
4	Resources are not transferred, or are transferred erratically and irregularly.	1
5	The central government defines and collects local government revenues.....	1
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	No rules or legal provisions on transparency in the running of local governments exist.	1
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.....	1
9	Local government performance is not assessed.	1
10	National reflection on urbanization is underway, but an urban strategy has not yet been defined.....	2
11	The country does not provide for any or just 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Liberia has a long tradition of centralisation beginning from its establishment in 1847. This has not encouraged institutional progress to establish a local government system with legal status and financial autonomy - with the exception of Monrovia City Corporation (MCC) and Paynesville City Corporation (PCC), which obtained their financial autonomy in the 1980s and 2014, respectively.

The strongly centralised government system has prevented citizen participation and local initiative, particularly for providing local public services, and the accountability of the people in terms of transparency in the management of public affairs. This situation undoubtedly has had a negative impact on economic growth and development, equal access to social and economic opportunities, and human well-being of the urban population. These spatial disparities were, among other issues, one of the factors that caused the civil war that ravaged the country for years. A draft law for local governments is currently before Parliament, as well as a draft law on local empowerment and transparency.

Still feeling the impact of more than ten years of civil war, Liberia is struggling to create an environment favourable to cities and local authorities. The civil war, which caused thousands of deaths, almost engulfed all of West Africa, to the point where the Economic Community of West African States (ECOWAS) had to send in a stabilisation force, which was supplemented by a UN force.

After the 2003 peace agreements and the installation of authorities from the first democratic elections held in 2005, the central government's immediate priority was to focus its efforts on consolidating peace and national unity in order to preserve the integrity of the national territory of Liberia.

In implementing priority programmes, the government thought that decentralisation would be a way to revitalise economic production, reduce poverty, and achieve the Millennium Development Goals. Then, the government encouraged a variety of discussions to pave the way for institutional reforms before facilitating the adoption of a decentralisation strategy as part of a roadmap for the

Liberia Decentralisation Support Programme (LDSP) and the programme for drawing city borders.

Liberia's Constitution does not include a separate section for the local governments, but they are mentioned across various sections. This neutrality in the Constitution could be interpreted as a lack of will on the part of the national decision makers. However, the adoption of the Liberia National Policy on Decentralisation and Local Governance in 2012 reassured national actors by showing the national leaders' political will to establish a sustainable local government system.

The territorial divisions in Liberia include 68 counties and 102 districts. The districts are local governments and are present throughout the national territory.

Decentralisation legislation in Liberia is incomplete. Much of the implementing legislation prevents local governments from properly taking charge of their responsibilities.

Both local governments and mayors are appointed by the President of the Republic.

Currently, there is no clear, reliable, transparent system for financial transfers to the local governments. This is provided for in a draft law on local governments so that they can collect local taxes. Liberia has not defined a taxation area to be allocated to the local governments. The local resources are set and collected by the central government.

In Liberia, the local governments have very weak institutional capacity. Few local managers are well trained, and the local administration is poorly structured and in many cases in the nascent stage. There is no framework of reference defining qualifications and responsibilities for the local governments and no national strategy for capacity building.

In contrast to other countries, Liberian legislation does not provide for account audits for the local governments. Therefore, the local governments' financial accounts are rarely audited except in specific cases. Liberia does not have specific legislation for citizen participation in local management. Considering the lack of local government legitimacy and the appointment of their leaders, the spaces for dialogue and consultation are difficult to establish at the local level and have little credibility.

Performance assessment of local governments does not seem to be a priority for the Liberian legislature. No assessment process has yet been defined.

Liberia does not have an advanced planning strategy for managing urbanisation, but a National Urban Policy is being developed.

The Liberian legislature does not have any provision for women's participation in public life, but the government resulting from the 2017 elections established a parity policy for nominations to positions of responsibility.

In the area of climate change, the national framework does not yet provide local governments with access to climate financing.

Proposed Reforms

With an overall rating of 16 out of 48, Liberia is in the group of countries with an environment that is globally unfavourable to the action of cities and local authorities. Several reforms should be undertaken.

- **The first area of reform** should define the decentralisation policy. The national decentralisation strategy (Liberia National Policy on Decentralisation and Local Governance) was approved in 2012, but it lacks the legislative and regulatory text to operationalise it. The reform should review the territorial borders, redefine the levels of decentralisation, define the local governments' areas of responsibility, and the responsibilities shared with the central government, as well as the responsibilities shared between the local governments and the central government's services. From this perspective, local governments might be established within the geopolitical borders of the 15 political subdivisions of Liberia, and these new territorial borders could be accompanied by a political, tax and administration decentralisation through new legislation and perhaps also constitutional amendments. The reform should also give specific attention to institutional reinforcement of the local governments to give them the capacity to take charge of the transferred responsibilities. The goal of this reform would be to entrust the local governments with responsibilities for which they have a relative advantage in order to facilitate the participation of Liberians in all levels of managing local affairs to facilitate everyone's access to services.

- **The second reform** area to focus on should address decentralisation of taxation. The central government should adopt the appropriate laws to ensure that the financial resources are transferred from the central government to the districts, thereby ensuring greater citizen participation in accordance with Article 7, Chapter 2 of the Constitution. This reform should also aim to define a healthy financial foundation for the local governments, with identifiable revenue sources, that are proportionate and reliable for each county and district. Special attention should be paid to the distribution of taxes between the counties and districts.

As part of this reform, all of the functions that the counties and districts are responsible for should receive the funds that were formerly used by the central government. These

funds will be allocated according to a clear and transparent formula, taking into account local governments' respect of good local government practices and standards.

- **The third reform** could focus on transparency and effectiveness of local governments. The framework and execution of the decentralisation policy should be regularly monitored and evaluated to determine the results and impact in order to, if necessary, take new steps to reinforce the process and ensure its effectiveness. In addition to audits and performance assessments, participatory assessments could be handled by the people themselves, and all of the local socio-professional groups could participate in these assessments. The reform should also consolidate the methods for local citizen participation in managing local governments and monitoring the quality of public spending in order to significantly improve the provision of basic social services.

- **The fourth reform** should address the management of urbanisation in order to revitalise the cities destroyed during the civil war (and largely neglected since) and encourage the return of normal constitutional life. Liberia has had few general population censuses because of the war, and one of the challenges of this urban strategy would be to establish an information system in order to better understand population statistics. According to UN statistics, 51.2 per cent lived in cities in 2018, and that number will be almost 68.2 per cent by 2050 (World Urbanization Prospects: The 2018 Revision). Even more interesting is the urban structure, which has increased in density. Over ten villages have more than 20,000 inhabitants, including the capital of Monrovia, which counted more than a million inhabitants in 2010. Ganta (43,000 inhabitants), Gbamga and Kakata (35,000 inhabitants each) are the largest; the rest of the cities have between 20,000 and 30,000 inhabitants. The urban strategy should help to establish ways to remedy the chronic under-investment in cities over the last 20 years and implement conditions for advanced planning of urban management. The urban strategy should also aim to implement a territorial development strategy that addresses the very specific needs of the regional centres. Liberia should commit to reinforcing women's participation in public governance in general, and specifically at the local level. Women should be increasingly involved in the management of local affairs. This reform should reinforce women's participation in implementing public policies.

- **The last reform** addresses the involvement of local governments in fighting climate change. The local governments should be at the heart of the programme management for the fight against climate change and should have access to climate financing. ■

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Madagascar

26/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments as spheres of governance, detailing their recognized roles and responsibilities.	4	
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3	
3	Local assemblies and executive bodies are elected throughout the country.	4	
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2	↑
5	The central government defines and collects local government revenues.	1	
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.	3	↑
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2	
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2	
9	Local government performance is not assessed.	1	
10	National reflection on urbanization is underway, but an urban strategy has not yet been defined.	2	
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1	

Explanation of the Rating

In Madagascar, the first milestones of decentralisation were initiated in the 1990s, when several constitutional adjustments aiming to encourage the autonomy of local governments were introduced. Decentralisation of public administration was implemented, defined by the Decentralisation Policy Letter (November 2004), and then the National Decentralisation Programme (Programme national de décentralisation et la déconcentration, PN2D), 2007-2012.

Section V of the Constitution of Madagascar, "On the territorial organisation of the central government," establishes the principle of financial autonomy and legal status of the decentralised subnational governments. It stipulates that the central government is organised into municipalities, regions and provinces. The municipalities (urban or rural) are the basic subnational government.

The executive and legislative functions are executed by different bodies that are elected by universal direct suffrage. The regional executive function is carried out by an organisation directed by a regional head, who is elected by universal suffrage. The regional head is the first level of leadership for the strategy and implementation of all economic and social development actions in the region. The legislative function is executed by the regional council, whose members are elected by universal suffrage. The representatives and senators from the various districts of the region are legal members of the regional council, with voting rights. The provincial executive function is exercised by a body directed by a provincial head elected by universal suffrage. The provincial head is the first level of leadership for the strategy and implementation of all economic and social development actions in the region. The legislative function is exercised by the provincial council, whose members are elected by universal suffrage. The representatives and senators from the various districts of the province are legal members of the provincial council, with voting rights.

The territorial borders have changed over time. The six former provinces inherited from the French colonial

era were dismantled in 2002, and 22 new regions, or faritras were created in 2004. These faritras were subdivided into 119 districts responsible for legal and regulatory supervision of 1,549 municipalities, both rural and urban. These municipalities are each governed by an elected mayor. The heads of the fokontanys (traditional neighbourhoods) are appointed by districts heads. These 17,898 fokontanys are the smallest decentralised organisations of the central government. The mayors are elected for a four-year term, and the most recent municipal elections were held on 31 July 2015.

The Ministry of Finance and Budget (MFB) determines the annual budget allocation, which is then registered in the Ministry of Interior and Decentralisation's budget. Each of the 22 regions receives the same amount of operating support, i.e., 210 million Malagasy Ariary (MGA) annually (2012) and this amount is set by Law 22. Some regions receive exceptional grants in addition to what the others receive, for which there is no set criteria for allocation.

The main source of funding of local governments comes from taxation, handled by central administrations of the Ministry of Finance.

Financial monitoring of local governments is practically nonexistent in Madagascar, and audits of local governments' financial accounts are not carried out.

Frameworks of reference defining qualifications and responsibilities, training and municipal agent certification were created by the National Institution for Decentralisation and Local Development (Institut National de la Décentralisation et du Développement Local, INDDL).

In Madagascar, there is no specific legislation for citizen participation, but local spaces for dialogue and consultation are present at the fokontany level (villages), as well as at the municipal level, specifically through the participatory budget initiative.

There is no performance assessment of local governments addressing provision of public services; no legislation exists in this matter.

Since 2015, consultation sessions on the national urban strategy have been organised in Madagascar, but this strategy has not yet been defined.

Women's participation in decision-making bodies in Madagascar is weak, and there is no clear framework for encouraging the inclusion of at least 30 per cent women in the various bodies, both at the national and subnational level.

In 2017, women represented 19 per cent of the National Assembly, 21 per cent of the Senate, 20 per cent of the central government, and 16.8 per cent of the decentralised governments, with three female district heads out of 119 and no female regional heads.

Section 3 of the national policy on climate change mentions that decentralised subnational governments are among the primary actors in the fight against climate change, without providing other details.

Proposed Reforms

With an overall rating of 26 out of 48, Madagascar is in the group of countries requiring significant reforms to improve the enabling environment for cities and local authorities.

- **The first reform** regards the distribution of responsibilities between the four levels of governance: the central government, the municipalities, the regions, and the provinces. Currently, the Constitution sets general responsibilities. According to Article 149, "The municipalities are responsible for economic, social, cultural and environmental development for their territory. Their responsibilities are essentially based on constitutional and legal principles, as well as the principle of proximity, promotion and defense of inhabitants' interests." Article 153 stipulates that "Regions are essentially responsible for economic and social issues. In collaboration with public and private organisations, they direct, invigorate, coordinate and align economic and social development for their territory and ensure territorial planning and development, as well as the implementation of all development actions." Article 157 sets the province's responsibilities: The provinces ensure the coordination and alignment of development action in the provincial interest and monitor equitable and harmonious development of the decentralised subnational governments in the province. The provinces establish the provincial development policies defined and ordered by the provincial council. In collaboration with public and private organisations, they direct, invigorate, coordinate and align economic and social development for the whole province. Thus they ensure territorial planning and development, as well as the implementation of all development actions. The reform should aim to specify these general responsibility statements for the various levels of subnational governments, in accordance with Article 146 of the Constitution. It should focus on clarifying responsibilities between the central government and the decentralised subnational governments, and between the municipalities, regions and provinces.

- **The second reform** addresses the financing of decentralised local governments. According to Article 147 of the Constitution, resources for a decentralised

subnational government include many revenues and taxes. All these provisions are awaiting legislative and regulatory texts for implementation in accordance with Article 146 of the Constitution. The reform should also address the mechanisms for financial control of local governments and encourage citizen participation in this area by adopting innovative tools, such as the participatory budgeting already in use by several municipalities in Madagascar.

- **The third reform** should focus on capacity building for local administrations, specifically with a view to greater transfer of responsibilities. The municipalities lack skills, and local projects demonstrate and suffer from the municipalities' weak capacity.

- **The fourth reform** concerns an urban strategy. In 2015, one out of three people in Madagascar lived in a city. According to the United Nations, 57.9 per cent of the population will be urban by 2050 (World Urbanization Prospects: The 2018 Revision). A status report of urbanisation in Madagascar was carried out in 2011 by the World Bank with the support of development partners, entitled *L'urbanisation ou le nouveau défi Malgache*. The reform should be founded on this study and work conducted by UN-Habitat, and the Institut des Métiers de la Ville (City Professions Institute, Regional Council, Ile-de-France). It should also draw on the experiences of the first Urban Forum, organised in 2013 to initiate political dialogue among national actors (central ministries, local governments, civil society, other local actors), define the primary pillars for a population management strategy, and assess the human, technical and financial means necessary for implementing an urban strategy.

- **The fifth reform** should aim to increase the percentage of women in all the decision-making structures, including subnational governments. The reform should focus on setting quotas to reinforce women's contributions to and participation in local governance.

- **The last reform** is climate change. Finally, it is necessary to go beyond considering subnational governments as actors in the fight against climate change, and to involve them so that they are at the forefront of planning, implementing and reporting actions to fight climate change, in addition to providing them access to climate financing. ■

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Malawi

26/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.....	4
4	Resources are not transferred or are transferred erratically and irregularly.....	1
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial market.	2
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	Only partial rules and legal provisions on transparency in the running of local governments exist and they are not systematically followed. ...	2
8	There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation.....	2
9	There is legislation on measuring local government performance, but performance is assessed by the authority responsible for supervising local governments.....	3
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.....	3
11	The country does not provide any or only 1 mechanism of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Malawi's 1994 Constitution adopted a multi-party system and formalised the decentralisation policy in Articles 146 to 151. The constitutional provisions were clarified and completed by the Local Government Act (LGA) of 1998, and there is a bill to amend the Local Government Act to give more powers to councils. Malawi has only one level of local government units, classified as urban (7) and rural (28) districts. The LGA provides for the participation of traditional chiefs in the work of the municipal councils as non-voting members.

In 2000, the heads of the district councils were elected for five-year terms. Since the end of this term of office in 2005, however, the local elections scheduled for 2005 have regularly been pushed back. The local government councils and executive bodies that had been elected were replaced by appointed civil servants until May 2014, when tripartite elections were held to elect heads of councils. Progress towards decentralisation seems very slow and limited. The next elections will be in 2019.

Although decentralisation legislation recommends transferring five per cent of net national revenues in the form of unconditional grants, the central government has transferred at best two per cent of net national revenues. Two thirds of this grant are distributed to urban local governments based on a known formula, and one third goes to rural local governments according to a formula that takes into account four factors: population, surface area, illiteracy, and infant mortality. There are also several other transfer mechanisms (the Agricultural Fund, the Education Fund and transfers from line ministries), whose national amounts and distribution among local governments are determined on an ad hoc basis. In addition, the central government has created a Local Development Fund (LDF) to finance local governments.

Local taxation is composed of property and commercial taxes as well as other local taxes, but these revenues provide less than a third of local budgets. Local taxes

are determined by the central government, but local governments have latitude as to tax rates.

In Malawi, there is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy to build the capacities of local administrations. Initiatives by local governments in this area are unknown. The national government has also started the process of devolving human resources to councils.

The Constitution provides for the establishment of the National Local Government Finance Committee (NLGFC), whose mission is to assist local governments with the preparation of their budgets and distribute central government subsidies to local governments. It also is mandated to supervise financial control over local governments and audit local books in the framework of parliamentary decisions. Audits are not systematic, however.

Malawi does not have any specific laws on public participation in local governance processes, but the Local Government Act has some provisions on citizen participation. At the local level, consultations are done through organisations, such as Area and Village Development Committees.

Malawi has legislation on performance assessment for local government. This is done through the Local Authority Performance Assessment (LAPA), a joint operation of the Ministry of Local Government and Rural Development (MoLGRD) and the Local Development Fund (LDF).

With 18 per cent of the population living in urban areas in 2018, Malawi is undergoing strong urbanisation, and the urban population is growing by more than five per cent a year. According to the United Nations, Malawi's urbanisation level will be around 32 per cent by 2050 (World Urbanization Prospects: The 2018 Revision). To manage this urbanisation, Malawi produced the "Malawi City Development Strategy and Slum Upgrading Programme" with the support of Cities Alliance. This programme's objectives include developing management

strategies for the cities of Blantyre, Lilongwe, Mzuzu and Zomba; improving the national institutional framework; and setting up a sustainable financing system for local governments. However, it lacks adequate technical and financial means for implementation.

There is a persistent low level of women's representation at the local level in Malawi. Only 13.4 per cent of the local councillors elected in 2014 were women. Malawi has launched a 50/50 campaign, an initiative that advocates for more women in decision-making positions as the country prepares for the 2019 tripartite elections.

Local governments are not part of national programmes and projects on climate change.

Proposed Reforms

With a below-average overall rating of 26 out of 48, Malawi does not sufficiently provide an enabling environment for city and local government action. To facilitate progress in this area, Malawi needs to undertake four reforms as soon as possible.

- **The first line of reform** should clarify local government responsibilities. Article 22 of the LGA assigns classic responsibilities to local governments, such as roads, parks, libraries and other cultural facilities, drinking water, wastewater, public health (such as food inspection and slaughterhouses), markets, and emergency services (such as ambulances and fire brigades). But the line between central government and local government responsibilities is not clear. During the elected mayors' first term of office, this grey zone in the division of responsibilities led to duplicated functions. For instance, health services, environmental and forest management, road maintenance, and agriculture and irrigation services were provided by both deconcentrated central government offices and by local governments. Business permits are issued simultaneously to private entrepreneurs by the Ministry of Trade and Industry and by local governments. The assignment of responsibilities (and the corresponding financial transfers) requires review. The second aspect of this reform could be to promote asymmetrical decentralisation. The aim is to stimulate the delegation of responsibilities able to strengthen the capacities of local governments. The reform could review some assignments of responsibilities that clearly cannot be fulfilled satisfactorily at the local government level alone – such as hospitals, housing and habitat, and water and energy management – and that must at minimum be shared with the central government.

- **The second line of reform** should address the financial transfers from the central government to local governments. The financial transfers from the central government account for more than two thirds of local government resources. Conditional transfers make up 85 per cent of total transfers from the central government to the local governments, and they account for 95 per cent of rural local government resources. These transfers, however are still unable to cover the cost of the responsibilities transferred. The funds transferred to the local governments represent a minor share of the budgets of the various line ministries, and

these ministries largely predetermine their use. Except for the Ministry of Health, which transfers nearly all its budget to local governments, the other ministries lag far behind. Even though some progress has been made, transfers from the Ministry of Education, the Ministry of Agriculture, and the other ministries transfer remain weak. Since the end of the elected mayors' term in office, the increased level of funds from sectoral policies transferred to the local level is not necessarily an indication of an advanced decentralisation. The reform should work towards greater autonomy for local governments in local public spending decisions, and it is more important than ever to re-scale the financial transfers so that local governments can cover the cost of the responsibilities transferred. For this reason, the reform should first assess the cost of the responsibilities transferred when they were fulfilled by the central government, align the transfers with the transferred responsibilities, and then define clear, transparent transfer mechanisms that allow stability and predictability.

- **The third line of reform** should address the local tax system. The excessive dependence of local government budgets on transfers from the central government does not foster full autonomy in local government, especially in determining the base for local governments' own revenues. Local governments could, for example, extend the property tax to rural municipalities, notably those that are near cities; there is very likely a growing number of large housing units and commercial buildings (such as stores, offices, and factories) that could be taxed. Surcharges on a few national taxes could be envisaged. Moreover, taxes on tourism, automobiles, and even gasoline or beer could be considered. The base for these taxes is local by nature. The reform should expand the range of taxes belonging to local governments and the range of taxes shared with the central government.

- **The last reform** focuses on the effective realisation of NDCs as per the Paris Agreement, which implies that NDCs are territorialised and that local and regional authorities are empowered to develop and implement concrete, measurable action programmes that meet the criteria of the Measure, Notification and Verification (MRV) process specified in the agreement. Local governments should also be eligible for climate funds. ■

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Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, and the relevant statutory laws and regulations are in place.	4
3	Local assemblies and executive bodies are elected, but not necessarily throughout the country.	3
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2
5	The central government defines and collects local government revenues.	1
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.	2
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2
9	Local government performance is not assessed.	1
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.	3
11	The country provides for 2 of the mechanisms of gender equality.	2
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1



Explanation of the Rating

Mali has seen recurrent political and security crises since its independence. The most recent crisis in 2012 led national actors to sign the Agreement on Peace and Reconciliation in Mali, the result of a process in Algiers the provisions of which apply even to the Constitution. In the context of institutional and territorial reorganisation, the agreement focuses on strengthened decentralisation, based on regionalisation. It stipulates that the President of the Regional Assembly is elected by universal direct suffrage. He is also the executive and administrative head for the region; the circles and municipalities have legislative bodies (the circle council and the municipal council) elected by direct universal suffrage and led by offices with an executive function, headed by an elected circle council chairman and mayor.

The decentralisation process began its operational phase through the transfer of responsibilities by decree in 2002 of the basic central government services to the subnational governments, as well as the adoption in 2005 of a framework document for the national decentralisation policy (Document Cadre de Politique Nationale de Décentralisation, DCPND 2005–14). A new version of this document for 2017–21 was approved by the Council of Ministers on 6 September 2017. The 2017–21 action plan of the DCPND was also adopted.

Today Mali has three levels of subnational governments throughout the country, for a total of 761 subnational governments: 703 municipalities (37 urban and 666 rural), 49 circles, 10 regions and the district of Bamako, the capital, with special status. The regional divisions are due for review; new regions created by Law No. 2012-017 of 31 January 2012 are still waiting to be operationalised, including the regions of Nioro, Kita, Nara, Dioïla, Bougouni, Koutiala, San, Bandiagara, and Douentza.

For security reasons, local elections in 2017 did not include all the country’s municipalities, particularly in the north, and regional elections were postponed. Therefore, appointed intermediary authorities govern the northern regions.

Since 2007, the national agency for subnational government investment (Agence Nationale d’Investissement des collectivités territoriales, ANICT) has handled the financial and account management of the national fund to support subnational governments (Fonds National d’Appui aux collectivités territoriales, FNACT). It is made up of five grants set by a formula intended for investments, loan guaranties, technical support, operations and inter-community relations.

Local taxation is entirely set by the National Assembly, and the collection of revenue resulting from these local taxes is essentially handled by the deconcentrated central government services.

Mali has initiated the operationalisation of the Public Service for Subnational Governments through the establishment of planned statutory bodies, the definition of key staff profiles, the organisation of competitions and professional examinations, and the operationalisation of the Subnational Government Training Centre.

The local governments’ accounts are now subject to periodic assessment.

Through the local governments code, the law provides for citizen participation; they have the right to review the adoption of the budget and the drawing up of accounts. The law lists a number of matters in which the municipal councils are required to consult in advance with the councils of villages or fractions, or the heads of neighbourhoods prior to taking any action in their territory.

Mali does not have any legislation for assessing performance of local governments.

Mali is ranked among the countries experiencing sustained urbanisation with 40.8 per cent of the population living in urban areas in 2018; projections suggests a level of 60 per cent by 2050. Mali has a city development strategy (stratégie de développement des villes du Mali, SDVM) created in 2009 by the Ministry of Housing and Urban Development; and a city development strategy (Stratégie de développement des villes, SDV) focused on secondary cities and border cities, which have grown with cross-

border cooperation. This strategy is now framed by a National City Policy (Politique Nationale de la Ville, PONAV), adopted in 2014.

In Mali, women have a 30 per cent quota for elections. The law also determined the election categories, including the conditions under which the admissibility of a candidacy list is subject to the maximum proportion of 70 per cent of women or men.

In terms of climate change, Mali is one of the countries that has implemented none of the mechanisms for local governments to participate in the fight against climate change and does not provide them with climate financing.

Proposed Reforms

With an overall rating of 26 out of 48, Mali is in the group of countries requiring significant reforms to improve the enabling environment for cities and local authorities.

- **The first reform** regards the effective distribution of responsibilities and resources between the different spheres of governance. This reform is considered to be the most necessary in light of the secessionist demands in the north of the country. Several voices have spoken out claiming that the incomplete decentralisation contributed to the emergence of these demands. Therefore, it is important to focus on the distribution of responsibilities between the four areas of public governance (national, regional, circle, municipal). In practice, 16 responsibilities were completely transferred, including civil status, archives and documentation, administrative policy and sanitation. Not all are operational. In terms of specific responsibilities, the transfer process has been slower. As a result of the legal provisions in effect in Mali, specifically Law No. 93-008 of 11 February 1993 (amended), and Law No. 95-034 of 12 April 1995 (amended), a progressive, modulated transfer of responsibilities and resources to the subnational governments is planned in the key areas of education, health, water and management of natural resources. The law on free self-governance of subnational governments stipulates that “any transfer of responsibilities to a subnational government should be accompanied by a corresponding transfer by the central government of the resources and means necessary for the normal exercise of these responsibilities” in accordance with Articles 14, 83 and 131 of the local governments code. Despite the establishment of decentralisation support cells (Cellules d’appui à la décentralisation et à la déconcentration, CADD) and the identification of responsibilities to be transferred to the municipalities in groups of ten from ministerial departments, few responsibilities or resources are managed by the local governments. In this respect, the process of regionalisation initiated by the central government should focus on the transfer of responsibilities extended to the regional governments. In addition, the Agreement on Peace and Reconciliation in Mali provides for the transfer of decentralised services to subnational governments, depending on their areas of competence. An inter-governmental plan for transferring decentralised central government services to the municipalities, circles and regions has been developed and is pending application.

- **The second reform** concerns the issues of internal financing for decentralisation and financial autonomy of the subnational governments. As part of the Algiers peace agreements, building the capacity of local governments to provide public services was upheld as a means of reinforcing national unity. The reform should first aim to establish Article 8 of the peace and reconciliation agreement that provides for setting tax, royalty and local tax rates, with each region having the latitude to create taxes appropriate for their economic structure and development objectives within the law. Additionally, the reform should operationalise a mechanism to transfer 30 per cent of the central government’s budgetary revenue to the subnational governments based on an equalisation system – paying particular attention to the regions in the north – based on criteria that will be determined. It is with this objective in mind that the European Union has supported restructuring the ANICT. An organisational audit carried out suggested three restructuring areas: first, streamlining the general management staff in order to reinforce regional representation; second, decentralisation of FNACT; and third, guiding the agency towards innovative financing. The weakness of the local governments in collecting their own tax resources is primarily due to a lack of information on local economic activities and a lack of dialogue with the people. Strengthening legislation to encourage citizen participation in making choices about local public spending (like participatory budgeting) would help to improve the credibility of local elected officers.
- **The last reform** should reinforce the local government’s contribution in the fight against climate change. Two-thirds of Mali is arid or semi-arid land dominated by desertification problems. Mali has experienced increasing natural risks with the intensification of climate change: repeated droughts, floods, strong winds, bush fires, destabilisation of the rain cycle, among others. The local governments must assume their part in the fight against climate change and be enabled to do so. ■

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Mauritania

26/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.	3
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2
9	Local government performance is not assessed.	1
10	No national urban strategy.	1
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country provides 2 of the mechanisms in the fight against climate change.	2

Explanation of the Rating

As part of the democratic process in Mauritania, the first step towards organising municipal decentralisation was Ordinance No. 87-289 of 20 October 1987 that gave municipalities legal powers and financial autonomy. However, not until 1991 did central authorities decide to implement the recommendations from international organisations, who saw decentralisation as a beneficial response to the decrease in budgetary resources and a way to continue restructuring the economy, initiated with the privatisation process established that same year.

In Article 98, the Constitution of 1991 stipulates that the local governments are municipalities and any entities that the law designates as local governments; they are administered by elected councils under the conditions set forth in the law. The functions, resources and autonomy of the decentralised entities are set by legislation. Mauritania has two types of administration: a central administration that is subdivided into 12 wilayas (regions) and Nouakchott (given the status of a region), 55 moughataas (departments) and one municipal administration with 218 local governments. The most recent local elections took place in September 2018 for the regions and municipalities.

In accordance with the Constitution, extensive legislation was created, and legislative and regulatory texts drafted. However, there are many points requiring clarification, and the local governments have difficulty carrying out their responsibilities because of the parallel activity of the sectoral ministries and the powers of the governors (wali) and prefects (hakem), creating a need for additional regulatory texts.

The transfer system is made up of two funds: the Regional Development Fund (Fonds Régional de Développement, FRD) and the Intermunicipality Solidarity Fund (Fonds Intercommunal de Solidarité, FIS). The national amount of the FRD is set according to the following distribution criteria: 30 per cent for operating (10 per cent flat rate and 20 per cent distribution for the poor population), 68

per cent for equipment/investment (50 per cent municipal population portion and 18 per cent for lack of equipment), and two per cent for FRD monitoring assessment. The FIS is allocated ad hoc to the local governments. The amounts received from these two funds are therefore unpredictable and unreliable for the local governments.

The municipal financial resources include revenue from unstable taxation (property tax, habitation tax, business license) due to the central government holding the primary responsibilities for identification, registration and collection of these local taxes. However, adjustments have been made through the General Tax Code (GTC) to give significant autonomy in fiscal matters, specifically when taxation services are lacking in rural municipalities, or at the request of the mayor. The local governments have a margin to manoeuvre for certain rates.

In Mauritania, there is a framework of reference defining qualifications and responsibilities for local governments and a national capacity-building strategy for decentralisation actors.

The supervision of local governments includes, among other things, the control of financial management of local governments by the Ministry of Finance. However, audits of financial accounts for the local governments are sporadic.

Legislation in Mauritania does not provide any mechanism for citizen participation in the management of local affairs; but there are local spaces for dialogue and consultation (Citizen Consultation Committees, CCC), that operate as part of the local development plans (Plans de développement local, PDC) (see order 680 of MIDEK of 17 April 2011 defining the methods for preparing and implementing municipal development plans).

The performance assessment of local governments in terms of providing local public services is not addressed in any legislation. However, a framework for performance assessment is being established.

Mauritania does not have an urban strategy, despite having one of the highest urbanisation levels in the region.

Organic Law No. 2012-034 of 11 April 2012 promoting access of women to elected office and elective functions stipulates that in order to be eligible, the candidate lists for municipal elections must be drawn up in such a way as to place the candidates in eligible places, according to the number of council members planned. These lists should have at least two female candidates for councils with 9-11 members; three female candidates for councils with 15-17 members; and four female candidates for councils with 19-21 or more members.

In Mauritania, programmes and projects to fight climate change have not been implemented under the management of the local governments.

Proposed Reforms

With an overall rating of 25 out of 48, Mauritania is in the group of countries requiring significant reforms to improve the environment for cities and local authorities. In order to do this, several reforms are recommended.

- **The first reform** addresses the system for financial transfers from the central government to the local governments. There are two funds: the Regional Development Fund (Fonds Régional de Développement, FRD) and the Inter-municipality Solidarity Fund (Fonds Intercommunal de Solidarité, FIS).

While the national amount of the Regional Development Fund is determined ad hoc, for the Inter-municipality Solidarity Fund, is it the distribution among the municipalities that is unpredictable. Neither fund allows for a reduction in the vertical imbalance. The FRD does not take the cost of responsibilities transferred by the central government into account or provide additional resources; the municipal contributions are based on their budgets. The reform should help to distribute these transfers according to the cost of the transferred responsibilities, considering that Mauritania has significant spatial disparities. It should also ensure predictability and a margin to manoeuvre for local public spending decisions.

- **The second reform** could address the division of responsibilities between the central government and the local governments. In Mauritania, the local governments have general and specific responsibilities. While legislative and regulatory texts establish the division of existing responsibilities, the sectoral ministries continue to carry out central government investment programmes at the local level, reinforced by international aid procedures. In fact, through budgetary aid and sectoral programmes, the ministries' actions encourage centralisation of sectoral policies (such as education, health, water and sanitation, among others) by concentrating financial means in the ministries, without considering the local governments' new responsibilities. For example, only 4% of investments in municipalities are from budgets controlled at the municipal level. The central administrations directly implement more than 90 per cent of local public spending, which infringes on the principle of free self-government of municipalities. The reform should propose a framework for sharing

responsibilities and the corresponding resources with local governments, and it should create the required regulatory texts.

- **The third reform** could focus on advanced population planning. Mauritania has, without doubt, one of the strongest urban dynamics in Africa. It went from an urbanisation level of 7 per cent in 1960 to more than 40 per cent in 2000, increasing its urban population thirteenfold and that of its capital eighteenfold. Since the urban population has multiplied by 2.5, cities have accounted for more than 70 per cent of population growth. In 2018, the urban population is estimated at 53.7 per cent of the total population; this rate will be 72.9 per cent by 2050 (World Urbanization Prospects: The 2018 Revision). These data show the essential need for a national urban strategy, urban planning and planning for future urban development and the necessary supporting capacities and institutions.

- **The last reform** addresses the local government's contribution in the fight against climate change. Mauritania should work to strengthen local governments' capacity to address climate change, especially building climate resilience in the capital on the coast and cities in the Sahel. In order to facilitate this action, securing climate finance for cities and local authorities is crucial. ■

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- National strategy for training decentralisation actors, adopted in March 2011

Morocco

33/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Amounts of the transfers to local governments and their distribution among local governments are clear and predictable, according to a transparent formula and without restrictions on how they may be utilized.	4
5	Local governments have some latitude to determine existing tax base and rates, but the central government is responsible for setting new taxes and accessing loans and financial markets.	3
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.	3
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes do exist but are not systematically followed.	3
8	National legislation on citizen participation exists but is not applied.	3
9	Local government performance is not assessed.	1
10	A clear national urban strategy exists, along with the financial and technical arrangements and capacities necessary to implement it.	4
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

Following independence in 1956, the Kingdom of Morocco, a unitary state and constitutional monarchy, opted for progressive decentralisation in four main stages: 1) the initiation of the decentralisation process (1959 to 1963) through the adoption of a series of founding legislation; 2) consolidating the process (1976-1996) as a result of a favourable political and economic environment; 3) Renewal I of decentralisation (2002-2010) through the adoption of a new legal framework governing local governments; and 4) Renewal II of decentralisation as part of the implementation of the Constitution of 2011 and advanced regionalisation.

The division of responsibilities between the central government and the subnational governments was gradually detailed. The responsibilities could either be part of the local government's own free self-governance, shared with the central government, or transferred by the central government on the basis of the subsidiarity principle. The subnational governments also have regulatory power to carry out their assignments in their respective areas of responsibility in their territory. However, some regulatory texts are in the process of being adopted or created.

The territory is divided into 12 regions, 13 prefectures, 62 provinces, and 1,503 municipalities. While the prefectures and provinces have the same legal status, the prefecture of Casablanca (subdivided into 8 neighbourhood prefectures, decentralised structures), as well as six municipalities with more than 500,000 inhabitants (Casablanca, Fez, Marrakesh, Rabat, Salé and Tangier) have status as municipalities subdivided into neighbourhood councils (in total 41 neighbourhood councils which are not subnational governments).

The local assemblies and the executives are elected and present throughout the national territory; the most recent elections were held in September 2015.

The transfers from the central government are primarily made up of at least 30 per cent of the VAT revenue benefiting the municipalities, provinces and prefectures, as well as one per cent of the corporate tax and one per cent of the

income tax benefiting the regions, i.e., 54 per cent of the subnational governments' overall resources. These transfers are distributed according to transparent formulas.

The new legal framework governing subnational governments adopted in 2015 stipulates that regions will receive financial transfers from the central government in the proportion of 5 per cent of the corporate tax, 5 per cent of the income tax, and 20 per cent of the tax revenue on insurance contracts. This is in addition to the general budget credits from the central government that will reach a maximum of 10 billion dirhams by 2021, since they can depend on their own resources, including local taxation (taxes on hunting permits, mining, and port services).

Local taxation covers two categories of resources. The first is local taxation whose assessment is handled by the central government services on behalf of the subnational governments, including the professional tax, habitation tax and municipal services tax (i.e., approximately 17 per cent of the subnational governments' resources). The second is local taxation made up of taxes, duties and royalties including the establishment, assessment, collection methods and rate-setting for certain taxes that are handled by the subnational governments themselves in accordance with the deliberations of their councils (i.e., 24 per cent of their overall resources). However, the central government must agree to the assessment of certain taxes allocated to the subnational governments, as well as the need for borrowing and accessing the financial market, specifically by analysing debt capacity.

A framework of reference defining qualifications and responsibilities and a national training and capacity-building strategy were created and implemented by the Ministry of the Interior's Directorate of Training (Direction de la formation des cadres administratifs et techniques, DFCAT), even though the implementation does not involve all of the Moroccan subnational governments.

The various controls are often not coordinated and handled in an integrated fashion; some of them follow a specific schedule. These controls are handled by the Ministry of the Interior (General Inspector of subnational administration), the

Ministry of the Economy and Finance (General Inspector of finance and treasury for the Kingdom), the Audit Court, and regional accounting courts.

In the context of implementing the constitutional principle of participatory governance, several discussion and consultation mechanisms are planned at the local government level to increase citizen and civil society involvement. These include opening local government sessions to the public, creating permanent consultative bodies, exercising the right of petition at the local level, exercising right of petition and right to present legislative motions, and involving women in local bodies (quotas of at least 30 per cent).

There is no legislation for performance assessments for subnational governments in terms of providing local public services, and no such assessment exercise is conducted. However, the assessment of public policies has been established as a constitutional principle and is provided for in the new legal framework governing subnational governments.

Since 2005, Morocco has had an urban strategy executed through various programmes, including the National Initiative for Human Development (Initiative nationale pour le développement humain, INDH), on a contractual or partnership basis with the subnational governments, acting as a true promoter of territorial, local and human development. This urban strategy is equipped with the human, financial and technical resources necessary for its implementation.

In accordance with the constitutional provisions, the organic laws regarding subnational governments approved in June 2015 provided for a quota of 27 per cent of the seats for women at the municipal level and 30 per cent at the regional level.

Since 2010, Morocco has moved forward with the creation of a national climate resilience plan at the regional level and has established a subnational policy to fight climate change with a climate audit at the regional and local levels. It has also included climate change in various sectoral projects at the regional and local level, while ensuring better synergy between them. At the regional level, Morocco has promoted investment momentum for green economies, reduction in greenhouse gases and adaptation to climate change. The country has also created a regional portfolio of reduction and adaptation projects, including Clean Development Mechanism (CDM) projects at the regional level.

Areas to improve

With an overall rating of 33 out of 48, Morocco is in the group of countries whose environment is generally favourable to cities and local governments, even though some improvements are necessary.

- **The first improvement** concerns finalising the laws governing decentralisation adopted in 2015 as part of the implementation of the Constitution of 2011 within a reasonable amount of time and creating all the implementing legislation needed to operationalise them. A period of 30 months was set by the legislature; any delay in this matter will prevent local governments from exercising their responsibilities and hinders their ability to fulfill their commitments to citizens.

- **The second improvement** is reviewing relations between the central government and subnational governments in the spirit of the Constitution of 2011. These relations should move from vertical relationships with supervising authorities to relationships based on legality, discussion, consultation, convergence, integration, cooperation and partnership required by the new concept of authority, modernisation of the central government, principles of free self-governance and subsidiarity. This assumes, among other things, the promotion of real local autonomy; the establishment of a true strategy of support, training and capacity building for all central administrations to upgrade them and enable them to drive change (and not resist it); and the idea of a new role for walis and governors as representatives of central power.

- **The third improvement** should address subsidiarity within the public sphere. Essential spending, including that involving public investment (infrastructure, education, health, habitat, liquid and solid sanitation, etc.) remains under central government management. However, the subnational governments are unable to use all their resources – largely due to management rather than political will – and they are not able to benefit from all of their potential tax. Some criteria applied to the distribution of transfers are questionable and possibly even counterproductive in terms of the desired goals. The criteria and methods for distribution, transfer and releasing the portion of VAT revenue should be reviewed to adapt to the new context of decentralisation and the challenges of advanced regionalisation.

- **The fourth improvement** should address the absence of women in local government leadership. Women's access to positions of responsibility on elected councils at the local level remains a major challenge; no women have served as regional council chairs and only a small minority have served as municipal council chairs. This is an area requiring real, significant reform.

- **The fifth improvement** addresses access of local governments to climate finance. There are many subnational climate plans in Morocco; local governments should be able to access climate finance in order to implement these plans. ■

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Mozambique

19/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution contains provisions that implicitly or explicitly restrict the actions of cities and local governments.....	1
2	A number of legislative provisions are in conflict with the constitution, or some provisions in the constitution are not implemented.....	2
3	Local assemblies and executive bodies are elected, but not necessarily throughout the country.....	3
4	Resources are not transferred or are transferred erratically and irregularly.....	1
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.....	2
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.....	1
7	Only partial rules and legal provisions on transparency in the running of local governments exist and they are not systematically followed.....	2
8	National legislation on citizen participation exists but is not applied.....	3
9	Local government performance is not assessed.....	1
10	No national urban strategy.....	1
11	The country does not provide any or just 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Mozambique is one of the few countries where its Constitution covers deconcentrated state services on equal footing with local authorities. Chapter IV of the Constitution and Articles 262 – 264 establish the definition, organisational principles, and functions of deconcentrated state services. Article 263 states that deconcentrated state services must participate in the work of the local authorities' deliberating assemblies. However, the fact that deconcentrated central government services are explicitly mentioned in the Constitution, along with a description of the missions and operating modalities generally recognised as belonging to local governments, creates a degree of ambiguity regarding decentralisation. In such a context, it is likely that sector-specific deconcentration could be assimilated with political decentralisation. Thus, the Mozambican Constitution contains the seeds of de facto conflict between deconcentrated central government services and local governments.

Ultimately, the central administration has delayed the process of transferring responsibility, arguing that local authorities have poor institutional capacity. In another contradiction to the spirit of the Constitution, local elected assemblies do not yet extend throughout the national territory; according to estimates, less than 40 per cent of the national population lives in Mozambique's 53 urban centres.

In February 2018, a constitutional reform was announced with an impact on the municipal election process, including election lists based on political party and representatives of civil society. Further elections for local governments at the provincial level are planned for 2019, and for 2024 at the district level.

Financial transfers to local governments are not predictable, and are often transferred erratically and irregularly.

In Mozambique, several taxes and fees are allocated to local governments, which have some latitude in determining the rates of some of them.

There is no framework of reference or national strategy for capacity building. Local elaboration and implementation of development strategies are constrained by poor

qualifications among local staff and inadequate transfer of staff from the central government to the local authorities.

Article 271 of the Mozambican Constitution states that the objective of local administration shall be to organise the participation of citizens. Municipalities are theoretically supposed to hold regular meetings with local associations and NGOs to determine their preferences for municipal infrastructures and services and to obtain their suggestions and participation in local development tasks. In reality, these meetings are few and they depend on whether or not the municipal councils see the people's participation as a positive or negative element. Clearly, this Constitutional recommendation lacks the implementing legislation needed to for a systematic, codified application.

Mozambique does not have a local performance assessment system.

Mozambique does not have an urban strategy.

Mozambique does not have legislative provisions on gender equality in local governance.

Local governments are not involved in climate change programmes and projects.

Proposed Reforms

With a score of 19 points out of 48, Mozambique is one of the countries where the environment is generally unfavourable to city and local authority action. To advance in the establishment of a more enabling environment for cities and local government, Mozambique should rapidly initiate and implement a series of major reforms.

- **The first reform** should be to comply with the provisions of the Constitution by establishing local authorities throughout the entire country. In addition to municipalities, settlements should be set up and their operating conditions defined.

- **The second reform** should clarify the division of responsibilities between the central government and the local authorities. Despite the Municipal Finance Law of 1997 (revised in 2008), which clarifies the areas of responsibility for local authorities, the central government

has been slow to transfer the responsibilities. Several deadlines have been set for line ministries to turn over responsibilities, but as yet there have been no discussions on which responsibilities to transfer. The central administration argues that local authorities are too weak institutionally to fulfil their current responsibilities and warns against the risk of deteriorating service quality if they are assigned additional duties.

The responsibility transfer request procedure local authorities have proposed is problematic as well. It stipulates that the transfer of responsibilities can be done at the initiative of the local authority council. The chairman of the municipal council, with the approval of the municipal assembly, must submit a substantiated request to assume responsibilities to the provincial governor (except for the municipality of the city of Maputo), indicating the human, financial and material resources available locally and those expected from the national government to implement the requested responsibilities. The provincial governor then submits the final proposal to the line ministers for decision. This procedure contradicts the spirit and the letter of the Constitution by placing the central administration in control of the process of transferring responsibilities to the local authorities. Structured dialogue on responsibility transfer needs to be organised between the central government and the local authorities to address this issue.

- **The third reform** should address local administration capacity building. On average, the vast majority of municipal staff have barely more than a primary education. The latitude afforded to local authorities to improve their human resources is hindered by the small amounts of funding allocated for this purpose. Even today, there is no national framework of reference or national capacity building strategy, and local authorities have little possibility to define frameworks of reference detailing staff qualifications and responsibilities in an autonomous manner or to elaborate staff capacity building programmes.

- **The fourth reform** should address urban strategy. Although urbanisation, particularly the provision of suitable housing and financing for urban infrastructure, is addressed in Article 91 of the Constitution, there is no true strategy for the urban sector. The urbanisation process is particularly dynamic in Mozambique; annual growth in the urban population is four per cent, or twice that of total population growth. In 2015, 32 per cent of Mozambique's population lived in urban areas, and by 2050 that figure is projected to reach 50 per cent. Now considered one of the least urbanised countries in Southern Africa (along with Malawi, Lesotho, and Swaziland), experts estimate that by 2050 Mozambique will be one of the most urbanised countries in the region, with only Botswana, Namibia, and South Africa having higher urbanisation rates.

Urban issues in Mozambique should also be analysed in light of cities' contributions to national development. Urbanisation in Mozambique is not driven by demand for labour in industry and services, but rather largely by the effects of the civil war, which displaced people from rural areas to the cities. Only a small proportion of the people displaced by war have returned to their rural places of origin. Some cities that had been growing rapidly before

the civil war do not seem to be recovering their prior population levels. The urban strategy should not only consider Mozambique's urban future, but also endeavour to foster the emergence of an urban structure for the country that could facilitate opportunities for economic growth and competitiveness in Mozambican cities. In this post-conflict situation where the economy is characterised by a fragile foundation, a proactive and well-thought-out urban policy could contribute substantially to improving national macroeconomic indicators as much as the development of efficient local and national markets. Urban areas must serve as levers to boost surrounding rural areas, thereby contributing to poverty alleviation and improved access to essential services for the majority of the country's population.

- **The fifth reform** should address fiscal decentralisation. There are four transfer funds in Mozambique. The Municipal Compensation Fund (Fundo de Compensação Autárquica, or FCA), which is unconditional, and its national amount and distribution among local authorities are known. The other three are the Road Fund (Fundo de Estradas); the Local Initiative Development Fund (Fundo de Investimento de Iniciativas Locais, or FIIL); and the Extraordinary Transfer (Transferência Extraordinária, or TE). The last two transfer instruments are unpredictable and should be overhauled entirely, not only to reflect the real cost of fulfilling the responsibilities transferred, but also to ensure the predictability and transparency necessary for territorial equity and budgetary planning by the local authorities. The reform could also promote greater latitude for local authorities in respect to local taxation.

- **The sixth reform** should address the issue of gender equality. The reform should push Mozambique to have a legislative provision on women's representation in local governance.

- **The last reform** must focus on the contribution of local governments in the fight against climate change. Climate change programmes and projects ignore local governments and are run by governmental agencies. Local governments should be able to elaborate bankable projects and have access to climate funds. ■

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Namibia

27/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the constitution, and the relevant statutory laws and regulations are in place.....	4
3	Local assemblies and executive bodies are elected throughout the country.....	4
4	Resources are not transferred or are transferred erratically and irregularly.....	1
5	Local governments have some latitude to determine existing tax base and rates, but the central government is responsible for setting new taxes and accessing loans and financial markets.....	3
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.....	1
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes exist and are applied.....	4
8	There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation.....	2
9	Local government performance is not assessed.....	1
10	No national urban strategy.....	1
11	The country provides 2 of the mechanisms in terms of gender equality.....	2
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Independent since 1990, Namibia is a unitary state that has included decentralisation as one of its public governance priorities. Decentralisation is mentioned in the Constitution, which leaves it up to legislation to define local government responsibilities. It arises from a lengthy historical process that started with the hyper-centralisation of the colonial authorities, the enforcement of apartheid policies when under South African rule, the emergence of the new Namibian state after a lengthy liberation struggle, and the necessary consolidation period for the new nation-state during the first years following independence. The decentralisation process itself started with deconcentration, then moved to delegation and then devolution. In 1996, the central government approved a decentralisation programme that was ratified by the National Assembly in 1997.

Decentralisation is one of the priorities in the second national development programme. Articles 102 to 111 of the Constitution explicitly mention local governments but leave defining their responsibilities up to the legislative body. A series of laws and regulations deriving from the Constitution have been passed to turn the political will for decentralisation a reality. These are: the Local Authorities Act of 1992 (amended in 2000), the Regional Councils Act of 1992 (amended in 2000), the Decentralisation Enabling Act of 2000, and the Trust Fund for Regional Development and Equity Provisions Act of 2000.

Namibia hurried to abolish the ethnic borders corresponding to the principles behind the "separate development" policy of the colonial period. The territorial division consists of two levels of local government: the regions (of which there are 13), and the local councils composed of municipalities (16), towns (17) and village councils (19). Local government assemblies and executive bodies are elected throughout the country; the last local and regional elections were held in November 2015.

The decentralisation policy has developed municipal responsibilities without increasing their budgets to such

an extent that many municipalities increasingly resort to delegating services to the private sector as an alternative to providing essential services to the population. For instance, local governments count on implementing partnerships to deliver local public services as an alternative form of service supply. From this standpoint, local governments would seem to be facilitators and/or regulators of service delivery rather than providers of services.

In Namibia, local governments have their own revenues with classic local taxes on developed property, economic activities, etc.. They have latitude to set local tax rates under the control of the Ministry of Local Government (Art. 73 of the Local Authorities Act).

Namibia has neither a national framework of reference defining the qualifications and responsibilities of local government staff nor a national strategy to build the capacities of local administrations. However, local authorities are able to define frameworks of reference detailing staff qualifications and responsibilities in an autonomous manner and to undertake staff capacity building programmes. Local governments have the right to hire and fire their staff.

Namibian law sets forth a system to verify financial management by local governments with the establishment of several public and/or independent institutions responsible for this. These audits are performed annually.

Namibia does not have specific laws on citizen participation at the local level, although the Decentralisation Enabling Act of 2000 encourages stakeholder consultation prior to any major local government decisions.. In compliance with these provisions, local governments have set up local spaces for consultation in the field.

Namibia has no legislation on assessing local governments' performance in the provision of local services, and no such assessments have been performed to date.

Namibia has not elaborated a national urban strategy, although one out of every two Namibians lives in a city.

Thanks to the 50 per cent prescribed in Namibia's Gender Policy and Plan of Action, the country made some

unprecedented gains, and 42 per cent of parliamentarians are female. But regional and local elections together elected 199 women out of the 499 available seats (40 per cent), which is less than the 50 per cent prescribed.

Namibia's implementation plan to fight climate change does not involve local and regional governments.

Proposed Reforms

With an overall score of 27 points out of 48, Namibia is one of the countries whose progress toward an enabling environment for cities and local governments would require significant reforms.

- **The first reform** could address the financial transfers from the central government to the local governments. While local governments have their own revenue sources and the ability to determine the base and rates of local taxes, the transfer system is less relevant, with ad hoc, unpredictable and irregular amounts. The main source of transfers is the Trust Fund for Regional Development and Equity Provision set up by law in 2000. The aim of this fund is to fight institutional capacity disparities between regional and local authorities. Population density and overall social and economic demands determine the size of the transfers. The Local Authority Act of 1992 stipulates that the regional authorities must transfer five percent of their revenue to the local governments. The central government provides grants to newly established village councils, regional councils and city councils that do not yet have a sufficient income base. The central government also allocates a few infrastructure grants at the request of the local governments; these grants are conditional and may be allocated for equipment and operational spending.

The reform should focus on clarifying these various transfers and ensuring their complementarity to make them more effective. A prerequisite to this reform is, however, estimating the cost of the responsibilities that must be transferred to the local level in order to offset the vertical imbalance between spheres of government.

- **The second line of reform** concerns a clarification of the assignment and transfer of functions and duties. First, the responsibilities that the line ministries must transfer to local government should be defined, and then territorial divisions reviewed with an eye to sectoral logic and political-administrative logic. The decentralisation policy must first focus on how to better divide up the duties and functions that the line ministries have already identified into regional responsibilities and budgets. The second challenge is to move from the division in operational regions to decentralised regions that do not necessarily match the first, notably in the areas of health and education. The issue of local government capacity building must be envisaged as part of this movement. Consequently, the line ministries must be invited to enumerate the staff allocated to implementing the responsibilities to be transferred, envisage transferring this staff to accompany the transfer of responsibilities, and set a schedule for this staff transfer. The plan must concentrate not only on the possibility of transferring additional human resources that exist in the various

ministries to the local governments, but also hiring new staff when personnel cannot be obtained from the line ministries. The reform should promote cooperative governance between local governments and codify implementation modalities by proclaiming the principle of non-subordination of one level of local government to another. The reform should also take an interest in defining a progressive plan for the transfer of responsibilities to local governments in conjunction with local administration capacity building. Finally, the reform should study the possibility of introducing a degree of imbalance in the process of progressive transfer of responsibilities to local governments.

- **The third line of reform** should focus on improving the quality of local public spending. To do so, the audit system must be reinforced to improve financial management by local governments. According to the various laws and regulations, three institutions are responsible for auditing the books of local governments: The Office of the Ombudsman, the Office of the Auditor-General, and the Namibian Financial Institutions Supervisory Authority. If the laws and regulations make audits both systematic and mandatory, they should also increase transparency and accountability to the public. The reform should prioritise these concerns and prescribe assessment of local government performance in the execution of its mandate to serve the people.

- **The fourth reform** concern the urban strategy. Namibia is 50 per cent urbanized in 2018, and UN predict that it will be 71,8 per cent in 2050 (World urbanization prospects : the 2018 Revision). The main factor encouraging rapid urbanisation in the country is rural-to-urban migration, mainly among young men and women seeking better social and economic opportunities. Efforts should be made to structure the country's emerging urban network, which is currently composed of the capital, Windhoek, and the cities of Walvis Bay, Swakopmund, Ondangwa, Lüderitz and Otjiwarongo. These cities should play a driving role in national development and should receive special attention in terms of capital investment and financing. The urban strategy will make the urban structure a true tool for territorial planning and the balanced development of the country.

- **The last reform** focuses on the effective contribution of local and regional governments in the implementation of NDCs. This implies access to climate funds, and the capacity building of local and regional governments to develop and implement concrete and measurable action programmes. ■

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Niger

26/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2
5	The central government defines and collects local government revenues.	1
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.	3
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2
9	Local government performance is not assessed.	1
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.	3
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

Niger has a relatively long history of decentralisation. It was planned for in the Constitutions of 12 March 1959 (Section IX, Article 57) and of 8 November 1960 (Section X, Article 68) before being shelved for an extended period. In 1994, a special commission was put in place to consider the redistribution of administrative responsibilities. In 1996, the parliament adopted a law on the fundamental principles of free self-government of the regions, departments and municipalities which defines their respective responsibilities and resources.

Implementation of decentralisation was postponed several times, and municipal elections held in 1999 were discarded because the results were strongly disputed. The regime change that was immediately put in place led the country towards new general elections in 2004 to elect leaders for 265 municipalities, 213 of which are rural. The new Law. No. 2008-42 of 31 July 2008 stipulates that "the subnational governments are groups of people geographically located in a part of the national territory to whom the central government has given legal powers and the ability to be freely self-governed by elected authorities."

After another interruption in the democratic process, the Constitution of the 7th Republic was adopted in 2010. Section IX provided for the creation of subnational governments that are freely self-governed. Following the government's directive, the draft decrees were made available by ministry and level of government; they have still not been signed.

The country's current administrative map has 7 regions that are both administrative districts and subnational governments, 63 departments which function as decentralised state services, 255 municipalities, of which four have special status (Cities) with a total of 15 municipal neighbourhoods. Elections held in 2011 established the second term in office for local elected representatives across the country. The elections planned for 2016 were postponed to January 2017, and then postponed again.

Since 2014, the National Agency for Financing and Investment for Subnational Governments (Agence Nationale de Financement de l'Investissement des Collectivités Territoriales, ANFICT) has managed the financial transfers from the central government to the local governments. It also provides resources to the subnational governments for Equalisation and Decentralisation Support Funds (Fonds d'Appui à la Décentralisation, FAD). Distribution keys are used to determine the amounts distributed per government.

The assessments, base, and rates for local taxes (business license, license, property tax and civic tax) are determined by the National Assembly. The revenue from these local taxes is collected by the decentralised central government services.

Niger has a national training strategy for decentralisation actors. Its primary goal is to be a framework for guidance, organisation, harmonisation, monitoring and control of central government and partner involvement in capacity building for decentralisation actors. In addition, the government created an Subnational Government Management Training Centre within the National Administration and Judiciary School (École Nationale d'Administration et de la Magistrature, ENAM) to handle training for decentralisation actors. Not all of the local governments have benefited from this training yet.

The Nigerien legislature provides for regular audits of the local governments' financial accounts. In practice, these audits are rare, and the Ministry of Finance, which handles the financial supervision of the local governments, lacks the human and financial resources to conduct them.

Niger does not have any legislation for citizen participation in managing local affairs. However, some spaces for dialogue and consultation have been established as part of the international or decentralised cooperation, in addition to participation mechanisms for decision making, specifically public meetings and organisation of municipal inquiry days.

Niger has no legislation for performance assessments of local governments in terms of providing basic social services; no assessment is carried out.

With an urbanisation level of 19 per cent in 2018 (World Urbanization Prospects: The 2018 Revision), Niger is in the initial phase of a population shift. An urbanisation level of about 35 per cent is projected for 2050. The urban development strategy created in 2004 aims to: promote better city-country relations; ensure better urban and property management; reinforce the urban centres' equipment; and promote better socioeconomic integration of the poor. However, this urban strategy does not have adequate technical and financial means for implementation.

In Niger, Law No. 2000-008 of 7 June 2000 sets the quota for women. Article 3 stipulates that "during legislative or local elections, the lists presented by the political parties, groups of political parties or groups of independent candidates must include candidates of both sexes. When the final results are announced, the proportion of elected candidates of each sex must not be less than 15 per cent."

Finally, local governments' involvement in the fight against climate change is limited. Niger's Nationally Determined Contribution (NDC) on climate change does not include local governments. However, the 2013 National Policy on Climate Change recognizes the need to incorporate climate change into planning tools for socio-economic development actions at the national, regional and local levels.

Proposed Reforms

With an overall rating of 26 out of 48, Niger is in the group of countries that requires significant reform to improve the enabling environment for action of cities and local authorities require significant reforms.

- **The first reform** should address the responsibilities of local governments. Niger initially chose to transfer responsibilities from the central government to the subnational governments through a general competence clause based on the principle of subsidiarity; but then, it opted to transfer the responsibilities in blocks. On 26 January 2016, the Council of Ministers adopted two important decrees on the transfer of responsibilities to Niger's subnational governments: Decree No. 2016-076 MISPD/ACR/MEP/A/PLN/EC/MH/A/MESU/DD/MSP/MEF/MEPT/MFP/RA transferring responsibilities and resources to the subnational governments in the areas of education, public health, water, sanitation and the environment; and Decree No. 2016-075 MISPD/ACR/MEP/A/PLN/EC/MH/A/MESU/DD/MSP/MEF/MEPT/MFP/RA transferring responsibilities and resources to the municipalities in the areas of education, public health, water, sanitation and the environment. The reform should find the practical methods for transferring these responsibilities to local governments from the sectoral administrations.

- **The second reform** should address financing for decentralisation through both transfers and local taxation. A Decentralisation Support Fund and an Equalisation Fund were established in 2014. There is no proper budget planning for transfers in Niger because the theoretical item called "decentralisation support" in the central government's budget is very random, and the amounts

are rarely respected. This situation is connected to the financial problems that the central government in Niger has experienced in recent years. In addition, the criteria currently used are temporary. The Council of Ministers of 5 January 2018 adopted a Quadrennial Plan (2018–21) for transferring responsibilities and resources from the central government to the municipalities and to regions in the areas of education, health, water, and the environment. The reform should also address strengthening the local government's own taxation by providing them with greater autonomy.

- **The third reform** should address transparency in local public management. For the moment, there is no specific legislation or regulations on drawing up accounts for local governments to share with the people, but there are citizen information mechanisms addressing the work and decisions of the municipal council through public meetings and municipal inquiry days. In most cases, the council's deliberations are not public and there are no public consultations; the mayors and councillors have one-off meetings in villages and neighbourhoods. The local governments' financial management should be audited each year, but in practice these audits are sporadic. The reform should establish the conditions for healthy, participatory and transparent local management.

- **The fourth reform** aims at the improving women's participation in public life. The current framework does not guarantee the full participation of women and should be improved and strengthened. The current quota could be significantly improved to encourage better representation of women in local governance.

- **The last reform** should address local governments' involvement in the fight against climate change. As a Sahelian country fluctuating between droughts and floods, Niger should consider concrete measures to create territorial climate plans and facilitate local governments' access to climate finance. ■

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Nigeria

30/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments as spheres of governance, detailing their recognized roles and responsibilities.	4	
2	The legislation is unstable and inconsistent.	1	
3	Local assemblies and executive bodies are elected, but not necessarily throughout the country.	3	↓
4	Amounts of the transfers to local governments and their distribution among local governments are clear and predictable, according to a transparent formula and without restrictions on how they may be utilized.	2	
5	Local governments have total autonomy to determine tax base, rates and fees, and to collect the corresponding revenues; access to financial markets is allowed.	2	↑
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.	3	↑
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2	
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2	
9	Local government performance is not assessed.	1	
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.	3	↑
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1	
12	The country provides 2 of the mechanisms in the fight against climate change.	2	

Explanation of the Rating

The Constitution of 1999 is the foundation of decentralisation in Nigeria; it explicitly mentions local governments and specifies their roles and responsibilities. However, the Constitution leaves it to the discretion of the federated states to implement legislation for the local governments in their jurisdiction. Each state defines the regime for its local governments and the operating rules for these governments, and it oversees its local governments. This situation, where the local governments' legislation changes depending on the states, creates a certain amount of instability and inconsistency in the decentralisation legislation. For example, local elections are organised on different dates in each of the federated states, and the terms for elected officials are different from one state to another. Supervision as well as additional responsibilities given to the local governments vary depending on the federated state.

In Nigeria, the Constitution recognises three levels of government: the central government, the federated states, and the local governments. The 774 local governments are led by elected assemblies and executives; mayors (local government chairpersons) are elected by universal suffrage. The most recent local elections were in 2015, but there are still many mayors appointed by the governors of the federate states.

Distributing national revenue between the three levels of government is clearly established in the Constitution. The Constitution sets the portion of national revenue allocated to (i) the federal government; (ii) the federated states; (iii) the local governments. The rules are also set at the state level to organise the financial relationships between the federated states and the local governments. Each year, the National Revenue Mobilisation Allocation and Fiscal Commission (NRMAFC) sets the distribution of national revenue between the federal government, the federated states and the local governments, in accordance with the provisions of Section 164 (1) of the Constitution of 1999. In

accordance with the provisions of section 162 (3) and 162 (7) of the Constitution, 20 per cent of federal government revenue and 10 per cent of federated state revenue are transferred to the local governments each year.

Another source of revenue for the local governments is the tax revenue from the value added tax, of which 35 per cent goes to the local governments. This VAT amount is distributed to the local governments according to transparent criteria. Nigeria has also adopted the principle of derivation, and accordingly 13 per cent of oil revenue is returned to the manufacturing states. Thirty per cent of this 13 per cent of oil production is then distributed among the local governments according to well-established criteria. However, these transfers – which pass through a federated state account – are irregularly paid to the local governments.

In Nigeria, the local governments have their own resources, which are set either by the federal government or by the federated states. The local governments collect their taxes, even if the determination of these taxes is handled by the federal government or the federated states.

Local governments have a framework of reference defining qualifications and responsibilities for the local governments and a clear national strategy for capacity building implemented by the Local Government Service Commission, even though it does not involve all of the local governments.

The decentralisation legislation provides for regular audits of the local governments' financial accounts. In practice, these audits are not systematically carried out.

Nigerian legislation does not provide for citizen participation, but there are local spaces for dialogue and consultation.

In Nigeria, there are no provisions for performance assessments for the local governments.

With its huge population and big cities, Nigeria has an urban strategy that has been reviewed and updated.

In terms of gender equality, Nigeria has provisions for taking gender into account in local elections, even if the quotas are less than recommended.

The National Adaptation Strategy and Plan of Action on Climate Change for Nigeria emphasizes the importance of local governments role on a range of initiatives from community-based adaptation plans to strategic programmes and infrastructure programmes. Several local governments including Lagos, have their own climate plans and strategies

Areas to improve

With an overall rating of 30 out of 48, Nigeria is in the group of countries whose environment is somewhat favourable to the action of cities and local governments, but where some improvements are needed.

- **The first reform** area concerns legislation for cities and local authorities. The system of local governments led by democratically elected councils is guaranteed by the Constitution; therefore, the government for each federated state, according to Section 8 of this Constitution, must ensure the existence of local councils through a law providing for their establishment, structure, composition, finances and functions. The federal government has defined the allocations for the local governments, but it leaves the federated states the latitude to define the conditions for exercising their responsibilities. Therefore, the local governments have become more dependent on the federated states while they are primarily governed by the Constitution. The result of this duality complicates the relationships between the levels of governance; the federated governments are often seen to restrict the autonomy of the local governments and the federal government is left powerless to address the differences observed at the federated state level in terms of strict respect of constitutional provisions. The reform should aim to clarify the relationships between the different levels of governance, working, of course, to introduce greater harmonisation and stability in the legislation of local governments at the federated state level, including creating guides for the federated states and local governments. A structured dialogue between the Governors' Forum and ALGON should be instituted by legislation to review the organisation of peaceful intergovernmental relations.

- **The second reform** addresses the institutional capacities of local governments. While the federated states have total autonomy, the training staff for the local governments is recruited, trained and deployed by a central government agency known as the Local Government Service Commission (LGSC). The LGSC was originally conceived as part of the 1976 reform (Local Government Reform 1976) and is an autonomous agency, acting on behalf of all local governments within each federated state to support development and deployment of qualified staff. While the LGSC continues to play a primary role in professional skills development and training at the local level, it has also become a tool for the federated states to recruit management staff from local governments. In practice, the management staff is more accountable to the federated state than the local governments. The reform should review the recruitment and deployment methods for local staff and strengthen the accountability of the recruited staff to the local governments.

- **The third reform** concerns certain tax decentralisation mechanisms introduced by the Constitution. Section 162 (5) of the Constitution of 1999 provides a perfect pretext for management by the federated states of financial transfers from the federal government to the local governments. This section stipulates that the financial transfers from the federal government to the local governments should naturally go through the federated states through the State Joint Local Government Account (SJLGA), whose administrative council is led by a state commissioner to the local governments (appointed by the state governor); it meets monthly to decide on the distribution of federal transfers to the local governments. However, in practice, this account has enabled the federated states to retain substantial revenues that are intended for local governments. This withholding by the federated states of the federal financial transfers intended for the local governments impacts the salaries and pensions of teachers and human resources for the local governments, and the funds intended for traditional authorities as well as those for training local government staff. The reform should specifically focus on the SJLGA's operations and clarifying the effective methods for transferring these funds to the local governments.

- **The fourth reform** concerns the transparency of executing local public policies. The financial responsibility for local governments is subject to external audit by the independent Auditor General. However, these auditors located in every federated state encounter difficulty in carrying out their important mission: lack of available expertise, lack of budget allocations, lack of official support from the federated state and lack of updated annual accounts from the local governments. Other constraints are connected to local governments' internal capacity to ensure proper execution of local public spending and to prepare and publish adequate accounts to allow for adequate audits within the established time periods. Finally, certain local governments systematically refuse to submit their accounts for audit.

- **The fifth reform** concerns women's participation in local governance. Following the 2015 elections, 9.8 per cent of local councilors and 3.6 per cent of mayors were women; these percentages were 12.9 per cent and 3.9 per cent in 2011 and 10.2 per cent and 9.9 per cent in 2007, respectively. If we add to this data that the percentage of women in parliament was 5.7 per cent, it becomes essential that the country establish representation quotas for women in the public sphere, especially in the context of their eligibility for national and local elective functions.

- **The last reform** should focus on the fight against climate change, and aim to make better use of both state and local capacities. Additionally, the Federal Government could assist subnational governments to access climate funds. ■

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Rwanda

32/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the constitution, and the relevant statutory laws and regulations are in place.....	4
3	Local assemblies and executive bodies are elected throughout the country.....	4
4	The transfer of resources to local governments or their distribution among local governments is predictable according to a transparent formula.....	2
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.....	2
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments, but they concern only a few local governments.....	2
7	Only partial rules and legal provisions on transparency in the running of local governments exist, and they are not systematically followed.....	2
8	National legislation on citizen participation exists but is not applied.....	3
9	There is legislation on measuring local government performance, but performance is assessed by the authority responsible for supervising local governments.....	3
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking....	3
11	The country provides 3 of the mechanisms of gender equality.....	3
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Rwanda's National Decentralisation Policy was approved by Parliament in May 2001 and revised in 2012. It aims to improve the quality and accessibility of services for the population as close as possible to their daily lives. Decentralisation is established by Articles 3 and 167 of the Constitution of 2003. It is implemented by organic Law no. 29 of 2005 (the principal local government law) and others, including Law No.08/2006, which stipulates the organisation and functions of the districts.

Rwanda has two spheres of governance: the central government that also manages the provinces as deconcentrated administrative units, and local governments comprised of districts that are further subdivided into sectors, cells, and villages. Rwanda has 30 local governments and Kigali, the capital city. All the local governments are legal entities and financially autonomous. All local government leaders and councils are elected, and the last local elections were held in 2016.

The link between sectoral policies and decentralisation has been reasonably established, and the transfer of responsibilities is a reality today. The education sector is a good example of the devolution of responsibilities to the local governments. The Ministry of Local Government retains an oversight role over the local governments and oversees national policy formulation and capacity building. The local governments implement a range of the decentralised functions and autonomously hire and manage their staff. The sectors with decentralised services include education, health, water and sanitation, agriculture, community development, and road infrastructure. The central government's deconcentrated ministerial offices operating within the districts are integrated into the district administrations, which prevents jurisdictional disputes between the central government and local governments. The sectors with decentralised services listed above (education, health, etc) are integrated in the district administration.

Resources are largely transferred through the Local Administrative Entities Development Agency (LODA), and the annual amount is a percentage of national revenues whose formula has continuously evolved to adapt to a changing context. Central government transfers constitute about 72 per cent of the local government revenue. Since 2005, this formula has changed from being based on the principle of equality (total amount to distribute divided by the total number of districts plus Kigali), to consider the districts' specific characteristics including population, size, level of equipment, the provision of water and electricity services, and the level of well-being among the population. The 2006 reform reconfigured the districts, bringing their number down from 104 to 30. Local governments in Rwanda have the power to determine the rates of local fees and charges within a range set by the central government. They do not, however, have any influence regarding the local tax base and tax rate, which is the responsibility of the central government.

Rwanda has elaborated a new policy on local human resources that empowers local authorities to oversee their staff. Local governments have the autonomy to hire staff, from the executive secretary, who heads the management and technical units of the district and assumes the overall supervision of the staff.

The process of participation through election of local leaders is more transparent and independent of political influence at the lower (sector, village and cell) than higher level (vice-mayor and mayor). Communities are empowered to directly participate in day-to-day governance processes, mainly through community assemblies (Inteko zAbaturage), community work (Umuganda), and meetings organised by local leaders and parents (Umugoroba w Ababyeyi). These initiatives have been subject to criticism, since some of them are at times used as a platform to implement or communicate decisions made at a higher government level. Some of the participation methods are criticised for focusing more on the aspects of community mobilisation

than effective engagement in decision-making processes. In Rwanda, transparency and accountability are exhibited and enforced through a number of ways, including auditing mechanisms, community platforms, and oversight by several state agencies. It is one of the few African countries where performance contracts are signed between the central government and local governments, thus setting benchmarks for evaluation of the local governments. During the annual planning and reporting meetings, local leaders are required to commit themselves to achieving a certain set of targets, and the central government commits to providing funding as budgeted. The district mayors sign performance contracts (imihigo) with the President of the Republic on behalf of their citizens. These contracts are currently assessed annually by the Institute for Policy Research (IPR).

As of 2017, Rwanda's urban population was of 30 per cent of the total population, and this number is expected to rise to 52 per cent by 2050. This places it among the least urbanised countries, but also among those with a high urbanisation rate. Rwanda's ambitious National Urbanisation Policy was adopted in 2015 and is already being implemented; however, it has not received a definite and adequate financial and technical resource allocation.

The law in Rwanda variously provides for affirmative active in the election of women. Article 155 of Law 27/2010 on elections requires a 50/50 representation between men and women at the sector level. Article 156 of the same law provides for a minimum of 30 per cent representation of women in the district councils. The Law on Political Organisations and Politicians was amended in 2007 to require that party lists for all elective offices must contain at least 30 per cent women candidates. However, the law does not contain any provisions regarding the rank order of women candidates.

Effective involvement of the local communities and governments in the national framework for climate change is, however, limited, and they are mostly engaged as policy implementers and beneficiaries rather than participants in the decision-making processes.

Areas to improve

With an overall rating of 32 out of 48, Rwanda is one of the countries where the environment is somewhat favourable to city and local government action; however, some elements still can be improved.

- **The first area** that could be improved is fiscal decentralisation. Although they are predictable, conditional grants still constitute, by far, the greatest part of central government transfers to the local governments. The Local Administrative Entities Development Agency (LODA) transfers capital development funds to finance the districts' economic projects. It is financed annually with the equivalent of 10 per cent of all national revenues (domestic central government revenues) of the previous fiscal year, plus contributions from bilateral and multilateral cooperation partners. Also transferred to the districts is the operating grant, whose total national figure

is equivalent to five per cent of the national domestic revenues. It is distributed among districts based on various factors including population and poverty level. However, stakeholders have expressed concern that the operating grants are wholly insufficient in financing the districts' recurrent needs, particularly as the revenues from the mobilisation of own local resources are still inadequate. There is also a need to operationalise a fair equalisation grant system to address spatial disparities among districts.

- **The second point** to improve is to make use of the Citizen Report Card (CRC) and Community Score Card (CSC) systematic and widespread so that they become monitoring-and-assessment and performance assessment tools for government provision of local public services. Created in 2005, these two instruments allow citizens to regularly assess the performance of local authorities by giving their opinions on the quality and accessibility of services provided by the local administration and/or its partners. The opinions collected are used as the basis for adjustments if appropriate.

- **The third area** to improve is the issue of local government debt, which is not taken into consideration by either transfers or local taxation. A special case compared to their African counterparts, local governments in Rwanda are heavily indebted (without having actually borrowed) with debts inherited from the former districts. Nearly one quarter of this debt comes from arrears in the payment of social security contributions for municipal employees. The local debt amounts to almost the equivalent of annual CDF transfers. If it is not cleared up, this situation could threaten the financial viability of Rwandan local governments.

- **The fourth reform** should focus on the effective participation of local governments in the elaboration of the NDC and in the decision-making process. This will lead to the NDC territorialisation and the implementation of concrete, measurable action programmes that meet the criteria of the Paris Agreement's Measurement, Reporting and Verification (MRV). ■

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São Tomé and Príncipe

21/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments as spheres of governance, detailing their recognized roles and responsibilities..	4
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Resources are not transferred, or are transferred erratically and irregularly.	1
5	The central government defines and collects local government revenues.	1
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, and no locally organized spaces for dialogue and consultation.	1
9	Local government performance is not assessed.	1
10	No national urban strategy.	1
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

The Democratic Republic of São Tomé and Príncipe is an archipelago located 300 kilometers off the Gulf of Guinea. It is made up of two islands, the largest being São Tomé. Through its Constitution of August 1990, the Democratic Republic of São Tomé and Príncipe was established as a semi-presidential pluralist republic. The Constitution divides the national territory into two provinces and seven districts. The larger island of São Tomé is divided into six districts (Água Grande, Cantagalo, Caué, Lembá, Lobata and Mé-Zóchi); Água Grande is the capital of the territory. The island of Príncipe is both one of the two provinces and one of the districts, which has had autonomous status since 1995.

Decentralisation was not established in the national institutional landscape until the 2003 constitution. In Section XI, on organisation of the regional and local powers (Órgãos do Poder Regional e Local), the Constitution establishes the principle of local autonomy and elected assemblies and executives. In Article 143, it specifies the local and regional governments' responsibilities, respectively: (a) meeting basic community needs; (b) executing development plans; (c) encouraging any activities that may increase productivity and economic, social and cultural progress of the people; and (d) proposing any suggestions or initiatives to the national authorities that could lead to harmonious development of the territories. This article also specifies that the particular responsibilities and operating methods for the local governments are set by law. However, the legislative and regulatory texts necessary for operationalising this provision are lacking.

Article 143 sets forth the same responsibilities for both the districts and the provinces, even though they are different levels of local government. Allocating the same responsibilities to the provincial and local levels creates problems operationalising the responsibilities, particularly in the situation where the limits of provinces and districts overlap. This is the case for the island of Príncipe, which is both a province and a district.

Law No. 4 of 2010 updates the political/administrative status of the autonomous region of Príncipe (RAP).

The first local elections in São Tomé and Príncipe were held in 1980. The district assemblies are elected by universal suffrage for five-year terms, and the most recent local elections were organised in July 2015.

The decision-making power for the districts is limited. Decisions on public policies are made at the ministerial level. These sectoral policies are implemented at the central level and the decentralised central government services guide their execution at the local level. Many laws and regulatory texts lack specifics regarding the responsibilities transferred to the local governments.

Financial transfers from the central government to local governments are not addressed in the Constitution. In practice, the financial transfers are unpredictable and unstable and present huge problems for local government planning.

Local taxation is controlled by the central government and does not leave the local governments with a large margin to manoeuvre. In addition, the local tax revenue is limited and does not ensure local financial autonomy.

São Tomé and Príncipe lacks capacity at the local level. Central administrations continue to carry out the central government programmes. There is no national strategy for capacity building in local administrations, or national framework of reference defining qualifications and responsibilities for local governments. Few local governments can provide capacity-building programmes to their staff, particularly in the context of projects or programmes with international cooperation.

National legislation provides for audits of local financial accounts; but in practice, this national legislation is not applied because local financial accounts are only audited sporadically.

São Tomé does not have specific legislation for citizen participation in managing local affairs. However, as part of certain international support programmes, local spaces for dialogue and consultation have been set up.

Performance assessments of local governments in terms of providing local public services is not addressed in any decentralisation guidance legislation. No performance assessments are carried out.

São Tomé has no national urban strategy.

There are no quotas to facilitate the participation of women in local government.

Districts are not involved in national programmes and projects to fight against climate change.

Proposed Reforms

With an overall rating of 21 out of 48, São Tomé is in the group of countries with an environment that is globally unfavourable to the action of cities and local authorities. To improve the institutional environment for action and initiatives for cities and local authorities, several reforms are necessary.

- **The first area of reform** should clarify the responsibilities of local governments. In addition, this effort to determine the local governments' responsibilities should be supplemented by the progressive decentralisation of the national territory in order to guide the local governments in their role as development agents. The reform should address the identification of responsibilities by level of local government and will propose legislative and regulatory texts specifying the transfer methods. It should propose a decentralisation strategy for central administrations for the national territory and for intelligent cooperation between the local governments and the decentralised central government.

- **The second reform** should address the financial transfers from the central to local governments. This reform should focus on fair compensation for transferred responsibilities and be carried out in three steps. The first step is to clearly define the responsibilities to be transferred to each level of local government. The second is to assess the cost of the transferred responsibilities based on their current execution costs to the central government, which may eventually be adjusted for inflation and other economic/financial considerations. The last step is to establish a fund for transferring responsibilities that would hold the funds allocated for the responsibilities that are scheduled for transfer, but that are currently executed by the central government. The reform should propose a schedule for transferring responsibilities by sectoral ministry, in collaboration with the central administrations. As part of this process, the reform should identify the sectoral ministry staff that could be transferred to the local governments in order to facilitate the assumption of their responsibilities. The reform should also propose the mechanisms and methods for transferring financial resources to the local governments by taking into account certain imperatives like incentives and territorial development. Districts and provinces that are far from the capital of São Tomé complain of their isolation in terms of economic and social infrastructure, transportation, urbanisation, job creation activities, and consequently there is a need for stronger decentralisation of central government decisions in these

critical areas, better identification of resources and the evaluation of each location's potential, as well as the best economic and social infrastructure. For all national actors, fulfilling these aspirations would create greater inclusion and coordination of activities in each location as part of the process of integrated national development. The reform should propose a specific mechanism to encourage the territory's voluntary development.

- **The third reform** should focus on urban strategy. As a small island nation of 1,000 square km, it is even more important for São Tomé to have an advanced management plan for its population in order to minimise ecological and environmental problems often caused by urbanisation. According to United Nations data, the urbanisation level is 72.8 per cent in 2018; projections suggest an urbanisation level of 85.3 per cent by 2050 (World Urbanization Prospects: The 2018 Revision). The urban strategy should focus on forward-looking management of urbanisation and increased investments at the urban level. The urban strategy should also pay close attention to all of the country's districts, taking into account their potential and the regional asymmetry. The reform in this area should also promote balanced development of territories by stimulating production capacity in the various territories.

- **The fourth reform** should concentrate on improving the quality of local public spending. With a view to transferring greater responsibilities and resources to the local governments, the conditions for verifying transparency of financial operations of local governments should be organised and codified. Therefore, the reform should propose a regular audit system for local governments' financial accounts, a procedure for performance assessments in the area of local service provision, and ways of increasing citizen participation.

- **The fifth reform** addresses the local government's involvement in the fight against climate change. São Tomé and Príncipe is one of the smallest African countries, with 209 km (130 miles) of coastline. This small nation is an archipelago in the Gulf of Guinea on the Atlantic Ocean. It is particularly vulnerable to climate risks, such as floods in coastal areas, at the mouths of rivers, and storms. In addition, the country has seen wide variability in normal meteorological conditions. Taking into account the country's physical configuration, it is clear that the climate change programmes would be more effective if the districts were at the heart of the implementation process. The reform should focus on districts managing the fight against climate change. ■

Bibliography - São Tomé and Príncipe

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Senegal

32/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3	
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3	
3	Local assemblies and executive bodies are elected throughout the country.	4	
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2	↑
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2	
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.	2	
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2	
8	National legislation on citizen participation exists but is not applied.	3	
9	Local government performance is assessed irregularly.	2	↑
10	A clear national urban strategy exists, along with the financial and technical arrangements and capacities necessary to implement it.	4	
11	The country provides for 2 of the mechanisms of gender equality.	2	
12	The country provides 3 of the mechanisms in the fight against climate change.	3	

Explanation of the Rating

Since 1872 when the municipality of Gorée was created, Senegal has been committed to an irreversible process consolidating local democracy and reinforcing decentralisation. A century after the creation of the first municipalities, Senegal launched the precursory act for stronger local liberties with the creation of rural communities, promotion of decentralisation and regionalisation of planning in 1972. In 1996, in order to increase the proximity of the central state and the culture of responsibility for local governments, the legislature created regions and began to transfer responsibilities in nine areas.

More than 140 years after the historic process of decentralisation was launched, and after effective practice of this irreversible policy, the assessment through Act III updated the central government's limits, both at the central level and the decentralised level, as well as those of the local governments. In terms of the rural setting, it appears that, in addition to the development of agricultural and pasture activities, it is urgent that needs are addressed in the areas of infrastructure, access to potable water, electricity and basic social services. In urban and suburban centres, the same urgency is seen, specifically in terms of the suburbs, to fight unemployment, floods, lack of safety, and insecurity in all its forms.

After analysing the factors that have undermined the Senegalese land development initiatives, the reform of Act 3 on decentralisation announced during the first relocated Council of Ministers, held in Saint-Louis on 7 June 2012, embodied the major re-establishment of the central government's territorial actions and provides four primary objectives: (i) anchoring territorial coherence to create a simplified administrative structure; (ii) clarifying responsibilities between the central government and the local governments; (iii) developing contractualisation between these two decision-making levels; (iv) modernising territorial public management, with clear reform of local finances and sustained promotion of the quality of human resources.

After removing the regions, the reform divided the national territory into five cities, 42 departments and 557 municipalities. The most recent local elections were in June 2014.

Senegal has several mechanisms for financial transfers from the central government to the local governments: the Decentralisation Grant Fund (Fonds de dotation de la Décentralisation, FDD); Equipment Fund for Local Governments (Fonds d'Équipement des Collectivités locales, FECL); and internal resources of the Decentralised Consolidated Investment Budget (Budget Consolidé d'Investissement, BCI). These transfers are supposed to reflect a recognised percentage of national taxes, but this percentage is not determined in advance. The FDD and the FECL are transfers based on value added tax. In addition, the distribution of amounts to the local governments is not transparent. Local governments cannot predict these transfers in spite of the existence of clear mechanisms, which poses planning problems at the national level.

Local Senegalese governments have their own taxation provisions. This taxation is set by the central government, but the local governments have a margin to manoeuvre for the rate of certain local taxes. The collection of revenue from local taxes is exclusively carried out by the decentralised central government services.

Senegal has a framework of reference defining qualifications and responsibilities and a national training and communication strategy created by the Ministry of Local Government.

The supervision of the local governments by the Ministry of Finance is, among other methods, carried out through auditing the governments' accounts. However, these audits are not systematically carried out.

Senegal has national legislation (general code on local governments); the operation and organisation of spaces for dialogue and consultation is set by decree.

In Senegal, a guide for measuring the performance of local governments was adopted in October 2016 and tested in certain regions by development partners in the context

of adapting management to focus on local management results. Citizen assessment initiatives have been tested in certain municipalities with the support of the NGO Transparency Senegal.

Senegal has an urban strategy whose implementation is supported by the World Bank. The implementation of this strategy is specifically supported by the Programme d'Appui aux Communes (Municipal Support Programme, PAC), a joint initiative between the Senegalese government, the World Bank, IDA and the AfD.

The law establishing the absolute male-female parity in all institutions that are fully or partially elected was voted on after a constitutional revision voted on 13 and 26 November 2010, in the National Assembly and the Senate, respectively, to include a male-female parity clause "in the electoral mandates and in elective functions."

In Senegal, there are risk prevention and/or organisation plans for assistance in disasters, and provisions are established to ensure the subnational governments' access to climate financing with the establishment of decentralised climate funds.

Areas to improve

With an overall rating of 32 out of 48, Senegal is in the group of countries with a somewhat favourable environment for the action of cities and local authorities, but certain items should be improved.

- **The first reform** concerns the financial transfers to the local governments. In Senegal, as part of the decentralisation process, responsibilities were transferred to the local governments in the following areas: Environment and management of natural resources; Health, population and social action; Youth, sports and leisure; Culture; Education; Planning; Territorial development; Urbanism and habitat. To date, only two responsibilities have received financial transfers. Thus the decentralisation grant fund that was supposed to represent, each year, a certain percentage of the VAT is set ad hoc by the central government. In addition, the fluctuating nature of the distribution criteria for the FDD does not provide any stability or predictability. The reform should encourage significant improvement in the financial transfers from the central government to the local governments. To do this, it should focus on adapting the size of the transfers to take into account the transferred responsibilities, as well as the method of determining the national amount in order to make the transfer mechanisms fairer, more transparent and more stable. A commission to assess the charges transferred to the local governments should be created, and the national committee on local finances should be consolidated. In addition to bold reform of local taxation, regarding elected officials, the reform should generalise the decentralisation across the board of the Consolidated Investment Budget (Budget consolidé d'investissement, BCI), which currently only addresses health and education. The reform should explore other channels for innovative financing, alongside the classic forms of financing like the Decentralisation Grant Fund, the Equipment Fund for Local Governments, the Consolidated Investment Budget, and decentralised cooperation.

- **The second improvement** could address the taxes shared between the central government and the local governments: 50 per cent of the tax revenue on cars (VAT); 50 per cent of the tax revenue on real estate capital gains (TPVI); 60 per cent of the overall single contribution (CGU); 60 per cent of the revenue from correctional fines issued by the courts in the municipalities and rural communities should be returned, depending on the collection area. The shared taxes are collected by the central government, which should then pay the local governments their portion. One of the problems with this tax system is the delay or even the refusal of the central government to pay. Similar examples are frequently found in the other items of the shared taxes. The reform should find more transparent ways of estimating and paying these shared taxes to the local governments.

- **The third improvement** could address the improving the quality of local public spending; this should include carrying out audits and performance assessments for local governments. Regarding the audits, Article 246 of the Local governments code stipulates that the Prime Minister can, at any time, carry out external audits or inquiries on the transparency and regularity of the procedures for drawing up, awarding and executing contracts for the central government, public establishments and local governments. This structure highlights the assessment control approach and not the pedagogical and advisory support that should be encouraged and contributes to establishing a culture of accountability in the normal practice and management of local governments. In practice, most audits are sporadic, and there is no performance assessment for local governments. The reform could focus on these two aspects of the institutional environment.

- **The fourth improvement** should allow for evaluation of human resources, specifically by implementing the general statute on government employees for local governments, in order to substantially improve the professional situation of local government agents and better guarantee their rights. In any case, good local governance will be accelerated by reinforcing the citizen control of public action, alongside the territorialisation of public services. The Government of Senegal made progress in the promotion of a gender-sensitive environment, through the adoption of the Parity Law and the validation of the new National Strategy for Gender Equality and Equity. Implementation at subnational level should be strengthened. Senegal prepared in 2015 its Climate Action Plan. The role of local and regional governments in implementation and reporting should be strengthened. ■

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Seychelles

23/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution is neutral on the question of local governments.	2	
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing	3	↑
3	Local assemblies and executive bodies are appointed.	1	
4	The transfer of resources to local governments or their distribution among local governments is predictable according to a transparent formula.	2	
5	The central government defines and collects local government revenues.	1	
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1	
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes exist and are applied.	4	
8	There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation.	2	
9	Local government performance is not assessed.	1	
10	A clear national urban strategy exists, along with the financial and technical arrangements and capacities necessary to implement it.	4	
11	The country does not provide any or only one mechanisms of gender equality.	1	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1	

Explanation of the Rating

The history of decentralisation in the Seychelles dates back to the 1950s and British colonisation. The district of Victoria, the capital, was created with the aim of providing basic local public services to the people.

In 1991, the Seychelles started down the path of a multi-party system and a degree of liberalism, notably allowing greater privatisation. The law on local government was passed in 1991, and eight local elections were held in the Seychelles that same year. Mayors served as both national assembly members and chief executives of local governments. The law on local government was repealed in 1993, and the Constitution of 1993 is neutral on the subject; no chapter discusses local government.

The government adopted a community development approach based on the principle of local problems call for local solutions. It had three goals: people, service delivery, and infrastructure. In 2015 the National Assembly adopted a new Local Government Act, and in 2016 the Ministry of Community Development was transformed into the Ministry of Local Government. A new vision was defined for the Ministry: «We envision that through good local governance and inclusiveness, our local communities will be empowered and will thrive on a good quality of life, high sense of community spirit and ownership.»

The Local Government Act of 2015 organises the country by district and determines the organs of the districts and the duration of their mandate; development plans; the delivery of public services; provides norms and standards as defined by law; and adopts the principle of local elections.

The districts are audited by the auditor general's office. They must hold a public meeting every year on their activities and establish district council committees.

The Ministry for Local Government is responsible for implementing the Local Government Reform Program (LGRP), and it has developed a roadmap for 2017 and 2018. A national coordination committee has been set up and a technical committee installed within each of the relevant ministries. The process of informing and raising awareness among the various stakeholders (such as the

public, deputies, the Chamber of Commerce, and the Ministry of Finance) was completed in 2017. Texts on local management and standards in local public services are in the process of being finalised, and local elections are supposed to be held in 2018–19.

As part of the reform programme, the Regional Council was established in the Local Government Department to make it more efficient, responsive, participatory and democratic. The Regional Council was launched in July 2018, with President Danny Faure in attendance.

The Seychelles comprises 115 islands and islets and has a total land area of 450 sq. km. These islands fall into two categories: the inner islands (Mahé, Praslin and La Digue) and the outer islands, located 400 to 1,200 km from the inner islands. The outer islands are very sparsely populated and not included in any of the administrative subdivisions of the Seychelles.

As a new tier of local government, the Seychelles set up seven regions in July 2018. They are Region North (Bel Ombre, Beau Vallon, Glacis, Anse Etoile); Region Central 1 (St Louis, Bel Air, Mt Buxton, English River); Region Central 2 (Mont Fleuri, Plaisance, Roche Caiman, Les Mamelles); Region East (Cascade, Pointe Larue, Anse Aux Pins); Region South (Aux Cap, Anse Royale, Takamaka); Region West (Baie Lazare, Anse Boileau, Grand Anse Mahe, Port Glaud); and Region Inner Islands (La Digue, Grand Anse Praslin, Baie Ste Anne).

The island of Mahé contains the eight districts that surround the capital Victoria: La Rivière Anglaise (English River), Mont Buxton, Saint Louis, Bel Air, Mont Fleuri, Roche Caiman, Les Mamelles and Plaisance. The rest of the island is divided into 14 districts, and the islands of La Digue and Praslin consist of one and two districts respectively.

The regional councillors and the district administrators are appointed by central governments. The Ministry of Home Affairs, Local Government, Youth, Sports, Culture, and Risk & Disaster Management supervises the local governments. Local governments in the Seychelles do not have any own revenues. There is no system of district taxes, which precludes the existence of local taxation.

Local government operations are funded by financial

transfers from the central government. These transfers are on an ad hoc basis, but they are also massive and cover operating expenses and capital investments.

The District Administrator hires municipal personnel and submits the hires for ministerial endorsement. The Seychelles has neither a national framework of reference defining the qualifications and responsibilities of local government staff nor a national strategy to build the capacities of local administrations.

The internal auditor of the Ministry of Local Government and the auditor of the Ministry of Finance examine the books of each local government. The General Auditor also verifies the accounts with provisions in the Constitution. All these audits are done in a timely manner. The Ombudsman may intervene and launch inquests if there are complaints about specific transactions.

The Seychelles do not have any specific laws on citizen participation in local governance processes. However, arenas for consultation are organised under the principle of democratic consultation and participation. Annual public meetings are held in all local governments to respond to the concerns of the local population.

The law in the Seychelles does not provide for local government performance assessment in local public service provision.

The Seychelles has adopted an inclusive urban strategy that provides a spatial framework for the future through 2040. Approved in September 2015, the plan comprises an integrated national strategic plan, a framework for the most populous island (Mahé), and a detailed masterplan for the capital city Victoria. The plans are supported by evidence-based documents covering everything from character assessment to security and disaster-risk assessment.

More than 50 per cent of the 25 district administrators in the Seychelles are female, even if there is no policy which guides the position of women in the government.

On climate change, the institutional framework provides for the inclusion of local and regional authorities in the implementation of the national agenda. However, much remains to be done to take local governments into account in the fight against climate change.

Proposed Reforms

With an overall score of 23 points out of 48, the Seychelles is one of the countries where the environment is generally unfavourable to city and local authority action. Several reforms must be undertaken to make the national environment more favourable to cities.

- **The first reform** to set up is the transfer of responsibilities. With the Constitution's neutrality on local governments and the repeal of the Local Government Act of 1991, local governments in the Seychelles do not legally have any responsibilities. They operate as local branches of the central administration without their own responsibilities. The new Local Government Act should precisely define these responsibilities to transfer, highlighting the unique nature of the Seychelles – a territory scattered over approximately one hundred islands and islets, some of which are unoccupied. The reform should consider three parameters. First is the

principle of subsidiarity, which should place the emphasis more on local government's comparative advantage in better exercising responsibilities previously exercised by the central government. Second is the principle of hierarchy that considers certain effects of responsibilities, notably economies of scale (advantages linked to the large-scale production of a good) and externalities (advantages or disadvantages associated with the production of a good which affect people not directly involved). Third is the principle of technicity, which transfers responsibilities to local governments while taking into account the level of technical expertise necessary to offer the service adequately. Of course, the reform should examine the meaning of these parameters in the context of the Seychelles and suggest an intelligent division of responsibilities between the central government and the local governments.

- **The second reform** concerns the financial transfers to local governments. In the current configuration, the local governments are entirely funded by the central government. The Ministry of Local Government coordinates, supervises and directs the day-to-day operations of local governments based on its own objectives. It provides support and advice as well as the necessary financing. The Ministry also ensures that a high level of service provision is maintained in all offices. In short, it is responsible for building local management capacities. Concretely, when it comes to financing local government action, the Ministry of Local Government pays a sum in advance every quarter to the local governments. Each local government receives an annual allotment to cover operating expenses. Staff emoluments are not included. Local governments also receive an annual contribution for small community projects. With the prospect of an overhaul of the local government system and a definition of responsibilities, the financial transfer system remains to be invented. The financial transfers must be reviewed and indexed to the cost of the responsibilities transferred; they must consider territorial equity in a country of scattered geography and emphasise adapting services to the population.

- **The third reform** is on climate change. The Seychelles has put climate change at the centre of its sustainable development strategy, more purposefully than most other small states. Its Nationally Determined Contribution (NDC) submission to the Paris Agreement outlined a balanced mitigation and adaptation strategy, accompanied by costed investment plans. For example, high public awareness and a body of existing sustainable development planning put Seychelles several steps ahead towards preparedness. Next steps should be to integrate climate change planning into the forthcoming National Development Plan, initially by identifying costed priority projects and then eventually including them in the budget. Local governments should also be involved in the implementation of the NDC and have access to climate finance. ■

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- The Seychelles Constitution of 2011.

Sierra Leone

29/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution is neutral on the question of local governments.	2	
2	All responsibilities and powers are clearly defined in accordance with the constitution, and the relevant statutory laws and regulations are in place	4	↑
3	Local assemblies and executive bodies are elected throughout the country.	4	
4	The transfer of resources to local governments or their distribution among local governments is predictable according to a transparent formula.	2	
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2	
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.	2	
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes exist and are applied.	4	↑
8	National legislation on citizen participation exists but is not applied.	3	
9	There is legislation on measuring local government performance, but performance is assessed by the authority responsible for supervising local governments.	3	↑
10	No national urban strategy	1	
11	The country does not provide any or just 1 of the mechanisms of gender equality.	1	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1	

Explanation of the Rating

After a decade (1991-2002) of brutal civil war that killed or displaced thousands of people, Sierra Leone set out on the path of reconciliation, reconstruction and the stabilisation of its economy and the nation. Since the end of the civil war, the country has held parliamentary, presidential and local elections, all of which were seen as free and fair. In doing so, the country made a decisive commitment to returning to normal constitutional order.

Decentralisation was confirmed as a priority programme for Sierra Leone during the post-war consultations. Thus, in 2002 a consultative group meeting agreed that the exclusion and deprivation suffered by the rural masses were root causes of the civil war, and that decentralisation was the right response for local autonomy and to increase citizen participation.

The Government of Sierra Leone therefore launched a decentralisation programme in 2004 with the aim of appeasing political tensions, improving the governance environment at all levels, and establishing an equitable and transparent resource transfer system from the centre to the local level to lessen income inequalities among the regions.

The Constitution of 1991 does not contain any chapters or articles on decentralisation. The main legal document on decentralisation is the Local Government Act of 2004. The Constitutional Review Committee recommended in 2016 to include a chapter on decentralisation and local government in the Constitution.

The Local Government Act was amended in 2016 (39.2c) and again in 2017 (39.2d). The Local Government (Assumption of Functions) Regulations of 2004 guide the process of devolution. This legislation specifies 80 functions to be devolved from national to local government; designates the devolving national ministry, department or agency; and sets a timetable for local councils to assume each function. About half of these functions were devolved within the

timeframe set (2005-08) in the regulations. A programme to speed up devolution of the remaining functions has been underway since 2009.

Sierra Leone has 22 local governments, called local councils: six city councils and one municipal council in urban areas, and 15 district councils in rural areas. The latest local elections were held in April 2018.

Transfers to local councils are of two kinds: vertical and horizontal. The vertical transfer from national government includes recurrent and development components. The recurrent component covers non-salary transfers for devolved functions and the operational (administrative) running costs of councils. The development component (Local Government Development Grant, or LGDG) is used to finance local council development projects and is funded by donors and the national government. The vertical allocation is not based on any formula; however, the law guarantees that upon devolution of a function, the allocation for that function is at a minimum equal to the pre-devolution amount, to ensure that service provision does not deteriorate as a result of devolution. Also, the law stipulates that annual increments in the global allocation to local councils should at minimum match the rate of increase in the national government's operational budget. In the absence of a formula to determine the vertical allocation, ad-hoc methods through negotiations with the devolving Ministries, Departments and Agencies (MDAs) are used.

Local taxation in Sierra Leone is determined on the national level, notably by the Ministry of Local Government. The same holds for the collection of revenues from these taxes, which is largely out of the hands of local governments. Finally, local taxation is characterised by frequent interventions by the central government, for instance to set rules on sharing.

In Sierra Leone, councils must establish departments for administration, planning and development, finance, and internal audit. They may also establish "thematic functional

departments” after consulting the Local Government Service Commission (LGSC). There is no national capacity building strategy for local administrations. Moreover, a system to support local government contracting authority was set up as part of the Decentralised Service Delivery Project Phase I and II. It consists of financing the support-advice that the line ministries provide to local governments for the implementation of their responsibilities in the fields of water, health, sanitation, etc.

Sierra Leone legislation indicates that six months after the end of the fiscal year, local governments must submit their books to the Auditor General who undertakes an annual audit of each local council's accounts and financial statements and reports both to the councils and to the minister. The audit reports are public documents. The minister reports to Parliament on actions taken in response to matters raised in the report. In addition, the Local Government Act of 2004 stipulates the establishment of an internal audit department within each local government.

The Local Government Act of 2004 provides for citizen consultation on the elaboration and revision of the local development plan. In addition, spaces for consultation have been set up on the infra-municipal (ward) level. However, this provision of the law is not applied in all local governments.

In Sierra Leone, a local government performance assessment system was set up in 2006, the Comprehensive Local Government Performance Assessment System (CLOGPAS). It measures local government performance in the provision of local services. A subsidy is even linked to local government performance. This mechanism was revised in 2010.

Sierra Leone has not drafted an urban strategy.

The country has not adopted any provision on the participation and representation of women in local government or governance.

Finally, Sierra Leone is slow to put in place the necessary mechanisms to involve local communities in combating the effects of climate change and their access to climate finance.

Proposed Reforms

With an overall score of 29 points out of 48, Sierra Leone is one of the countries whose progress towards an enabling environment for cities and local governments would require significant reforms, and major reforms must be undertaken.

- **The first reform** concerns inter-governmental financial transfers. In Sierra Leone, transfers to local governments are vertical and horizontal. There are three major types of vertical transfers: administrative transfers, responsibility offsets, and the LGDGs. The first two types are stipulated in the Local Government Act of 2004 and are financed exclusively by the central government. The LGDGs are co-financed by the central government and its development partners. They help local governments undertake development projects in their area to meet their citizens' priority needs. All these transfers are conditional,

except for the LGDG. Without a formula to determine the national amount of the financial transfers, ad hoc methods and negotiations will be used. This practice of negotiating with the line ministries will continue until the exact cost of the responsibilities transferred has been estimated. The reform should emphasise the cost of the responsibilities transferred to better scale the transfers, and it should also emphasise ways to give local governments greater latitude to make public spending decisions.

- **The second reform** should be the development of a comprehensive strategy to plan for and manage urbanisation. Sierra Leone is 42 per cent urbanised, but forecasts (59.6 per cent in 2050) indicate an intensification of the urbanisation process, albeit in a less pronounced manner than in some countries in the region (World Urbanization Prospects: The 2018 Revision). The decade of war had a significant impact on city facilities. Moreover, efforts needed to meet urban growth have been deficient including the provision of an information system on cities and urbanisation. The urban strategy should define the level of urban capital investment needed and define a territorial planning policy based on strengthening regional balancing hubs.

- **The third reform** aims to take into account gender parity in public life. The country must take the necessary measures to ensure the eligibility of women in national and local elections, and it must likewise ensure the presence of women in positions of responsibility. It should be noted that during the last municipal elections, the citizens of the capital, Freetown, elected Yvonne Aki Sawyerr, as the first women Mayor since 1980. In the 2012 local elections, women accounted for only 19.1 per cent of local councillors. In the local elections of 2018, 33 per cent of the mayors are women as well as 6.7 per cent of the presidents of the councils. Finally, the last reform aims to set up an institutional framework and a policy in favour of the involvement of local governments in the fight against the effects of climate change. The reform should propose appropriate measures to enable local governments to access climate finance. ■

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Somalia

14/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	The legislation is unstable and inconsistent.	1
3	Local assemblies and executive bodies are appointed.....	1
4	Resources are not transferred or are transferred erratically and irregularly.....	1
5	The central government defines and collects local government revenues.....	1
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	No rules or legal provisions on transparency in the running of local governments exist.....	1
8	There is no national legislation on citizen participation, and no locally organised spaces for dialogue and consultation.....	1
9	Local government performance is not assessed.	1
10	No national urban strategy.....	1
11	The country does not provide any or just 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Somalia's history has been turbulent since its independence, with a revolutionary regime at its head that governed the country for roughly 30 years. In July 1977, the Ogaden War created major institutional dysfunctions and ended in crushing defeat. In 1979, the new Constitution was promulgated and elections for a people's assembly were held. With the regime's isolation and totalitarianism in the 1980s, resistance movements – encouraged by Ethiopia among others – were born throughout the country and later led to civil war. In 1991, the war ended with the fall of the regime and the installation of a coalition. Very rapidly, however, this diverse coalition began to splinter and plunged the country into chronic instability that encouraged separatist movements in Puntland and Somaliland. For two decades, fleeting governments followed one after the other, and the country was left to armed gangs. In 2010, a consensus supported by the international community made it possible to set up a government of national union and draft a new Constitution.

Somalia has always been a heavily centralised country. In 1960, the country was composed of 12 districts. In 1968, it contained eight provinces. Then, in 1982, Somalia adopted two levels of division: the regions and the districts. Until 1982, Somalia had 16 regions, and would have 18 starting in 1984. Today, the country has 18 regions and 146 districts. However, until now, local autonomy has not been recognised and local governments do not have financial autonomy or distinct legal status.

Article 48 of the new Constitution drafted in 2012 proposed a two-tier structure of government: the federal government, and the federal member states and their local governments. This proposal of a federation was a political answer to the pro-independence tendencies in Somaliland and Puntland. The Constitution does not create any federal member states; their creation and borders are legislated by the national assembly. Each federal member state is composed of several regions, and no single region can become a federal member state on its own. The Constitution emphasises the importance of collaboration between the various levels of governance and sets

up a framework for consultation between the federal government and the federal member states, notably in regard to sectoral policy implementation.

Article 54 of the Constitution stipulates that the division of responsibilities shall be established jointly by the federal government and the federal member states. However, it sets the responsibilities that are the exclusive purview of the central government: foreign affairs, national defence, citizenship and immigration, and monetary policy.

Two points should be emphasised, however. First, Article 54 of the Constitution only stipulates the division of responsibilities between the federal government and the federal member states. This implies that there will be a later division of responsibility between the federal member states and their local governments. Second, according to Article 48 of the Constitution, local governments are not recognised as spheres of national governance, because they are assimilated with the federal member states. This means that the legislation on local governments will be up to each federal member state. This situation could generate instability and countrywide inconsistency in the legislation on local government.

Given Somalia's unique situation, all local assemblies and executive bodies are appointed.

The financial transfers from the federal government to the regions and districts are not only uncertain, but also unpredictable and unstable. There is a minimum level of transfers of funds, this is only to districts and regions which have been recovered by the Somali Government.

The fiscal field belonging to local governments in Somalia is composed of the property tax and a multitude of other generally small taxes. Local taxation policy is set at the national level, and local governments consequently have very little latitude in this area. The federalism framework that guides taxation powers is not yet clear on revenue assignment and clarification of taxation powers. The provisional Constitution provides general guidance that revenue-raising responsibility should be assigned to the level of government that can handle it most effectively. It also provides for the laws existing before the provisional Constitution was adopted to remain in force until they

are brought in line with the new federal Constitution. Federal member states and Somaliland have their own constitutions, tax laws, and decrees.

Local administration capacities in Somalia are still in their infancy; there are few qualified staff in the local government. The country has neither a national strategy to build the capacities of local administrations nor a national framework of reference defining the qualifications and responsibilities of local government staff. There is little local experience with capacity building. There is no clear structure to enhance capacity of local government leaders and staff. Most initiatives, however limited, come from the United Nations mission in Somalia and other development partners.

In Somalia, the legislation on local government does not provide for an oversight of financial management by local governments; local government books are not audited.

There were local arenas for consultation during the revolutionary period, but these arenas are no longer functional. Somalia does not have any specific laws on the citizen participation in managing local affairs.

Somalia does not have an urban strategy.

There has been no gender policy or gender-specific legislation in Somalia to date. Despite advocacy for a quota of 30 per cent women representation in all political institutions, and its inclusion in the Garowe II Principles, this was not included in the Provisional Federal Constitution adopted on 1 August 2012.

There are no programmes on climate change implemented by local governments.

Proposed Reforms

With an overall score of 14 points out of 48, Somalia is one of the countries where the environment is generally unfavourable to city and local authority action. Improving the national institutional environment so that it is more favourable to cities and local authorities suggests the following reforms.

- **The first reform** deals with the transfer of responsibilities. According to the Somali Constitution, the country has two spheres of government: the federal government, and the federal member states and their local governments. Except for a few basic government functions ascribed to the federal government (notably diplomacy and national defence), the federal government and federal member states should jointly review all sectoral policies, and there is every indication that the federal member states will have extensive autonomy. While the principle of a division of responsibilities between the federal government and the federal member states is written into the Constitution, it is silent on the division of responsibilities between the federal member states and their local governments. The reform should tackle this institutional process to offer a few safeguards governing the vertical allocation of responsibilities between the federal government, the federal member states and the local governments. The first is comparative advantage. Depending on the scale of governance and the public service to provide, one level of governance will offer a better comparative advantage than another. The second is consideration of economies of scale

(advantages linked to producing a good in large quantities) and the externalities (advantages or disadvantages associated with the production of a good that affect people who are not directly involved) linked to the production of a good. The larger the economies of scale and the greater the externalities, the higher the appropriate scale of governance will be. Finally, technical implementation capacity at each level of government should be taken into account to avoid any interruption of local public service provision. The reform will endeavour to bring objectivity to the division of responsibilities among the various spheres of local government; in addition, it will propose common threads for the laws on local government in the various federal member states to avoid huge differences.

- **The second reform** deals with financial transfers. Among the principles of federalism set forth in Article 49 of the Constitution, the principle of equitable distribution of national resources among the various spheres of governance is stated. The first prerequisite is hence to establish an initial distribution of responsibilities across the various scales of power and then agree on intergovernmental fiscal relations. Based on the allocation of different responsibilities, the reform should examine restoring vertical balance between the federal government and the federal member states, and between the states and the local governments. The reform should also address horizontal imbalances between the federal member states and the local governments.

- **The third reform** deals with the urban strategy. In 2018, urbanisation is 45 per cent; it will be 63.8 per cent in 2050 (World Urbanization Prospects: The 2018 Revision). The capital, Mogadishu, has a population of just over 2 million in 2018, and will have a population of 5 million in 2050. The urban strategy should propose a strategy to manage settlement patterns and the associated technical, human and financial resources.

- **The fourth reform** should advocate and encourage the inclusion of the 30 per cent quota for women into the Constitution as well as development of a gender policy.

- **The last reform** should help Somalia to be less vulnerable to the current and future impacts of climate change. The reform should formulate law and policy which guide climate change issues by proposing a strategy, which would work with local governments in its implementation. ■

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South Africa

40/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments as spheres of governance, detailing their recognised roles and responsibilities.	4
2	All responsibilities and powers are clearly defined in accordance with the constitution, and the relevant statutory laws and regulations are in place...	4
3	Local assemblies and executive bodies are elected throughout the country.	4
4	The transfer of resources to local governments and their distribution among local governments are clear and predictable, with utilisation determined at the national level (conditional transfers).	3
5	Local governments have total autonomy to determine tax base, rates and fees, and to collect the corresponding revenues; access to financial markets is allowed.	4
6	There is a national framework of reference that applies to all local governments in the country defining the qualifications and responsibilities of local government staff, and a national strategy for training and promoting human resources in local governments.	4
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes exist and are applied.	4
8	National legislation on citizen participation exists and is applied.	4
9	There is legislation on measuring local government performance, but performance is assessed by the authority responsible for supervising local governments.	3
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.	3
11	The country does not provide any or just 1 of the mechanisms of gender equality	1
12	The country provides 2 of the mechanisms in the fight against climate change.	2



Explanation of the Rating

The Constitution of South Africa provides for three spheres of governance: the central government, the provinces (9 in number), and local governments (of which there are 278). There are three types of local governments: 8 Metropolitan Municipalities (category A), 226 Local Municipalities (category B), and 44 District Municipalities (category C). The powers of the local governments are set out in Articles 151 to 164 of the Constitution. Moreover, the Constitution states that local governments may acquire additional powers as they build greater institutional capacity. Indeed, Section 156.4 of the Constitution specifies that the central government and the Provinces delegate some of their functions to the municipalities, provided that they have the capacity to carry out these functions. Powers are devolved gradually, as the municipalities progressively strengthen their capacities and become financially viable. South African metropolises and large cities take advantage of this provision to increase their range of powers, to the point where some cities have larger budgets than their surrounding provinces.

There are local governments throughout the country, and these are led by elected executive bodies and councils; the most recent elections took place in 2016. However, each Province chooses one of three types for the administration of its local governments: the collective executive system (executive authority is exercised by a mayor and executive committee appointed by Council); the individual executive system (executive authority is exercised by an executive mayor assisted by executive committee that he/she appoints); and the plenary system (executive authority is exercised by a municipal council).

Local government legislation provides for community participation in local governance. The legislation outlines obligations for municipalities to ensure participation of communities in governance and provides for mechanisms and structures for communities, especially in areas such

as planning, budgeting, implementation, monitoring and evaluation. The culture of citizen participation in governance is now commonplace and fully entrenched in South Africa, resources are distributed among the three levels of government (central government, provinces, and local governments) on the basis of formulae and a series of intergovernmental consultations. The principle of cooperative government allows for reaching consensus on the amounts to be allocated to each level of government. The amounts are allocated on the basis of a pre-determined formula based on statistical factors such as poverty index, population size, infrastructure backlogs, etc. The formula is continuously revisited based on new data, reviews by inter-governmental bodies such as the Finance and Fiscal Commission (FFC), and through inputs from the central state departments, provinces and local governments through the South African Local Government Association (SALGA) based on the Constitutional principle of cooperative governance. The amounts are allocated on three-year budget cycles which creates certainty about the amounts allocated annually to the respective levels of government.

Local governments exercise total control over their tax base. They collect local taxes and have regulated access to financial markets.

The framework of reference for local administration staff identifies five departments. The first fulfils the main functions of strategic integrated planning, urban planning and economic development. The second is finance, which fulfils functions such as budgeting, revenue collection and financial management. The third is corporate services that carries out internal support functions (information technology, Internet, communications, evaluation and follow-up). The fourth is community services that deals with services to citizens: public safety, social development, libraries, sports and recreation, etc. The fifth is infrastructure and services that include the provision of water, sanitation, electricity, and roads and storm water.

The conducting of local government audits and performance assessments should be one of the strong points in South Africa's cities. The Constitution states that local governments are to be audited by two bodies: the National Treasury and the office of the Auditor-General. The former is responsible for improving management of public institutions, and the latter is responsible for oversight and control of public finances in general. Performance evaluation of local governments is provided for by a provision in Article 155 of the Constitution, although the two requirements for transparency and efficient performance are not regularly observed. However, the National Treasury imposes rigorous budgetary discipline and control over all public policies. In response to concerns about the financial viability of local governments, the Department for Cooperative Governance and Traditional Affairs (GoGTA) set up the Project Viability, a monitoring system on the financial status of local governments. Financial oversight of local governments is further strengthened by the Municipal Finance Management Act and Division of Revenue Act, which regulates the modalities by which provincial governments and the national government may intervene to restore the financial balance of local governments.

South Africa is currently trying to recover some of the significant ground that was lost in the past few years through the systematic weakening of public institutions at all levels, through a process popularly known as 'State Capture'. The impact on local governments has also been significant: in his Audit of South Africa's Municipalities for 2016-17, the Auditor-General voiced his concern over an increasing lack of accountability amidst declining local government audit results. (www.agsa.co.za). The Auditor General recorded, inter alia, the poor quality of financial statements, with only 13% of the audited municipalities achieving clean audits; widespread non-compliance with legislation; and an increase in irregular expenditure.

South-Africa launched last year its new urban strategy, but the financial and technical arrangements and capacities necessary to implement it are lacking.

Although the South African Constitution does not provide for quotas to ensure adequate representation of women in elected public bodies, 'nor are there any legal quotas established for national or provincial elections,' the ruling African National Congress (ANC) is the only political party in South Africa that has 50/50 representation in its policy frameworks.

The contribution South Africa's cities could make to realising the targets for low carbon development was outlined in the country's recent submission of its Intended Nationally Determined Contribution (INDC) to the UN Framework Convention for Climate Change (UNFCCC).

Areas to improve

With a rating of 39 out of 48, South Africa provides one of the most enabling environments for city and local government action according to the criteria chosen. However, certain areas could be improved.

- **The first improvement** would be to see how long-term planning and regional/district governance will support greater inter-governmental planning and cooperation towards improved urban development. The current Integrated Development Planning requirement is the basis for greater cohesion between inter-governmental planning, the activities of ministries and provinces, and the programmes of the local governments, but is focused only on five-year planning horizons.

- **Secondly**, the National Treasury and stakeholders continuously review the fiscal frameworks for municipalities to encompass all their revenue sources and expenditure responsibilities. Currently three unconditional grants, ten conditional grants and seven capacity-building grants are available, and a new integrated urban development grant and a municipal restructuring grant are being developed. The local government equitable share is also being reviewed. It has three components in the current formula, namely a basic service, community services and institutional components. The basic services component funds the cost of providing free basic services to poor households. In relation to the criteria used to assess financial transfers, these transfers are transparent, predictable and clear but have restrictions in the majority of grants in order to improve efficiency and accountability.

- **The third area** for improvement is local government human capacity as inadequate capacity has negative repercussions on their execution of the functions assigned to municipalities. The national government has issued significant new directives on minimum requirements for key positions and capacity-building efforts to bring the capacities of municipalities up to scratch. This applies, in particular, to the small and rural municipalities. Since municipalities lack expertise in developing projects and implementing investments, some of the funds available at the central government level are not transferred due to a lack of satisfactory projects. This situation strengthens the positions of those municipalities that have a high level of institutional development and weakens those with a low level of expertise. Efforts to harmonise staff salaries have been undertaken, yet disparities still arise where salaries are determined on an individual basis. ■

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Sudan

15/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	The legislation is unstable and inconsistent.....	1
3	Local assemblies and executive bodies are appointed.....	1
4	Resources are not transferred or are transferred erratically and irregularly.....	1
5	The central government defines and collects local government revenues.....	1
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.....	1
7	No rules or legal provisions on transparency in the running of local governments exist.....	1
8	There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation.....	2
9	Local government performance is not assessed.....	1
10	No national urban strategy.....	1
11	The country plan does not provide any or just 1 of the mechanisms of gender equality.....	1
12	The country plan does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

Sudan knew only war from its independence in January 1956 to the peace agreement in 1972, and then war again in 1983. In this context, Sudan faced institutional instability in which 'people's revolutions' were followed by military regimes and where ideology ran the gamut of capitalism to communism to religious fundamentalism. Sudan is one of the largest countries in Africa. It is multi-racial, multi-lingual and multi-religious; its people, resources and natural conditions are all extremely diverse.

To preserve the country's unitary nature, the solution to the problems of the country's size and diversity was found in the principle of administrative decentralisation to the provinces and, later, in the creation of regions to which responsibilities were transferred. This led to the establishment of the people's local government in 1971. Regional autonomy was granted to the southern region in 1972, following the Addis Ababa Accord. The Law of 1980 created regions outside the northern provinces, and responsibilities were transferred to the regional councils. The unrelenting trend since independence has therefore been to grant greater responsibilities to local governments out of administrative necessity and in response to the legitimate aspirations of ethnically and culturally diverse populations.

The most distinctive feature of Sudan is the different treatment granted to southern provinces in the Constitution, which offers them expanded responsibilities—quite the opposite of the northern regions. Indeed, identity-based claims were strongest in these southern regions, and the civil war did the most damage there. This different treatment of various parts of the territory is strongly reaffirmed in the interim Constitution of 2005. The Constitution reaffirms the federal structure of the nation by institutionalising these regional, ethnic, cultural and linguistic differences.

The local government system has also shifted over time. First, the Local Government Act of 1961 introduced the regional and local governments, which were subsequently abolished in 1969 by community structures. In 1991, a large change was made with the introduction of a federal

structure. The federal decree divided the country into nine states. The states were subdivided into 66 provinces and 218 local government sectors or zones. Then, the constitutional decree of 2 February 1994 created 26 states, subdivided into 66 provinces and 218 zones.

After the independence of South Sudan (composed of ten states) in 2011, the country was subdivided into 18 states.

The interim Constitution acknowledges each state's right to define its own legislation for its local governments, which makes decentralisation law highly changeable and unstable over time and space.

The central authorities appoint local assemblies and executive bodies.

Sudan's states and local governments have a very limited capacity for revenue generation and tax collection and are consequently highly dependent on fiscal transfers from the central government. Yet fiscal transfers to states and local governments continue to be plagued by limited transparency and a lack of predictability. This creates a perception of patronage and a politicisation of relations between central government and state authorities.

In Sudan, local administration capacities are still in their infancy; there are few qualified staff in local government. The country has neither a national strategy to build the capacities of local administrations nor a national framework of reference defining the qualifications and responsibilities of local government staff. There is little local experience with capacity building.

The legislation on local government does not provide for oversight of financial management by local governments, and local government books are not audited.

Sudan does not have any specific laws on citizen participation in managing local affairs, but the federal government system assigns important roles to people's initiatives and communal participation in local urban development.

Sudan was 34.6% urbanised in 2018 and is projected to reach 52.6% in 2050 (World Urbanization Prospects: The 2018 Revision). The country does not have an urban strategy.

Sudan does not have a quota for local elections. However, Sudanese electoral law states at least 25 per cent of seats in Parliament are reserved for women through a proportionate representation system. A list of women candidates can only be prepared by political parties, and there is a party list in each state.

Local governments are not involved in national programmes and projects on climate change.

Proposed Reforms

With a score of 15 points out of 48, Sudan is one of the countries where the environment is generally unfavourable to city and local authority action. Improving the national institutional environment so that it is more favourable to cities and local authorities suggests the following structural reforms.

- **The first reform** should deal with the responsibilities already transferred from the central government. Sudan is a federal country in which the federated states have extensive autonomy, including legislative autonomy. In addition to these two spheres of power, there are the local governments, which stand out for their geographic and ethnic diversity and the diversity in laws and regulations governing them. According to the decentralisation framework laws, spending responsibility for basic services (primary health, basic education, and water) has been transferred to the states and the local level in theory. In practice, the application of these sectoral policies is done by the line ministries and, to a lesser extent, by the states. Overall, the division of responsibilities between the federal government and the states and, more importantly, between the federal and local levels is not very clear. In all cases, local governments are confined to basic tasks, such as public health, because of a lack of financial resources. More worrisome is the fact that the Constitution gives states the latitude to draft their own legislation on local government. Most states have not drafted new laws governing local government powers and responsibilities. This gap is one of the constraints on the national institutional framework; it complicates real assumption of responsibilities. The reform should attempt to overcome this institutional gap and clarify responsibilities by determining the vertical allocation of responsibilities between the federal government, states and local governments. It should also clarify and coordinate a very complex institutional framework for the division of responsibilities across the various spheres of local government.

- **The second reform** deals with financial transfers. Sudan is characterised by a significant mismatch between the role that the Constitution attempts to assign to the local governments and the national revenue allocated to these local governments. This vertical imbalance also exists between the federal government and the states. It is caused by the gap between the large number of responsibilities transferred to the local governments and the associated compensation transferred. This imbalance can also be explained by the difference between the states' own revenues (they have small revenue streams)

and the revenues of the federal government (which has major revenue streams, e.g. oil and income tax).

The reform should also address horizontal imbalances between states and local governments. These horizontal imbalances are caused by differing abilities to collect own revenues (differences in people's needs because of different levels of development, population, etc.) and the different costs involved in providing local public services due to different local conditions. The reform should make the line ministries' actions more compatible with fiscal decentralization and emphasise making intergovernmental financial transfers more transparent, predictable, efficient and equitable. Greater fiscal decentralisation is inseparable from the establishment of modalities to ensure oversight over local governments' financial management. For this reason, the reform should also tackle how the central government can audit local books and how citizens may exercise oversight over local government action to improve the quality of local public spending. Finally, given the need to increase the financial autonomy of local governments, the reform will develop a component on local governments' mobilisation of own revenues.

- **The third reform** deals with the urban strategy. Urbanisation has been very dynamic but little documented in Sudan since independence. One of the main objectives of the urban strategy should be to monitor, understand and project urbanization trends for evidence-based urbanization strategies. A second objective would be to encourage urban centres to elaborate differentiated development strategies and propose a plan to manage settlement patterns and the associated technical, human and financial resources.

- **The fourth reform** should deal with gender equity. The determination of quotas for gender representation in local elections will help to increase the role of women in local governance.

- **The fifth reform** concerns the involvement of local authorities in the fight against climate change. Local governments must be included in national programmes and projects to combat climate change and be enabled to access climate funds. ■

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Swaziland

27/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution contains provisions that implicitly or explicitly restrict the actions of cities and local governments.....	1
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.....	3
3	Local assemblies and executive bodies are elected, but not necessarily throughout the country.....	3
4	The transfer of resources to local governments or their distribution among local governments is predictable according to a transparent formula.....	2
5	Local governments have some latitude to determine existing tax base and rates, but the central government is responsible for setting new taxes and accessing loans and financial markets.....	3
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.....	2
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes exist but are not systematically followed.....	3
8	There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation.....	2
9	Local government performance is assessed irregularly.....	2
10	A clear national urban strategy exists, along with the financial and technical arrangements and capacities necessary to implement it.....	4
11	The country does not provide any or just 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

The Kingdom of Swaziland is a constitutional monarchy with two recognised spheres of power: the central government and the local governments. Swaziland is a mainly rural country (70 per cent of the population lives in rural and semi-rural areas), but a process of urbanisation is underway. While the Ministry of Economic Planning and Development's National Development Strategy (NDS) does not contain the word "urban," Swaziland has emphasised territorial development with the implementation of the Local Government Project. The aim of this project is to help the Kingdom of Swaziland institutionally strengthen rural local governments (tinkhundla) and urban local governments. It has three components. The first is infrastructures in the tinkhundlas and capacity-building support. The second component has two sub-components: it provides (a) incentive grants for small-scale infrastructures in local governments, and (b) capacity-building support.

The history of decentralisation is relatively recent in Swaziland. In all, the country has had three local elections, in 1994, in 2008 and in 2012, respectively. But it was the ratification of the new Constitution in 2005 that gave decentralisation its second wind. This new Constitution does not establish a lasting system; instead, it specifies a transition rather than a definitive situation. Articles 218 to 226 of the Constitution explicitly acknowledge local governments and set a deadline for a reform of the system. In Article 226, it explicitly assigns Parliament the job of defining responsibilities, control and supervision, and elections.

Swaziland is nevertheless a unique case. The two categories of local government – urban (12) and rural (55) – do not have the same institutional existence. There are three types of urban municipalities: two municipal councils, five town councils, and five town boards. While these urban municipalities have the right to administer themselves

freely, the rural local governments, called tinkhundla, have very little autonomy. The legislation setting the operations of urban municipalities is the Urban Government Act No. 8 of 1969.

On the legislative framework side, the Urban Government Act and Regulations need to be amended to incorporate the new laws, policies and regulations, such as the National Procurement Act, the Public Finance Management Bill, Tinkhundla & Administration Bill, among others.

Another unique aspect to Swaziland is the exclusion of political parties from local elections, although this has been heavily criticised by a growing number of national stakeholders. The new Constitution of 2005 legitimises this retreat from the principle of local autonomy by specifying that local governments may be run by elected, appointed, or partially elected and appointed officials (Art 220). This provision also goes against the principle of free administration by local governments. The latest local elections were held in October 2017 and the next are scheduled for 2022.

Transfers to local governments are both conditional and unconditional; they are stipulated in Article 86 of the Local Government Act. The national amount is allocated using night-time population and is disbursed on a quarterly basis.

Local governments are authorised to set taxes and levies within their borders and collect the corresponding revenues.

For key personnel the qualifications are defined in the Urban Government Act. However, there is no Human Resources Development Framework; each municipality develops its own.

Chapter XI of the Urban Government Act is largely devoted to audits, but they are not systematic.

The Urban Government Act does not contain any provisions on participation. Budgeting is now participatory, and regular ward meetings are held.

Local government performance assessment does not appear in the law. However, the Swaziland Local Government Project (SLGP) has introduced a performance appraisal system.

There is no gender quota at the local level.

Local governments are not involved in national programmes and projects on climate change.

Proposed Reforms

With an overall score of 27 points out of 48, Swaziland is one of the countries whose progress towards an enabling environment for cities and local governments would require significant reforms. Several reforms are envisaged.

- **The first reform** should support the new reform of local government written into the 2005 Constitution which stipulated that the Parliament must, within five years, establish a single local government system (based on the tinkhundla system) that is hierarchically organised based on the scope or complexity of the service to provide. The territorial division could, according to the Constitution:

- a. Consider the territories of traditional chiefs;
- b. Take into account tinkhundla borders;
- c. Integrate urban and rural zones if needed; and
- d. Take into account: (i) population, physical size, geographic features, economic resources and existing or planned infrastructures in each sector, and (ii) the possibility of facilitating the most reasonable management and use of resources and sector infrastructures with the aim of ensuring that local governments have interesting opportunities to become economically sustainable.

This reform would have the advantage of being directly integrated in the national institutional and constitutional system.

- **The second reform** concerns fiscal transfers to local governments. Three factors argue for a total overhaul of the local government transfer system. The first is the lack of clarity in the current system. The various overall and specific grants allocated to local governments cannot be known in advance. The statistics on night-time population the government uses to determine grants are outdated, as the census is not done frequently. The national amount of these transfers is generally determined in an ad hoc manner, and distribution formulas, when they exist, are elaborated by the Minister of Local Government's cabinet without any consultation of the local governments. The second factor arguing in favour of an overhaul of the transfer system is the prospect of the overhaul of the local government system ordered by the 2005 Constitution. The shift from 12 urban municipalities to 77 municipalities (adding the 55 rural municipalities) will probably require a complete overhaul of the system to take into account new issues dealing, for instance, with the financial situation of the tinkhundla, the level of institutional development, and development delays, to cite only a few areas.

The third factor is the growing tension opposing local governments and the central government because of

regional integration. Local governments are directly affected by the challenges facing the national treasury because of the drop-in revenues from regional customs duties (the Southern Africa Customs Union – SACU), which make up to 60 per cent of the national budget. Because of the crisis, grants to local governments have been cut by 10 per cent or more. The fourth factor is the local governments' shift from yearly to five-year planning, which raises other constraints, notably in regard to the predictability and stability of local government revenues. All these factors argue for a complete overhaul of the system and the consideration of certain concerns such as incentive and equalisation. This will be the main objective of the reform.

- **The third reform** concerns managing public spending on the local level. All local governments are supposed to submit their books for annual audits. According to the Urban Local Government Act, at the end of each budget year, each local government must designate an outside independent auditor with the approval of the Ministry of Local Government. If a local government does not do so, the Ministry may designate an outside auditor at the local government's expense; but this disposition of the Urban Local Government Act is not applied. In practice, the audits are done through the conditional grant of the Swaziland Local Government Project. One of the requirements to qualify for the grant is the annual audit, and it should be done on time and presented to the Ministry of Housing and Urban Development within 6 months of the end of the fiscal year. The system to assess local government performance in the provision of local public services must be improved. At this time, it is based on provision of local public services, which includes participatory budgeting as well as annual reporting. There is no specific legislation on citizen participation in local administration, even if there is participatory budgeting process and regular ward meetings. These three dimensions could be the subjects of a reform that would aim to strengthen and improve the quality of local public spending.

- **The fourth reform** aims to increase the participation of women in local governance. The reform will focus on gender quotas to reinforce women's presence in the governing bodies of local governments.

- **The last reform** should focus on the contribution of local governments to the climate agenda. Local governments should be capacitated to elaborate bankable projects and have access to climate funds. ■

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Tanzania

34/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3	
2	The legislation is unstable and inconsistent.....	1	
3	Local assemblies and executive bodies are elected throughout the country.....	4	
4	The transfer of resources to local governments and their distribution among local governments are clear and predictable, with utilisation ... determined at the national level (conditional transfers).....	3	↑
5	Local governments have some latitude to determine existing tax base and rates, but the central government is responsible for setting new taxes and accessing loans and financial markets.....	3	↓
6	There is a national framework of reference that applies to all local governments in the country defining the qualifications and responsibilities of local government staff, and a national strategy for training and promoting human resources in local governments.....	4	↑
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes exist and are applied.....	4	
8	National legislation on citizen participation exists and is applied.....	4	↑
9	There is legislation on measuring local government performance, but performance is assessed by the authority responsible for supervising local governments.....	3	
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking....	3	↑
11	The country does not provide any or only 1 of the mechanism of gender equality.....	1	
12	The country does not provide any or only 1 of the mechanisms in the fight against climate change.....	1	

Explanation of the Rating

Tanzania is a unitary republic with two governments: The Government of the United Republic of Tanzania and the Government of Zanzibar. In Tanzania, the decentralisation policy was developed in the 1990s and is part of a broader reform of the civil service and the country's economic liberalisation. The local government reform policy was approved in 1998 and has been supported since the 2000s by the Local Government Reform Programme (LGRP).

Articles 145 to 146 (Chapter 8) of the Constitution of Tanzania officially establish decentralisation. As a bipartite Confederation, each of the two governments has its own local government ministry and laws, since decentralisation is a non-union matter. The principal local government laws in mainland Tanzania are: The Local Government (District Authorities) Act 1982 and Local Government (Urban Authorities) Act 1982, both of which were significantly amended by the Local Government Laws (Miscellaneous Amendments) Act (No. 9) 1999. The Zanzibar Local Government Authority Act of 2014 Bill 45.2d was put forward to the Assembly in October 2014 to replace the Zanzibar Municipal Councils Act of 1995 and the District and Town Councils Act of 1995. The duality in decentralisation legislation is among the challenges of the institutional framework for local government in the country.

Tanzania has 26 administrative regions and 185 local authorities comprising 138 districts, five cities and 18 municipalities. The councils and executive bodies of all local authorities in Tanzania are routinely elected.

The law provides for grants to Local Government Authorities (LGAs) in the sectors of education, health, water, roads and agriculture. These grants cover recurrent expenditure, which includes salaries and operating expenses. The charges associated with operating expenses are calculated by formula, and the funds for salaries are disbursed by payroll. Conditional transfers form

approximately 80 per cent of the total, with unconditional transfers making up the remaining 20 per cent.

Tanzania is one of the few African countries where local governments have significant autonomy to create taxes and levies, despite the requirement of prior approval by the supervisory ministry. This autonomy may, however, be put to test by the apparent indications that may lead to the recentralisation of some of the locally collected taxes.

Local governments are audited annually and reports are submitted to the Parliament of United Republic of Tanzania.

Capacity building of the local authorities is undertaken by various interventions implemented within different national policy frameworks, including the Local Government Reform Programme, whose third phase is expected to commence in 2019. The capacity building is also guided by the Local Government Staff Regulations of 2000 and the Public Service Staff Regulations of 2003. This undertaking was reinforced by the creation of a capacity-building unit in the Ministry of Local Government in 2015.

Amendments to the Local Government (District Authorities) Act 1982 provide for councils to organise public hearings for people to question political leaders and staff. Councils are also empowered to establish service boards, open to all citizens in the area, providing an opportunity to influence service provision.

Tanzania is one of the few countries that assesses local government performance in the provision of local public services. Routine assessment has, however, been affected by transition of the LGRP into the third phase. The government assessment is complemented by UCLG Africa's Mayors Award Scheme initiative, which has been held in Tanzania since 2015.

The national urban strategy was prepared by the Planning Commission to guide social and economic development to 2025. Tanzania has articulated its near-term development goals and proposed pathway in the Five-Year Development Plan II titled "Nurturing industrialisation for economic

transformation and human development.” It is also a signatory to a range of global agreements, including the 2030 Agenda for Sustainable Development,, the Paris Climate Agreement, and the New Urban Agenda.

In Tanzania, at least 30 per cent of seats are reserved for women in local governance bodies.

The institutional framework partially provides for the inclusion of local and regional authorities in the implementation of the national agenda on climate change.

Areas to improve

With a rating of 34 points out of 48, Tanzania is one of the countries whose environment is rather favourable to the action of cities and local authorities, but where some improvements are needed.

- **First**, it is proposed that the legislation on local government be harmonised with other laws that relate to the needs and operations of the local governments. It is similarly important for the legal framework to clearly and more specifically outline the responsibilities and functions of the key stakeholders in local service delivery. These include the regional administration, local authorities and national ministries, agencies and departments. In Tanzania, the major lines of the decentralisation reform derive from the Local Government Reform Policy Paper (1998). This policy blueprint presents a clear vision that is yet to be fully translated through institutional reforms that have the force of law. The Local Government Reform Programme has attempted for more than ten years to consolidate scattered local government legislation in a single, comprehensive document and harmonise legislation, without much success. In the absence of legal provisions embedded in the Constitution, it remains difficult to implement the 1998 policy blueprint. The reforms should focus on laws and regulations on local government as well as other laws that have an impact on the decentralisation process.

- **The second suggested improvement** is to harmonise the local and national tax regimes. While Tanzanian local governments have extensive powers in local taxation matters, they face several constraints. Foremost, the number of local taxes and levies varies between 25 and 60 depending on the district. Similarly, the applied rates also vary among the local councils. In addition to these distortions between districts, some activities are faced with double taxation, which is a hindrance to economic efficiency. The law stipulates that economic entities pay taxes to the central government and to local governments. There does not seem to be optimum coordination, however, between the central government and the local governments on taxation regimes. The situation is compounded by some inconsistencies between national and local policy objectives, for instance, on export. It is further proposed for such a reform to also address the constrained local tax base and rationalise local taxes with the aim of improving tax revenues, which currently make up no more than 10 per cent of local budgets. Local governments control over the tax chain makes it very costly

to collect local taxes. Local tax collection costs can reach 80 per cent of the sums collected, or even 100 per cent in certain districts.

- **The third proposed improvement** is to the local government personnel system. It is recognised that Tanzania has a largely unified staffing policy, in which the heads of the local government civil service and other senior and middle level cadres are recruited, appointed and managed by the centre. While the district councils have a role to play in that process, especially in respect of disciplinary action, good decentralisation entails the devolution of administrative functions. Civil servants are among the central components in the local service delivery systems, and therefore ought to be under the control of the local councils that they serve.

- **The fourth improvement** is on financial transfers from central to local governments. In Tanzania, there are four types of grants from central to local governments; three are recurrent and the other for capital development. The recurrent grants are sub-categorised as personal emoluments, other charges and subventions. A small part of these transfers is unconditional, and the larger part consists of conditional grants that are ring-fenced to implement various sector-specific policies and programmes. There are two problems concerning the transfers. First, they are determined on an ad hoc basis and do not correspond to the cost of the transferred responsibilities. Second, the formulas that are supposed to guide in the determination and distribution of the transfers are at times not followed to specifications, and some are not equitably fair. The reforms in this respect should ensure the aspects of predictability, stability and equality in the determination and allocation of the transfers.

- **The fifth improvement** will focus on the effective realisation of Tanzania’s Nationally Determined Contribution as stipulated by the Paris Agreement, which implies that the NDCs are territorialised and that local and regional governments are empowered to develop and implement concrete, measurable action programmes that meet the criteria of the agreement’s Measure, Notification and Verification process. Local governments should also be eligible for climate funds. ■

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The Gambia

23/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the constitution, but some relevant statutory laws and regulations are missing.....	3
3	Local assemblies and executive bodies are elected throughout the country.....	4
4	Resources are not transferred or are transferred erratically and irregularly.....	1
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.....	2
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, or a national strategy for training and promoting human resources in local governments; but they concern only a few local governments.....	2
7	Only partial rules and legal provisions on transparency in the running of local governments exist, and they are not systematically followed..	2
8	There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation.....	2
9	Local government performance is not assessed.....	1
10	No national urban strategy.....	1
11	The country does not provide any or just 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

The Constitution of The Gambia stipulates in Article 193 that local government administration shall be based on a system of democratically elected councils with a high degree of local autonomy. It also stipulates that the National Assembly shall pass an Act establishing city councils, municipalities, and area councils, all designated as local governments. This Act shall also define the territorial borders within which each local government has jurisdiction.

There are three types of basic local government units: 1,500 area councils, 114 municipalities and eight city councils.

The Local Government Act specifies the functions, powers and duties of local governments in The Gambia, particularly in regard to the relationships between local governments and the central government, as the latter is in charge of implementing decentralisation through the intermediary of the Ministry of Local Government and Lands.

Under the law, the sector-specific departments may, after consulting the Ministry of Local Government, transfer functions, services and duties to local governments. For this to happen, however, the central government and the council of the local government in question must agree to this, and the appropriate human, financial and material resources must be made available for the fulfilment of the transferred responsibilities.

Local government council members are elected for a four-year term of office. Mayors are elected by direct universal suffrage as stipulated in Article 194 of the Constitution. The most recent local elections were held in April 2018.

The law provides for the transfer of financial resources to local governments, but these transfers are not yet predictable or stable.

Article 20 of the Local Government Finance and Audit Act of 2004 indicates that each local government has the right to raise revenues from taxes and levies within its territory in order to finance the responsibilities transferred to it. However, this latitude is bound by the General Rates Act of 1992.

There is an urgent need for progress with respect to the building of local capacity. There is a framework of reference detailing staff qualifications and responsibilities, but no strategy on capacity building for local administrations. Several experiments should be noted, however. The Poverty Alleviation and Capacity Building Programme financed by the World Bank, which recently closed, helped the Councils build their own resources and the capacities of their financial management staff. Another training programme, the Support to Decentralisation and Local Government (SDLD) programme, has been formulated and aims to build the capacities of local councils so that they can play their role in the decentralisation process. The Gambia has also established service rules for local government service staff to help structure professions and guide the hiring of local administration personnel.

Article 40 of the Local Government Finance and Audit Act of 2004 stipulates that the Auditor General shall audit the books of each local government every year and report any discrepancies found. The report shall be brought to the attention of the Council. The books of each Council shall be audited by the Auditor General or by an auditor designated by the Auditor General. In practice, however, these audits are only occasional.

The Gambia does not have any specific laws on the people's participation in managing local affairs, but several mechanisms exist to involve the population.

Gambian law does not provide for mechanisms to assess local government performance.

The Gambia does not have an explicit national urban strategy, but some priorities have been defined by the national report elaborated for Habitat III.

The country has no provision for the participation and representation of women in public life. However, it should be noted that in the 2018 local elections, Banjul residents elected Rohey Malick Lowe as the first woman Mayor to lead the capital city.

There is no provision on the participation of local authorities in combating the effects of climate change.

Proposed Reforms

With rating of 23 points out of 48, The Gambia is one of the countries whose environment is generally unfavourable to the action of cities and local authorities. Four reforms are necessary for The Gambia to advance in creating an enabling environment for cities and local governments.

- **The first reform** concerns the transfer of resources from the central government to the local governments. The law stipulates that decentralising responsibilities to local governments implies the concomitant transfer of the means to fulfil these responsibilities. This is why the law recommends that local governments' financial resources should include subsidies or grants from the central government for recurrent expenditures, grants to accompany transfers of responsibility, and special grants for capital investments. Among other things, given the narrow tax base of local governments, the law provides for central government grants as follows: a general subsidy not to exceed 10 per cent of local government investment budgets; a grant to finance programmes decided jointly by the central government and the local Council in an agreed-upon amount; and an equalisation subsidy to finance local government spending where local public service provision standards are below the national average. In addition, the law allows the President of the Republic to establish an ad hoc consultative committee comprised of local elected officials, line ministries, and other parties. This committee should meet annually before the adoption of the finance bill to issue an opinion on the national revenue distribution between the central government and local governments and the division of responsibilities transferred by the central government to the local governments. However, all these mechanisms stipulated in the law are not implemented. The reform should make these various instruments operational and define transparent ways of distributing grants among local governments.

- **The second reform** concerns urban strategy. Nearly 61.3 per cent of the population of The Gambia lives in urban areas (World Urbanization Prospects: The 2018 Revision), and UN projections show 77.2 per cent urbanisation by 2050. This urbanisation raises considerable challenges for territorial planning. The population of The Gambia is greatly concentrated in the Greater Banjul Area, which comprises the morphologically distinct agglomerations of Banjul and the Kanifing Municipal Council, a tiny zone that takes up one per cent of the country's total surface area but is occupied by more than one third of the total population. Hindered by Banjul's configuration, the population spread to Kanifing, which became the

largest city in The Gambia between 1970 and 1980. The expansion of Kanifing increased the territorial imbalance, and projections show that this trend will intensify in the future. For its part, the population of Banjul began to decline in 1983 and was barely 300,000 in 2015. Even today, The Gambia still has fewer than 10 cities with populations in excess of 10,000, while the cities of Banjul and Kanifing have populations of 400,000 and 300,000 respectively. The urban strategy, which the Government anticipated in its national report prepared for Habitat III in December 2015, should address the issues of national territorial planning and the economic aspects of this urban structure.

- **The third reform** relates to the representation of women in public life. The Gambia remains one of the few countries in West Africa where the general situation of women is one of reflection. Even though a few women manage to assume important responsibilities, it is clear that no provision is envisaged for their promotion and their active participation in public life. There is a need today to take appropriate measures to promote the active participation and representation of women in the spheres of both local and national public management.

- **The fourth reform** should aim to take adequate measures to combat the effects of climate change, through the establishment of a national policy involving local authorities and especially allowing them to access international climate finance mechanisms. ■

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Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are appointed.	1
4	Resources are not transferred, or are transferred erratically and irregularly.	1
5	Local governments have some latitude to determine rates for existing taxes, but the central government is responsible for setting the tax base for existing taxes, creating new taxes, and accessing loans and financial markets.	2
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2
9	Local government performance is not assessed.	1
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.	3
11	The country does not provide for any or just 1 of the mechanisms of gender equality.	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1



Explanation of the Rating

The major founding text on decentralisation in Togo is the Constitution of the Fourth Republic, adopted on 14 October 1992, which adopts the principle of decentralised administration of the national territory. In Title XII 'Local Governments and the Traditional Chieftaincy', the Constitution organises the country in territorial governments based on decentralisation while respecting national unity. It recognises three levels of decentralisation: the municipalities, prefectures and regions.

In 2004, the government elaborated several laws within the scope of the decentralisation process and the sectoral policy letter adopted in June 2004. The decentralisation and local democracy law was passed on 1 March 2006. It established the territorial government code, made official the free administration of local governments, and defined three levels of decentralisation: the municipality, the prefecture and the region. Two types of municipalities are stipulated: urban municipalities located in prefecture capitals, and rural municipalities whose territorial base is the canton. This law provides for a special status for the city of Lomé and the Gulf community.

A dozen years of deep-reaching socio-political crisis have weakened the foundations of decentralisation. As a consequence, the law on decentralisation passed in 1998 has never begun to be implemented. For several years, the drop in political tension has seemed to offer new prospects for decentralisation and an enabling environment for cities and local authorities. According to the new laws and regulations, the country has begun the process of creating municipalities throughout the entire country. The prefectures and regions have been added to the first level of decentralisation. But the councils and chief executives of these local governments are still appointed, which goes against the Constitution that stipulates in Title XII that the 'territorial collectivities administer themselves freely with councils elected by universal suffrage under the conditions set forth in the law.' However, the major challenge is manifesting this political will by holding the next local

elections, the last of which were held nearly thirty years ago. Local elections were initially scheduled for 2014 but these have been delayed many times and are now set for 2021.

The country has five regions, 35 prefectures and 35 municipalities ('communes'). The Law of 1998 covers the devolution of responsibilities to the local governments. But the responsibilities themselves are relatively vague. The law says the municipal council handles the affairs of the municipality through its deliberations. Nothing else is specified on the content of said affairs. A list of subjects on which the municipal council must give its opinion is simply mentioned. Not only have the municipal councillors elected in 1987 never submitted their terms of office to universal suffrage, but also they were replaced in 2001 by special delegations to the municipalities.

Despite the decentralisation framework laws that provide for concomitant transfers of responsibilities and resources, no financial transfers have been set up for local governments. The local tax system consists of a host of taxes: the tax on developed and undeveloped land, the professional tax, the poll tax, the supplemental tax on salaries, the special tax on production and sale of drinks, the tax on drinking water and electricity distribution, the tax on shows, games and entertainment, the operating tax on local construction companies, etc. Local governments do have, however, some latitude in regard to the rates of certain local taxes. Indeed, the local council sets, through its deliberations, the rates of these taxes up to the ceiling set by the finance act. The lion's share of municipalities have unskilled agents. They are hired based on available resources.

Togo does not have a specific training institution for local executives, although the National School of Administration (ENA, 'École Nationale d'Administration') helps retrain local staff. There is neither a national framework of reference defining the qualifications and responsibilities of local government staff nor a national strategy to build the capacities of local administrations.

Audits of financial accounts for the local governments are not current, except for the city of Lomé; however, the

Inspector General of the central government carries out periodic controls on management of the local governments. Togo does not have any mechanisms for promoting gender equality, but a draft law on parity is being reviewed.

Togo does not have any mechanisms for including local governments in the fight against climate change. However, in October 2017, a national capacity-building campaign was launched for subnational governments as part of the Nationally Determined Contributions. The subsequent document contains policies defined by Togo regarding greenhouse gas reductions and the financial requirements for the country to adapt to climate change.

Proposed Reforms

With an overall rating of 21 out of 48, Togo is in the group of countries with an environment that is globally unfavourable to the action of cities and local authorities. Its improvement would involve the following reforms.

- **The first area** of reform to improve the environment for cities and local authorities is to create clear legislation on the division of responsibilities between the municipalities, prefectures and regions. For the moment, legislation says that the municipal council should provide its opinion on: the direction and programmes for the national development plan; the projects regarding development of national, regional and prefecture roads in the municipal territory; the guidance plans for urbanism and details; management of economical and sectoral affairs; environmental protection. In terms of responsibilities transferred to the prefectures, the law states that they should include the following matters: management of economic and social affairs; environmental protection; organisation of rural activities and development projects for national, regional and prefecture roads; collective infrastructure and equipment. In general, the prefecture is responsible for promoting economic, social, scientific and cultural development in its territory, while respecting the integrity, autonomy and responsibilities of the municipalities. At the regional level, these responsibilities apply to the following matters: development and classification of regional roads and paths; the management of pay roads; regional planning and development. The various responsibilities overlap and currently, there is no distribution of responsibilities between these sub-national governments and the central government. Some legislation is in progress to carry out this distribution in order to avoid conflicts of responsibilities, but progress is slow.

- **The second reform** addresses transferring financial resources from the central government to the local governments. The decentralisation law transferred responsibilities to the sub-national governments. However, the central government's effort to transfer resources to the municipalities does not meet the municipalities' needs and expectations. Few municipalities receive a grant from the central government, which is responsible for removing household waste, as is the case with Lomé and Kara. This situation impacts the level of investments. More and more municipalities have budgetary deficits and most

municipalities have no investment budget. The fact that even the wealthiest municipality of Lomé does not make investments is symptomatic of the serious vertical imbalance that exists in the area of tax decentralisation in Togo.

- **The third area** of reform generally concerns improving the quality of local public spending. There are almost no regular financial controls exercised over local government expenditures. The audits are only exceptional and generally occur when poor management is suspected. Performance assessments of local governments in terms of providing local public services do not exist. In addition, there is no concrete method for making the local managements accountable to their people. There is no legislation providing for citizen participation in the management of local affairs. However, cities have Neighbourhood Development Committees (Comités de Développement de Quartiers, CDQ) and traditional leaders who are very close to the people, which foster accountability.

- **The fourth area** for reform concerns the management of urbanisation. With an urban population of 41.7 per cent in 2018, projections predict an urbanisation rate of about 60.6 per cent by 2050. This data shows, if there was any doubt, that adopting a positive and advanced planning approach to urbanisation is necessary. Implementing the national urban strategy created by the Ministry of Urbanism should contribute to carrying out this reform. Women's participation also represents a key area that the country should strive to improve. In fact, no legislation is planned in this matter, even though women's organisations are very active on this issue.

Finally, as a coastal country, the last reform should target better involvement of local governments in implementing measures in the fight against climate change. In order to effectively carry out NDCs, they must be implemented at the territorial level and the subnational governments should be responsible for creating and implementing concrete, measurable action programmes that meet the Measurement, Notification and Verification criteria as specified in the Paris Climate Agreement; this is not currently the case for Togo. ■

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Tunisia

27/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.	3	
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3	
3	Local assemblies and executive bodies are elected throughout the country.	4	↑
4	Amounts of the transfer of resources to local governments or their distribution among local governments are predictable according to a transparent formula.	2	↑
5	The central government defines and collects local government revenues.	1	
6	There is a national reference framework of professions within Local Governments (LGs) and a national strategy for the training and promotion of LG's human resources, but their implementation has so far only covered a few LGs.	3	
7	Only partial rules and legal provisions on transparency in the running of local governments, do exist, are not systematically followed.	2	
8	There is no national legislation on citizen participation, but there are locally organized spaces for dialogue and consultation.	2	
9	Local government performance is not assessed.	1	
10	National reflection on urbanization is underway, but an urban strategy has not yet been defined.	2	
11	The country provides for 3 of the mechanisms of gender equality.	3	
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1	

Explanation of the Rating

By unanimous vote, Chapter 7 of the Constitution of 27 January 2014 establishes decentralisation, but does not provide a clear vision for its conditions or the mechanisms for its operationalisation. Significant work has been done to clearly frame the relationship between the central government and the local governments, to redefine the territorial divisions, to bring municipalities to all parts of the country, and to create reform projects and new legislation.

In Article 131 of Chapter 7, the new Constitution indicates that "the local power is based on decentralisation, and embodied by the local governments, including municipalities, regions and districts throughout the territory of the Republic." It establishes various principles including: "the legal power and financial and administrative autonomy of the local governments who govern local affairs in accordance with the principle of free self-governance," "universal suffrage elections for municipal and regional councils," "the transfer of responsibilities based on the principle of subsidiarity and the accompanying transfer of resources adapted to the creation or transfer of responsibilities," "the solidarity among the local governments according to the principles of regulation and adequacy guaranteed by the central government, the free management of resources in the context of the budget with the obligation to respect good governance rules under the control of financial justice, exercised ex-post." Articles 137 and 138 mention participation of the local governments in the mechanisms of democratic participation and the principles of good governance, the possibility of utilising inter-communal relationships, decentralised cooperation, international cooperation and partnerships. Finally, the High Council of Local Governments is instituted in an advisory role, with headquarters located outside of the capital, keeping in mind that the revolution came from the disadvantaged interior regions. In April 2018, the Parliament adopted the local governments code, which should precisely define the role and autonomy of municipalities, regions and districts.

In terms of legislation, while awaiting the operationalisation of Chapter 7 of the new Constitution, the administrative divisions of the territory are now structured according to

a conflicting logic of independent local governments and local divisions of the central government. The country has 24 governorships subdivided into 264 delegations covering the entire national territory; these are then subdivided into 2,073 sectors or imadats. The regional councils (perimeters of governorships) are partially decentralised and are presided over by the governor, chairman of the regional council and the direct representative of the central government head. They are made up of indirectly elected officers, municipal councilors, and elected deputies from the district corresponding to the governorship. This situation should change with the next regional elections. Only 350 municipalities are legally decentralised, but they are politically and financially dependent on the central power. The municipalities currently have little responsibility, limited decision-making power, and have no systematic, structured links to citizens.

Since the 2011 revolution, Tunisia has been a vast institutional work-in-progress that involves many issues, including territorial divisions, and instituting municipalities across the country, asymmetric decentralisation as well as redefining the role and responsibilities of the regional council.

Local elections held in May 2018 replaced the specially appointed delegations with elected officials in 350 municipalities across the country.

Local governments do not have any autonomous taxation power; they cannot change the base or the rate of local taxes. Collecting revenue from local taxes is the exclusive responsibility of decentralised central government services.

A significant part of the local governments' financial system involves transfers from the central government through the Local Government Common Fund (Fond Commun des Collectivités Locales, FCCL), managed by the General Direction of Local Governments based on a multi-criteria formula. The central government also grants municipalities budgetary transfers (less predictable and transparent) in the form of exceptional grants to cover the increase in operating costs (repeated deterioration and excessive recruitment after the revolution) and for investment, also managed by the Loan and Support Fund for Local Governments (Caisse de Prêts et de Soutien aux

Collectivités Locales, CPSC) and connected to the PIC (Plan d'Investissement Communal) and to loans contracted by municipalities from the CPSC.

The CPSC and the Decentralisation Training and Support Center (Centre de Formation et d'Appui à la décentralisation, CFAD), under the supervision of the Ministry of Local Affairs and the Environment, are responsible for financing municipal investments and training agents and elected officials for the municipalities. The effort to train and re-train municipal staff continues, despite short-term difficulties after the revolution. The CFAD has a framework of reference defining qualifications and responsibilities for the local governments, and new well-equipped premises. It works closely with the CPSC and the National Federation of Tunisian Cities (FNVT) to prepare municipalities for assuming their new responsibilities.

The Audit Court is responsible for services connected to the Ministries of Finance and Local Affairs and the Environment, and financial audits for local governments, but the practical methods for ex-post monitoring of municipal acts still need to be defined.

While the Constitution references participatory democratic mechanisms and principles of good government, there is no specific legislation for citizen participation. However, Municipal Investment Plans have been created.

Tunisia has an urbanisation rate of 68.9 per cent in 2018 and trends suggest an urbanisation rate of 80.2 per cent by 2050 (World Urbanization Prospects: the 2018 Revision); therefore, Tunisia should revisit its urban strategy. The urban strategy is relatively outdated and primarily created by the ministry in charge of urbanism. Studies on urbanisation and habitat were launched, but the development of the urban strategy must be launched with all the actors involved.

For the most recent local elections, the Tunisian government established lists exhibiting gender equality, including for the list headings for each party or coalition. About one hundred lists were rejected for not respecting the parity requirements.

Local Tunisian governments are not involved in national programmes to fight against climate change.

Proposed Reforms

With an overall rating of 27 out of 48, Tunisia is in the group of countries whose improvements in the environment for cities and local authorities require significant reforms.

- **Operationalising the Constitutional provisions should be the first reform.** With a Constitution that generally favours decentralisation, the overall vision is still lacking in Tunisia, primarily due to its political and administrative aspects; it is not yet connected to a development strategy and an analysis of territorial, economic and human dynamics. Furthermore, certain ideas introduced by the Constitution still need to be explained, specifically territorial divisions, free self-governance, transparent governance, transfer of responsibilities, ex-post monitoring, and mechanisms and methods for citizen participation. The creation of a global vision calls for the designation of an institution dedicated to decentralisation positioned at the

top of the government, and for a specific parliamentary commission within the Assembly of Citizen Representatives (Assemblée des Représentants du Peuple, ARP). This would facilitate a structured dialogue and coordination between all of the actors involved: ARP, Presidency of the Government, Ministry of Local Affairs and the Environment and the organisms under its supervision, the Ministry of Development and International Cooperation and the organisms under its supervision, the Ministry of Finance, Ministry of Equipment, Territorial Development and Habitat, and the other sectoral ministries, local governments, national federation of Tunisian cities, Audit Court, civil society and cooperation organisms.

- **The second reform** is a complete restructuring of the method of governance and institutional framework. Besides the review of the organic laws for local governments and the budget, local taxation and the Code for Territorial Development and Urbanism (Code de l'Aménagement du Territoire et de l'Urbanisme, CATU), it should define new prerogatives and statuses for governors (prefects) that should work in conjunction with those of the presidents of the regions. It should specify the prerogatives of the administrative court and organisation of the Audit Court that should take note of the imperatives of decentralisation, specifically the exercise of ex-post monitoring of the local governments and enact the related laws governing the superior council of the local governments. The issue of coordinating the central government's decentralised structures and inter-municipal action is another sizable challenge for the local governments, in addition to the revitalisation of economic and social development and that of the regional policies to promote employment, education, health, culture and the environment. Other challenges will have to be addressed with the necessary attention and consultation, in particular, the territorial division and the extension of municipalities across the country, the transfer of responsibilities, the redefinition of the regional council, of its relationship with the governor and the role it must play, the proactive development of communication to bring awareness to the concept of decentralisation, the development of advocacy and facilitation of decision-making and debate.

- **The last reform** addresses the local government's contribution in the fight against climate change. The national programmes and projects to fight climate change should provide a central place for local management, in order to ensure better effectiveness in carrying out actions. ■

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- Tunisian Constitution of 2014.

Uganda

37/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments as spheres of governance, detailing their recognised roles and responsibilities.	4
2	All responsibilities and powers are clearly defined in accordance with the constitution, and the relevant statutory laws and regulations are in place.	4
3	Local assemblies and executive bodies are elected throughout the country.	4
4	The transfer of resources to local governments and their distribution among local governments are clear and predictable with utilisation determined at the national level.	3
5	Local governments have some latitude to determine existing tax base and rates, but the central government is responsible for setting new taxes and accessing loans and financial markets.	3
6	There is a national framework of reference that applies to all local governments in the country defining the qualifications and responsibilities of local government staff, and a national strategy for training and promoting human resources in local governments.	4
7	Rules and legal provisions on transparency in the running of local governments exist requiring regular independent audits be conducted within specified timeframes exist.	4
8	National legislation on citizen participation exists but is not applied.	3
9	There is legislation on measuring local government performance, but performance is assessed by the authority responsible for supervising local governments.	3
10	A clear national urban strategy exists, but the financial and technical arrangements and capacities necessary to implement it are lacking.	3
11	The country does not provide any or only 1 mechanism of gender equality.	1
12	The country does not provide any or only 1 mechanism in the fight against climate change.	1

Explanation of the Rating

The Ugandan Constitution enshrined the principle of subsidiarity among the different spheres of government in 1995. The Constitution specifies the principles that guide the local government system in Uganda, and Articles 176 to 207 of the Constitution clearly define the powers of the local governments. In line with the Constitution, a Local Governments Act was enacted 24 March 1997 to streamline and enact the decentralisation policy. The Act specifies the functions, powers and services of the local governments. These provisions are innovative in more ways than one and allow for the smooth, flexible operation of the principle of subsidiarity, taking into account the national and local socio-political and economic contexts.

Uganda has three types of basic local government units: 127 district councils, 41 municipal councils, and 124 municipal divisions. It also has town councils and sub-counties, which break down into two categories, A and B, depending on whether they are operating and receiving money from the central government. Category A town councils and sub-counties operate and receive grants from the central government; there are 222 town councils and 1,165 sub-counties in this category. Category B town councils and sub-counties are gazetted but not yet receiving money from the central government; there are 204 town councils and 190 sub-counties in this category. Uganda also has 8,313 parishes and 60,532 villages. The mayors are elected by direct universal suffrage.

Article 193(1) of the Constitution of Uganda stipulates that the central government set up a system of financial transfers every fiscal year. Three systems of financial transfers to local governments are in operation: (1) unconditional grants allocated to ensure a minimum standard of local services; (2) conditional grants to

finance supply programmes implemented jointly by local governments and the central government; and (3) equalisation grants designed to bridge gaps in service levels between local governments (alignment subsidies).

In compliance with the Constitution of Uganda, unconditional grants are calculated annually using a formula that considers the total subsidy of the previous year adjusted for inflation, the residual cost to implement powers already transferred, and the cost of the new powers devolved to the local governments. In relation to the transferred powers, unconditional grants are also used to pay the salaries of municipal personnel assigned to functions whose level of service would fall if the quality of the support staff needed to implement them was not guaranteed. The national total grant is shared among the local governments as follows: Each local government receives a fixed sum regardless of its characteristics. The rest of the total grant is then distributed to the local governments using a formula that accounts for population (85 per cent) and surface area (15 per cent).

Conditional grants are allocated for specific projects agreed between the central government and the local governments. These are the largest grants and are frequently used to implement poverty alleviation programmes. Conditional grants typically cover areas such as agriculture, health, education, sanitation, roads, natural resources, and public administration. The distribution formula for this grant accounts for population, the number of school-age children, the length of the road network, and household spending as an indicator of the tax base.

Equalisation grants are utilised in support of the poorest local governments. They are determined by the standards of below-average local public services provided by the local governments. For this reason, the grant is distributed to only half of all local governments. In

practice, setting the national average to be used as the baseline for the allocation of grants is not an easy task given the paucity of data. Uganda also grants sectoral or general discretionary investment grants that are designed to support investments in infrastructures and service provision, and to promote good governance in key areas of administration.

In Uganda, local governments have their own local tax system. They have powers to identify a tax and collect it with approval of the minister (LGA 3rd Schedule).

In 2005, the Ugandan Government established the National Local Government Capacity Building Policy (NLGCBP) to strengthen the capacity of local government personnel. Specific legislation was adopted on this subject and a framework set up for local administrations.

Ugandan legislation provides for regular, independent audits carried out annually by the Auditor General's office. Section 35(3) of the Local Government Act (CAP 243) provides for citizen participation in the management of local public affairs. However, this provision on participation is not applied in practice. The Uganda Local Governments Association (ULGA) and the NGO Advocates Coalition for Development and Environment (ACODE) are implementing an initiative called the Local Government Score Card, which promotes citizen participation in local governance.

Local governments' performance in the provision of local public services is assessed through the agreements they sign with the sectoral ministries that delegate funds to them. These agreements are negotiated on behalf of the local governments by the Uganda Local Governments Negotiating Team (UNAT) through the Local Government Associations. Local governments receive the allocations necessary to implement the duties and powers transferred to them directly in their budgets. Performance is also assessed by the authority responsible for supervising local governments, the Ministry of Local Government, which assesses only the technical arm of the local governments. The new Local Government Performance Assessment lumps equalisation grants into a Discretionary Development Equalization Grant (DDEG), of which districts receive 50 per cent up front, and the remaining 50 per cent is distributed on a formula of rewards and sanctions based on performance in the annual assessments.

Uganda has an urban strategy, the National Urban Policy and Strategic Urban Development Plan for Uganda. It requires the necessary technical and financial resources for implementation.

The Ugandan Constitution requires that women fill one third of positions in local governments, and that requirement has largely been achieved. Another requirement to have at least one woman in local leadership has also been achieved.

The climate change policy of 2015 lacks an enforcement mechanism. A climate change bill winding its way through the Ugandan government in 2018 seeks to provide a framework for enforcing climate change adaptation actions.

Areas to improve

With an overall rating of 37 out of 48, Uganda provides one of the most favourable environments for the action of cities and local authorities in accordance with the standards adopted. However, improvements should be made in three areas to strengthen this enabling environment.

- **The first area** is the financial transfers from the central government to the local governments. Fiscal decentralisation in Uganda is based largely on sectoral policies such as health, education, and transport. The line ministries continue to play such a decisive role that they are the ones that delegate duties and the corresponding resources to the local governments in the framework of contracts signed with them. The result is that the local governments are seen more as executing agencies of the line ministries than as decentralised entities with autonomous decision-making over local public services. Overall transfer figures are telling: 88 per cent of total grants are earmarked for the implementation of sectoral policies and to reduce poverty; only 11 per cent of transfers are for discretionary use by local government; and 0.5 percent are used for equalisation purposes. The recommendation for improvement consists of ending the erosion of local autonomy and enhancing the latitude of local governments to make public spending decisions.
- **The second area** of reform involves the local tax system. Given the fact that financial transfers from the central government account for nearly 85 per cent of local government revenues, local autonomy is an issue. It is even more pressing given the frequent central government intervention in local taxation, where certain local taxes have been eliminated without compensation. A key improvement should be in local resource mobilisation (including implementing local economic development) for local revenue enhancement. Subject to verification from the National Planning Authority, the percentage of local revenue contributing to district budgets is below two per cent for over 90 per cent of the districts (except for some municipalities). The National Planning Authority recently released information to the effect that only seven districts in Uganda had attained lower middle-income status.
- **The third area** of reforms is the climate change agenda. The new climate bill should build on the climate change policy, provide a mechanism for enforcing laws, and incorporate the concerns of local governments. Uganda should also provide local governments with access to climate finance. ■

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Zambia

30/48

Enabling Environment Rating for Cities and Local Authorities

1	The constitution makes explicit mention of local governments, but their responsibilities are defined by legislation.....	3
2	All responsibilities and powers are clearly defined in accordance with the constitution, and the relevant statutory laws and regulations are in place.....	4
3	Local councils are elected throughout the country.....	4
4	The transfer of resources to local governments and their distribution among local governments are clear and predictable, with utilisation .. determined at the national level.....	3
5	Local governments have total autonomy to determine tax base, rates and fees, and to collect the corresponding revenues; access to financial markets is allowed.....	4
6	There is a national framework of reference defining the qualifications and responsibilities of local government staff, and a national strategy for training and promoting human resources in local governments; so far, this concerns only a few local governments.....	3
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes exist but are not systematically followed.....	3
8	There is no national legislation on citizen participation, but there are locally organised spaces for dialogue and consultation.....	2
9	Local government performance is not assessed.....	1
10	No national urban strategy.....	1
11	The country does not provide any or just 1 of the mechanisms of gender equality.....	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.....	1

Explanation of the Rating

In 1991, at the end of the one-party state in Zambia, the new authorities undertook a reform of the central government. The roots of the current decentralisation policy go back to 1993, when the then President launched the Public Sector Reform Programme with the objective to improve the quality, delivery, efficiency, and effectiveness of public services. The programme had three components: (i) restructuring the line ministries; (ii) improving management of human resources; and (iii) decentralisation and strengthening local government. In Article 109, the 1991 Constitution, revised in 1996, defines the institutional framework presiding over the establishment of democratic local governments.

Following general elections in 2011, the new government undertook substantial preparatory work to facilitate the implementation of the decentralisation process. This work included establishing a clear policy position on decentralisation, sensitising the public and setting up implementation structures at all levels.

In July 2013, the revised National Decentralisation Policy (NDP) entitled “Decentralisation for Good Governance” was launched with the mission “to promote a decentralised and democratically elected system of governance which enhances community participation in decision-making” (NDP, 2013). To systematically implement the NDP, the government developed a Decentralisation Implementation Plan (DIP) for 2014–17 (DIP, 2014). The DIP was prepared by the Decentralisation Secretariat, whose location was moved from the Ministry of Local Government and Housing to the Cabinet Office, giving it more power to move the decentralisation process along.

Functions and powers for local governments are not defined under the Constitution of Zambia, but 63 functions and powers are elaborated in a detailed Schedule to the Local Government Act.

As part of the decentralisation process, the government began designing the Intergovernmental Fiscal Architecture

(IFA) to articulate the fiscal vision to support the National Decentralisation Policy and its goal of achieving more equitable, efficient and accountable governance and service delivery to support social and economic development. The first phase of the IFA process (2015–17) focused on the immediate steps needed to provide a minimum level of stability, predictability and transparency, to follow by strategically phasing in other IFA reforms.

This stability has been provided through the Local Government Equalisation Fund (LGEF), which was established by the Local Government Act of 2014 and became effective in January 2015. The Act stipulates that each year, Parliament shall appropriate not less than five per cent of the total amount projected to be collected as income taxes for the Republic for that financial year.

As part of the third component of the Public Sector Reform Programme adopted in 1993, the government took a bold step and issued Cabinet Circular No. 10 in 2014 amidst the implementation of the revised National Decentralisation Policy. This action put in motion important steps championing the cause for decentralisation as a mechanism designed to achieve improved service delivery and economic development at the local level. Since the Circular took effect 1 January 2015, seven functions from five ministries and two institutions have been devolved. Staff from the respective organisations have begun reporting to local authorities. The resources that had been sent to districts for these devolved ministry and institution functions began to be channelled to local authorities in 2017.

The national territory is composed of 103 local governments (districts), 15 municipal councils and 89 district councils. The last local elections were held in 2018.

Local governments have their own tax revenues from the property tax, and various local taxes and licenses.

As per the Local Government Act, the Ministry of Local Government and housing designates auditors to analyse financial management by local governments both on the central level (the Ministry) and in the provinces. The audit

reports are about two years behind. A conflict of audits is seen, as the Auditor General's Office also does the same audits. The government has instituted discussions to clarify the two types of audits.

Zambia does not have any specific laws on citizen participation in managing local governments, but the requirement for citizen participation is embedded within some of the existing laws. For example, the Environmental Management Act of 2011 (Part IV) requires citizen participation in environmental decision making. However, the revised National Decentralisation Policy has within the decentralised structures the establishment of Ward Development Committees (WDCs) to strengthen community involvement in the decision-making process. The Local Government Act also stipulates that the public can attend at council meetings, although they have no opportunity to participate in debates. All council financial reports are subject to public scrutiny.

Assessment of local government performance in the provision of local public services is absent from Zambian law, and no such assessments are conducted. The government has, however, developed a process for local government assessments through the Local Government Service Commission Institute.

Zambia has not yet formulated a national urban strategy.

In Zambia, there are no mandatory quotas to increase the representation of women in the National Assembly and Local Councils.

Local governments are not involved in the national programmes and projects pertaining to the fight against climate change.

Areas to improve

With an overall rating of 30 points out of 48, Zambia is one of the countries whose environment is rather favourable to the action of cities and local authorities, but where some improvements are needed.

- **The first improvement** that could be brought is to deepen fiscal decentralization. In 2014, Parliament passed Act No. 12 to replace section 45(3) of the Local Government Act. Act No. 12 introduced a Local Government Equalisation Fund, under which Parliament appropriates 5 per cent of the total amount of projected income taxes at the national level and distributes the funds to local government. While welcoming this development, the Local Government Association of Zambia (LGAZ) contends that the Local Government Equalisation Fund should be in addition to the grant system that existed under section 45(3) of the Local Government Act, and not a substitution for it – a view that has received support from the Ministry of Local Government and Housing. It will be important to prepare the necessary arguments for the analysis of the appropriation when it goes before Parliament. The Ministry of Local Government and Housing and the Local Government Association of Zambia (LGAZ) should receive support to finalise a well-argued dossier that makes their case.

- **The second point** of improvement is local government performance assessment. The passage of Act No. 12 of 2014 and the reestablishment of the “crop levy” (eliminated in 2009) have helped improve local governments’ financial capacities. It is now important to ensure that this increase in local governments’ financial resources results in better services that combine quality and lower cost. For this reason, assessing local government performance must be an integral part of Zambia’s decentralisation policy. The central government, in collaboration with the Local Government Association of Zambia (LGAZ), must design instruments to measure the efficiency of local government actions in the execution of their responsibilities. This support should consist of helping define performance indicators that can be expressed in terms of the level and quality of services provided to local people, particularly the poorest; the effectiveness and efficiency in the delivery of these services and the management of local government resources; and optimising the use of natural, human and financial resources. This measure should help build the trust of the financial administrations as well as citizens, with an eye to increasing the financial resources allocated to the local level.

- **The third area** of improvement should address urban strategy. According to the United Nations Department of Economic and Social Affairs, Zambia had an urbanisation rate of over 40 per cent in 2015, and projections suggest 58 per cent urbanisation in 2050 (World Urbanization Prospects: The 2014 Review). Zambia’s urban structure is characterised by a national capital, Lusaka, that accounts for one third of the country’s urban population in 2015. Cities with populations of less than 300,000 mark the national structure; they made up half of the urban population in 2015. Between these two poles, Zambia has one city with a population of between 500,000 and 1,000,000, and a second with a population of between 300,000 and 500,000; these two cities alone account for approximately 15 per cent of the urban population. Zambia cannot do without urban strategy, both to improve living conditions for its population and to harness the potential from the macroeconomic impact of urban growth.

- **The fourth reform** is gender equality. There is a need today to take appropriate measures to promote the active participation and representation of women in the spheres of both local and national public management.

- **The last reform** focuses on the fight against climate change. The government has responded with national strategies and policies, but there is a disconnect between national frameworks and local realities. The reform must recognise the critical role local governments will need to play in scaling up the adaptation of communities to climate change. ■

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Zimbabwe

31/48

Enabling Environment Rating for Cities and Local Authorities

1	The Constitution makes explicit mention of local governments as spheres of governance, detailing their recognised roles and responsibilities	4
2	All responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.	3
3	Local assemblies and executive bodies are elected throughout the country.	4
4	Resources are not transferred, or are transferred erratically and irregularly.	1
5	Local governments have total autonomy to determine tax base, rates and fees, and to collect the corresponding revenues; access to financial markets is allowed.	4
6	There is no national framework of reference defining the qualifications and responsibilities of local government staff and no national strategy for training and promoting human resources in local governments.	1
7	Rules and legal provisions on transparency in the running of local governments requiring regular, independent audits be conducted within specified timeframes exist and are applied.	4
8	National legislation on citizen participation exists but is not applied.	3
9	Local government performance is assessed.	4
10	No national urban strategy.	1
11	The country does not provide any or just 1 of the mechanisms of gender equality	1
12	The country does not provide any or just 1 of the mechanisms in the fight against climate change.	1

Explanation of the Rating

Since its independence in 1980, Zimbabwe has made decentralisation a priority and undertaken a series of institutional innovations. The main objective of the National Decentralisation Policy (NDP) is to complete the legislated transfer of responsibilities from the central government to the local governments and redefine the central government's role in the provision of services and infrastructures. The NDP is piloted by the Ministries of Local Government, Public Works, and National Housing, and consists of six pillars: (i) modify the role of the central government, which should shift from execution to facilitation by strengthening its capacity to elaborate guidelines; (ii) strengthen local governments as the appropriate level for planning and service provision after consulting citizens and other sectors; (iii) strengthen whole communities, including disadvantaged groups and the weakest, to participate in their own development; (iv) build institutional capacities to deliver services by meeting community demands; (v) ensure the accountability and transparency to the central government and citizens; and (vi) provide national guidance and coordination by ensuring that national priorities (such as poverty and AIDS) are tackled in an adequate policy context.

In 2013 new competencies were enshrined in the new National Constitution, which captures local government under Chapter 14. Its preamble reads, "Whereas it is desirable to ensure: the Preservation of national unity in Zimbabwe and the prevention of all forms of disunity and secessionism; the democratic participation in government by all citizens and communities in Zimbabwe; the equitable allocation of national resources and the participation of local communities in the determination of development priorities within their areas; there must be devolution of power and responsibilities to lower tiers of government in Zimbabwe." The introduction of this new Constitution in Zimbabwe has strengthened the legislative framework of Local Governments; however, a lot still need to be done in terms of realigning the statutes to the new Constitution.

In Zimbabwe, all responsibilities and powers are clearly defined in accordance with the Constitution, but some relevant statutory laws and regulations are missing.

There are 92 local governments in Zimbabwe: 32 urban councils comprised of nine municipal councils, 13 town councils, seven city councils, three local boards, and 60 rural district councils.

Local assemblies and executive bodies are elected throughout the country; the most recent local elections were held in July 2018.

The Constitution also introduced fiscal transfers to local and provincial governments at a minimum of 5 per cent of national revenue. These transfers have yet to be realised since the policy governing the transfer process is still being finalised by the Ministry of Finance and Economic Development in conjunction with the Ministry of Local Government, Public Works and National Housing.

Zimbabwean local governments are among the most well off in Africa when it comes to fiscal powers; they have complete autonomy to set and collect their own revenues. Unfortunately, despite having the legislative authority to be a tax authority, government departments continue to usurp previously devolved responsibilities which are hampering the financial performance and viability of local governments in Zimbabwe. In addition, the extremely parlous state of the Zimbabwean economy has significantly depleted the ability to generate tax at all levels of government.

Regarding local administration capacity building, there is no national framework of reference detailing local government staff qualifications and responsibilities, and no national capacity building strategy for local administrations.

Zimbabwean legislation contains a component on financial oversight of local governments. The Ministry of Local Government, Public Works and National Housing and the Auditor General regularly undertake systems audits in all local governments. Previously, Zimbabwe did not have specific decentralisation legislation. However, Section 264

of the Constitution titled “Devolution of Governmental Power and Responsibilities” alludes that government will endeavour, whenever appropriate, to devolve its powers to provincial councils, metropolitan councils and local authorities which are competent to carry out those responsibilities efficiently and effectively.

Zimbabwe has specific participation legislation as part of the 13 principles of decentralisation adopted by the government but this has not, as yet, been applied.

Previously, Zimbabwe did not have laws on local government performance assessment. Recently, the Government of Zimbabwe introduced the Integrated Results Based Management (IRBM) Framework in all public entities. The integrated results-based management framework requires that chief executives of local governments write up annual performance agreements that are signed by the mayors/ chairpersons and submitted to the Ministry of Local Government, Public Works and National Housing. The government also introduced the Corporate Governance Policy framework, which governs the terms of offices and remuneration of public sector leadership.

Zimbabwe does not yet have an urban strategy.

Zimbabwe has no provision on gender equality in local elections despite the inclusion of a clause in the Constitution which provides for the equal representation of women in Parliament.

Local governments are not involved in national programmes and projects on climate change.

Areas to improve

With an overall score of 31 points out of 48, Zimbabwe is one of the countries whose environment is rather favourable to the action of cities and local authorities, but where some improvements are needed.

- **The first possible improvement** concerns the operationalisation of provisions contained in the new Constitution. Indeed, the numerous provisions introduced by the new Constitution of Zimbabwe would significantly improve the status and role of cities and local governments if implemented. Notwithstanding the fact that local governments are now recognised in the Constitution, National line ministries continue to centrally direct most operations. The failure by line ministries to comprehend the concept of devolution of power has generated tensions and conflict with local governments. Overall, the decentralisation process has largely stalled in Zimbabwe. The extreme reluctance, if not outright refusal of central administrations to transfer responsibilities is intensified by the constant political crisis at the highest level of the government. Where funds have been transferred to support the process, efforts have been fragmentary. Most citizens have only benefited slightly – local public services have not improved – and are not motivated to participate in local public management. The reform should help clarify responsibilities and, in particular, coordination with deconcentrated central government services.

- **The second possible improvement** concerns fiscal decentralisation. The Constitution has provided for the transfer of not less than 5 per cent of the national revenue to the provincial and local governments. Unfortunately, the provincial councils have yet to be established, and the central government is using this as an excuse not to effect fiscal transfers to local authorities. The government needs to develop a framework that allows local authorities to receive their share of the fiscal transfer while they finalise the formation of the provincial councils. The Ministry of Local Government, Public Works and National Housing is currently working with the Ministry of Finance and Economic Development to develop a fiscal disbursement framework to operationalise the aforementioned provision of the Constitution. The reform should help define the individual responsibilities to transfer, identify the cost of implementing these individual responsibilities, and finally clarify transfer modalities so that they are predictable and stable. The reform could also examine the local fiscal component. Conversely, local governments’ control over the tax chain makes it very costly to collect local taxes. Therefore, negotiations are underway to reach an agreement with the central government to facilitate local tax collection. A transitional period should be set among the various stakeholders to evaluate the progress made before any final decision is reached. The reform could support the definition of modalities for such contracting over the long term.

- **The third area** for research concerns urban strategy. Zimbabwe has an urbanisation rate of nearly 35 per cent; this proportion will be 44 per cent in 2050 (World Urbanization Prospects: the 2014 Revision). The national urban structure is composed of the following seven cities: Harare (pop. 1,542,813), Bulawayo (pop. 699,385), Mutare (pop. 184,205), Gweru (pop. 146,073), Kwekwe (pop. 99,149), Kadoma (pop. 79,174), and Masvingo (pop. 76,290). Urbanisation seems more balanced, although the province of Harare contains some dormitory suburbs (Epworth, Chinhoyi and Chitungwiza). All projections show that in approximately 20 years, one out of every two Zimbabweans will live in an urban area. Urbanisation requires strategic management because all trends show a growth of urban hubs. The reform could support the elaboration and implementation of a sound urban strategy.

- **The last improvement** must spatialise the implementation of the National Determined Contribution (NDC), so that local governments can be part of the fight against climate change. A support programme must be built to enhance the capacity of local governments to elaborate projects and access climate funds. ■

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AFRICA'S cities have been growing at an unprecedented rate – over 3.5 per cent per year on average during the past two decades – and will continue to grow. The continent's urban population is expected to double over the next 20 to 30 years, with a projected 50 per cent of Africans living in cities by 2030.

With the political, social and economic role of cities growing increasingly important, governance capabilities of cities and territories has emerged as a major issue. As a result of decentralisation laws, local and regional governments are expected to play a crucial role in the management of the urbanization process. How effectively they are able to do so, however, depends largely on the policy framework put in place for cities' initiatives and actions, and on how much leeway they are given by laws and regulations put in place by national governments. Local governments must be empowered with the functions and resources necessary to innovate, promote local development, and be accountable to their citizens.

Against this backdrop, the pan-African organisation of local governments, the United Cities and Local Governments of Africa (UCLG Africa), and the Cities Alliance have come together to produce on a regular basis an assessment of the enabling environment for well-functioning cities and local authorities in African countries.

Three years after the publication of the second evaluation in 2015, the 2018 edition of *Assessing the Institutional Environment of Local Governments in Africa* provides an updated analysis.

The report highlights the progress and constraints of decentralisation, outlines potential ways to improve its implementation, and rates each country according to the city enabling environment provided by the national government.



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