

2626 2284

FINANCEMENT DE LA GOUVERNANCE LOCALE PRO-PAUVRE EN AFRIQUE

Banque Africaine de Développement

Atelier sur la « Gouvernance Locale et la

Réduction de la Pauvreté en Afrique.

Enseignements Tirés de l'Expérience Acquisse

Tunis / Juin 2005

PLAN DE LA PRESENTATION

- A. Introduction**
- B. Éléments d'un bon système de
finance décentralisé**
- C. Enseignements clés sur le
financement de la Gouvernance Pro-
Pauvre: Opportunités et Défis**

Décentralisation Fiscale

- Paraît 'facile' mais est 'complexe'
- Données limitées sur la bonne pratique pour fournir une orientation claire
- Le contexte : important dans la conception de la réforme
- Même en présence d'une politique officielle, les agences centrales sont réticentes et les gouvernements locaux faibles
- Aspects pro-pauvres souvent négligés

Cadre-loi (Clauses

***Constitutionnelles/Juridiques*)**

- Droits, responsabilités et revenus des gouvernements sous-nationaux (GSN) , y compris le mandat pro-pauvre
- Structures institutionnelles, y compris celles politiques
- Mécanisme pour coordonner les multiples acteurs
- Mécanismes de renforcement de capacité à tous les niveaux
- Cadre pour les partenaires non- gouvernementaux
- Exemples: Brésil, Afrique du Sud, Thaïlande, Ouganda

Revenus propres I

Mission

- Attribution d'impôts sur la base d'assiettes d'imposition relativement fixes
- Éviter les revenus en concurrence avec les recettes publiques de plus haut niveau ou celles des incitations problématiques
- Fournir un élément de contrôle des GSN
- Lier les revenus aux rôles des services

Revenus propres III

Questions et Réformes

- Penser à comment traiter les moins aisés
- Accorder la priorité à quelques sources potentiellement productives: impôt sur la propriété, redevances pour service rendu, privilèges
- Attention aux tentatives erronées quant à la redistribution, par exemple, impôts lourds sur les affaires
- Se concentrer sur la simplification de l'administration & du recouvrement et sur le lien avec la prestation de services
- Exemples: Brésil, Kenya, Afrique du Sud

Transferts Intergouvernementaux II

Questions

- Partage de revenu individuel versus revenu en gestion commune (et les effets sur la redistribution)
- Contrôle macroéconomique contre stabilité et autonomie du GSN
- Fragmentation/ faible coordination du programme
- Subjectivité / manque de transparence
- Faibles liaisons aux autres éléments de la finance

Accès Infranational au Capital I

Questions

- Pas très courant en Afrique mais utilisé dans certains pays en voie de développement
- Beaucoup de projets publics ne sont pas auto-financés
- Abordabilité pour les citoyens: souvent un problème
- Contrôle politisé des établissements de crédit: prêts non viables et faible remboursement

Mécanismes Alternatifs de finance I

Partenaires non gouvernementaux

- Utilisation des partenaires du secteur privé peut aider les GSN en matière de mobilisation des revenus et prestation de services: une meilleure collecte et utilisation des ressources permet une meilleure activité pro-pauvre
- Utilisation des ONG et les communautés locales peut aider les GSN dans le domaine des fonctions sélectionnés relatives au service/ revenu et consolidation de la gouvernance

C. ENSEIGNEMENTS CLÉS SUR LE FINANCEMENT DE LA GOUVERNANCE PRO-PAUVRE

- Arriver à avoir le système fiscal de base qu'il faut pour les GSN
- Autonomiser les gens d'une manière inclusive et développer l'obligation de rendre des comptes
- Mieux utiliser les partenaires et mieux gérer les donateurs internationaux
- Élaborer une stratégie pour l'exécution des réformes

Système Fiscal de Base II

- Accès adéquat des GSN aux ressources d'investissement: transferts intergouvernementaux, l'emprunt ou fonds spéciaux; Fonds libres ou subventionnés doivent cibler les régions plus pauvres et les utilisations pro-pauvres
- Les éléments du système fiscal du GSN doit être convenablement intégré

Partenaires et Donateurs

- Les GSN doivent travailler de pair avec les entreprises privées et les ONG pour la mobilisation des ressources, la prestation des services et la gouvernance pro-pauvre
- Les donateurs doivent coordonner leurs activités en faveur de la finance pro-pauvre des GSN
- Le gouvernement central a besoin d'un plan de gouvernance pro-pauvre pour programmer le soutien des donateurs

Stratégie de Mise en Oeuvre II

- La réforme doit progresser par étapes graduelles qui se renforcent les unes les autres
- Renforcement de capacité – y compris les réformes touchant la gouvernance- doit être intégrée au processus
- Le gouvernement Central doit fournir des incitations et contrôler la performance du gouvernement sous-national , entre autre , en ce qui concerne le comportement pro-pauvre

ANNEX A: SELECTED SUBNATIONAL FINANCE SYSTEM PROFILES

COUNTRY: *CAMBODIA*

ASPECT OF REFORM	BASICS	COMMENTS
Fiscal Decentralization Framework	2001 laws for local (commune) system but not provincial (remains under central control)	Explicit mention of development & poverty reduction; much more work needed on framework
Service Assignment	Very modest due to newness of system, heavy needs and generally very low capacity	Early focus on building local government credibility by allowing citizens to prioritize use of limited resources
Revenue Assignment	Very minor: at present almost complete reliance on transfer system; some local contribution schemes pro-poor	Currently development of pilots to share provincial revenues with communes and develop a few modest own sources
Intergovernmental Transfers	Commune Transfer Fund largely unconditional and combines a growing percentage of central resources plus donor contribution	Poverty measure is an important element in the transfer formula; but resource levels remain low
Borrowing	None	Not likely to be relevant for some time except in a few large cities
Alternative Finance Mechanisms	Current decentralization evolved from Local Development Fund; also Social Fund and other special mechanisms; little private sector involvement beyond service contracting; strong NGO involvement in some areas	Heavy official pro-poor emphasis of alternative mechanisms, although uneven development of governance mechanisms raises questions about reality of pro-poor emphasis in some areas
Governance Mechanisms	Local elections, participatory planning exercises, public information boards, some citizen involvement in monitoring, operation and maintenance	One party dominates local councils; concerns about elite capture and lack of involvement of poorer residents, but improving in some areas
Capacity	Generally weak, but stronger in areas with heavier donor and NGO involvement	Substantial central training of commune councils and some training of citizens and NGOs
Implementation Strategy	Not fully developed, but clearly strategic elements and the system is developing gradually	New efforts are underway to move forward decentralization more strategically/consistently
Role of Donors	Very heavy both in terms of resources and technical assistance for pro-poor local governance	Coordination has been a serious problem but a donor coordination group was formed in 2004; Poverty Reduction Strategy Paper

COUNTRY: INDONESIA

ASPECT OF REFORM	BASICS	COMMENTS
Fiscal Decentralization Framework	Decentralization laws of 1999 & 2004 amendments; focus on local level; rapid "big bang"	Redistribution/poverty key role of system/related policies; further development needed
Service Assignment	Very substantial, including most basic services	Heavy central influence remains in many areas as detailed sector specific assignments are defined
Revenue Assignment	Relatively limited: taxes on hotels and restaurants, entertainment, advertisement, street lighting, limited mineral exploitation, parking; and user charges	Lack of central government commitment to develop genuine own source revenues
Intergovernmental Transfers	Property tax and natural resource taxes, among others, shared on an origin basis; formula-driven general revenue sharing accounts for at least 26% of domestic revenues; special-purpose transfers being developed	General revenue sharing based in part on filling gap between standardized expenditure needs and fiscal capacity, although problems in measurement; special purpose transfers to be pro-poor when developed
Borrowing	Once substantial through Regional Development Account in Ministry of Finance, but now very weak; local governments can borrow but many not eligible	Enormous need for local borrowing for infrastructure and some large cities could be creditworthy; reform of system high donor priority
Alternative Finance Mechanisms	Substantial Community Driven Development (CDD) funds that go to sub-local government communities; in some areas major involvement of private sector and community groups in service delivery	Considerable potential for private and community partners in service delivery; some efforts are emerging to coordinate CDD mechanisms with local government operations
Governance Mechanisms	Local government elections; Various public reporting requirements but weaker in practice; Civic participation officially encouraged and sometimes required by donors, but no official mechanism.	Accountability relationships complex in environment where central civil servants turned over to local governments to work with elected councils; Emerging civil society, but complex and limited in some respects.
Capacity	Varies greatly; generally better in larger urban areas, but not always; technical capacity often less problematic than governance capacity	Significant transfer of staff to lower levels; much capacity building driven by central government, although some demand from lower levels
Implementation Strategy	No formal strategy; some attention to key reforms after "big bang," such as defining function more clearly, but approach fairly fragmented and irregular	Fragmentation and competition among central agencies has complicated smooth and consistent implementation of decentralization
Role of Donors	Before 1999 "big bang" many fragmented donor projects; heavy support continues under current reforms but remains fragmented	Governance and poverty alleviation have been key targets; coordination remains inadequate; Poverty Reduction Strategy Paper

efforts insufficient coordination / transparency

COUNTRY: KENYA

ASPECT OF REFORM	BASICS	COMMENTS
Fiscal Decentralization Framework	Local Government Act that originated in colonial era (with multiple revisions) outlines framework of system; provinces under central government	Poverty not a focus of Act but other policies target it; local governments important in some respects but role is small compared to provinces/districts
Service Assignment	Local services and some infrastructure; potential for pro-poor behavior but often deficiencies	Role of municipalities clearer than county councils, which to some extent "compete" with district system (deconcentrated)
Revenue Assignment	Property rates, business licenses, user charges, agricultural cess	High potential but weak administration and equity unclear
Intergovernmental Transfers	Local Authority Transfer Fund (LATF) block grant funded by 5% of income tax revenues; managed by broad based board	Formula is not explicitly poverty sensitive, but reform conditions for disbursement provide incentives for good behavior
Borrowing	Once substantial through Local Government Loans Authority, but now essentially dormant; LGLA, heavily government controlled, performed very poorly	Much needed in larger cities to finance infrastructure but reforms needed to increase local authority creditworthiness and develop new lending mechanism
Alternative Finance Mechanisms	Some special poverty targeted funds but most not for local government; service boards and private partners growing, NGOs provide services in some areas	Considerable potential for private and community partners in service delivery, as well as improved district-local government cooperation
Governance Mechanisms	Local government elections, participatory Local Authority Service Delivery Action Plan (LASDAP), improving transparency conditions	Local governance fell into disrepair for years, but LASDAP and other mechanisms plus active civil society in some areas are increasing citizen participation
Capacity	Varies greatly across urban and rural jurisdictions	Some government training institutes and capacity is a focus of some donor programs
Implementation Strategy	No explicit strategy, although some care evidence in gradual introduction of certain reforms in the local fiscal arena	Has been a local government reform program for some years, but evolved and implemented slowly and sporadically
Role of Donors	Has varied over the years; some reductions in assistance during tense periods under former President; support growing again under current President	Fiscal reform, governance and poverty alleviation have been key targets of donor interventions; coordination not strong, but getting somewhat better

COUNTRY: *UGANDA*

ASPECT OF REFORM	BASICS	COMMENTS
Fiscal Decentralization Framework	Local Government Act and various reforms in 1990s outlines generally strong local government framework	Substantial role of district councils (and municipalities); multiple tiers below less empowered
Service Assignment	Social services, some infrastructure, other local services; emphasis on poverty	Central standards adopted in key poverty reduction service sectors
Revenue Assignment	Graduated personal tax, property rates, user charges	Some taxes problematic with weak administration and potential equity issues
Intergovernmental Transfers	Multiple recurrent types allowed: unconditional, conditional, and equalization (all not fully implemented); separate system for capital transfers (Local Government Development Programme (LGDP))	Recurrent transfers have become more conditional; capital transfers fairly unconditional but subject to access and performance criteria; critics argue not adequately poverty sensitive
Borrowing	Not developed.	Not likely to be relevant for some time except in a few large cities
Alternative Finance Mechanisms	Multiple poverty funding mechanisms; some use of private partners, especially in Kampala, and NGOs in some areas	Local Development Fund had major influence on development of local government system; potential for more involvement of private and community partners
Governance Mechanisms	Elections at all local government levels; efforts to develop stronger transparency, participation and accountability mechanisms; early user of Public Expenditure Tracking System (PETS)	Strong emphasis on inclusive governance; early problems in many areas but generally improving as the system continues to develop
Capacity	Varies greatly; generally better in urban areas, but some rural areas strong and some urban areas perform poorly	Some government training, programs at Uganda Management Institute, and capacity is a central focus of some donor programs
Implementation Strategy	Decentralization strategy paper exists, but focuses on fiscal system; LGDP somewhat more strategically integrated/developed	Has been some tension between the development of local government and policy reduction strategies
Role of Donors	Very substantial donor efforts to support decentralization and local government since early days of policy reform	Governance and poverty alleviation have been key targets of donor interventions; Poverty Reduction Strategy Paper