

「地域の発展と政府の役割：  
援助の新しい視点」セミナー

JICA Internal Seminar on  
Local Development and the Role of Government:  
New Perspectives on Development Assistance

平成10年9月

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## はじめに

近年、多くの途上国においてひとつの潮流となっている地方分権化は、途上国の開発、特に地域の開発に大きな影響を与えています。援助する側にとっても、地域の発展に資する協力を実施する際には、中央—地方関係を含む途上国側のガバナンスに留意することが一層必要となっています。

国際協力事業団（JICA）は、「地域の発展と政府の役割：援助の新しい視点」というテーマで、途上国の地方分権化とその開発への影響、および地域の発展とガバナンス支援における援助の役割を検討することを目的に、1998年3月5日、国際協力総合研修所において国際シンポジウムを開催しました。その翌日、同国際シンポジウムのために来日したパネリストとの相互理解を図り、同テーマの援助に関する実務的な側面や手法について意見交換をすること等を目的として、JICA役職員を対象にセミナーを行いました。

本報告書は、その内容をとりまとめたものです。読者の皆様の本テーマに関する理解を促進する一助となれば幸いです。

平成10年9月

国際協力事業団  
国際協力総合研修所  
所長 五十嵐 禎三

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## プログラム

開会 司会：隆杉 実夫（国総研調査研究課長）

### 参加者自己紹介

#### 1. JICA における取り組みの概要

橋本 栄治（企画部企画課長）

#### 2. JICA の事例紹介

##### （1）対フィリピン協力

宿野部 雅美（企画部地域第一課）

##### （2）スラウェシ貧困対策支援村落開発計画

武田 長久（国際協力専門員）

##### （3）中国大連市環境モデル地区整備計画調査

藤谷 浩至（社会開発調査部社会開発調査第2課課長代理）

#### 3. 他援助機関の事例紹介

##### （1）USAID

Dr. Michael Calavan（USAID フィリピン事務所ガバナンス・参加室チーフ）

##### （2）UNDP

Mr. Robertson Work（UNDP 開発政策局上級技術アドバイザー）

#### 4. 途上国出席者からのコメント

#### 5. ディスカッション

閉会

# Internal Seminar

## March 6, 1998

Closed Seminar attended by international panelists and JICA staff members  
“Local Development and the Role of Government: New Perspective on Development Assistance”

### <PROGRAM>

Opening Remarks

Self Introduction by Panelists

Presentation by JICA staff on JICA’s assistance for this issue

Presentation 1 : JICA’s Policy and Approach on Local Development and Governance

by Mr. Eiji Hashimoto, Director, Planning Division

Presentation 2 : Decentralization Process in the Philippines and JICA’s Role

by Mr. Masami Shukunobe, staff, First Regional  
Division, Planning Department

Presentation 3 : JICA’s project on Strengthening Sulawesi Rural Community

Development to Support Poverty Alleviation Program in Indonesia

by Mr. Nobuhisa Takeda, Development Specialist

Presentation 4 : JICA’s Collaborative Study with Local Governments (the Study on

Environmental Management Plan for the Environmental Model

Zone in Dalian Municipality in the People’s Republic of China)

by Mr. Kouji Fujiya, Deputy Director, Second  
Development Study Division, Social Development Study Department

Q & A

Coffee Break

**Presentation by USAID and UNDP**

**Presentation 5 : Ways and Means of Cooperation and Project Details - How We've  
Changed the Way We Support Local Governance in the Philippines**

**by Dr. Michael Calavan, Chief, Office of Governance  
and Participation, USAID Philippines**

**Presentation 6 : Ways and Means of Cooperation and Project Details**

**by Mr. Robertson Work, Principal Technical Adviser,  
Management Development and Governance Division, UNDP**

**Q & A**

**Comments and Feedback from the speaker from developing countries**

**Discussions**

**Closing Remarks**

**• Language : English**

Internal Seminar on  
The Local Development and the Role of Government:  
New Perspectives on Development Assistance  
6 March, 1998

**Panelists from Donor Agencies:**

Michael M. Calavan, Chief, Office of Governance and Participation, USAID Philippines  
Robertson Work, Principal Technical Adviser, Management Development and Governance Division,  
Bureau for Development Policy, UNDP

**Panelists from Developing Countries:**

Alvin B. Garcia, Mayor, Cebu City, Philippines  
Adrian Panggabean, Lecturer, Faculty of Economics, University of Indonesia  
Chen Yao, Deputy Director, Western China Development Research Center, Chinese Academy of Social  
Science

**Japanese Guest Panelists:**

Yuji Suzuki, Professor of Politics, Faculty of Law, Hosei University  
Yoshio Kawamura, Professor, Faculty of Economics, Ryukoku University

**Participants from JICA:**

J. Takasugi (Moderator), Director, Research and Development Division, IFIC, JICA  
E. Hashimoto, Director, Planning Division, Planning Department  
M. Shukunobe, Staff, First Regional Division, Planning Department  
N. Takeda, Development Specialist  
K. Fujiya, Deputy Director, Second Development Study Division, Social Development Study Department  
S. Kohiyama, Director, Planning Division, Experts Assignment Department  
T. Sasaki, Deputy Director, Administration Division, Training Affairs Department  
T. Sasaki, Deputy Director, Agricultural Technical Cooperation Division, Agricultural Development  
Cooperation Department  
K. Sawada, Director, Planning Division, Agriculture, Forestry and Fisheries Development Study Department  
T. Oiwa, Deputy Director, Research and Development Division, IFIC, JICA  
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S. Eto, Fisheries Cooperation Division, Forestry and Fisheries Development Cooperation Department  
T. Kasai, Development Specialist  
Y. Koyama, Development Specialist  
H. Hoshina, Development Specialist  
Y. Kobayashi, Associate Specialist, Third Experts Assignment Division, Experts Assignment Department  
H. Takeuchi, Research Institute of Development Assistance, OECF  
H. Tsukamoto, Technical Personnel Development Division, IFIC, JICA  
I. Nakayama, First Technical Cooperation Division, Social Development Cooperation Division  
Y. Otake, Deputy Director, Planning Division, Social Development Cooperation Division  
H. Kobayashi, First Regional Division, Planning Department  
C. Hara, Deputy Director, Research and Development Division, IFIC, JICA  
Y. Kobayashi, Research and Development Division, IFIC, JICA  
Y. Honda, Research and Development Division, IFIC, JICA  
K. Torii, Associate Specialist, Research and Development Division, IFIC, JICA

<Internal Seminar March 6, 1998>

Mr. TAKASUGI(Moderator):

Now, I would like to start the seminar on "Local Development and the Role of Government: New Perspective of Development Assistance". My name is Takasugi, Director of Research and Development Division, which is the Secretariat of this seminar. Today, I will serve as a moderator. However, I am not a professional convener or chairman like Dr. Suzuki or Dr. Kamamura. So I need your kind cooperation. I briefly review the program of yesterday. After having the keynote speech by Dr. Muramatsu on "Governance and Development: Decentralization Reform", presentations and discussions were held in three sessions on "Decentralization in Developing Countries: Current Situation and its Impact on Development", "Local Development and the Role of Government", and finally, "The Role of Development Assistance". I am very pleased to say that yesterday's symposium was successful and instrumental. Thanks to the active participations and discussions by the panelists and the audience as well. Today we would like to have more detailed discussions at a working level. Perhaps in a much more frank atmosphere.

More specifically, as you already know, today's seminar has three objectives. First, on the basis of discussions held yesterday, we exchange views and opinions about concrete methods and approaches. Secondly, we would like to get feedback by participants from developing countries towards effective implementation of development assistance regarding this issue. Thirdly, it is expected to deepen our mutual understanding among JICA staff members and participants from developing countries and other donor agencies, and to help us formulate both institutional and human networks regarding this topic.

Now, please find a program sheet for today's internal seminar. As you see in this agenda, today, we would like to proceed the seminar in the following manner. The first part of the seminar is four presentations from the JICA side. Presentation one will be made on JICA's policy and approach on local development and governance for about twenty minutes. We expect that this will give you a good overview of the related JICA activities, in addition to the explanation made by Mr. Kojima yesterday. Then, in presentation two to four, individual cooperation cases in the Philippines, Indonesia and China will be introduced one by one for about fifteen minutes each. After having a coffee break, participants from USAID and UNDP are requested to make a presentation on their approaches and methods applied to this theme for about twenty minutes, respectively. In response to these presentations by donor agencies, participants from developing countries are requested to make some comments for ten minutes each. Then, we will have about one hour of free discussion before we conclude this seminar at five o'clock. That is our today's program.



## *Part I:*

### *JICA Presentations*

**1. JICA's Policy and Approach on Local Development and Governance**

**Presenter: Eiji Hashimoto, Director, Planning Division**

**2. Decentralization Process in the Philippines and JICA's Role**

**Presenter: Masami Shukunobe, Staff, First Regional Division, Planning Department**

**3. JICA's Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Program in Indonesia**

**Presenter: Nobuhisa Takeda, Development Specialist**

**4. JICA's Collaborative Study with Local Governments (the Study on Environment Management Plan for the Environmental Model Zone in Dalian Municipality in the People's Republic of China)**

**Presenter: Koji Fujiya, Deputy Director, Second Development Study Division, Social Development Study Department**





## 1. JICA's Policy and Approach on Local Development and Governance

Presenter: Eiji Hashimoto, Director, Planning Division

Mr. TAKASUGI:

As the first speaker, we would like to ask Mr. Hashimoto, Director of Planning Division, Planning Department to make a presentation on JICA's policy and approach on local development and governance.

Mr. HASHIMOTO:

Thank you Mr. Takasugi, distinguished participants, ladies and gentlemen. It is my great pleasure to speak with you today. I have been asked to provide an overview of JICA's cooperation related to local development, based on yesterday's symposium. In doing this I will make some general remarks on the case studies to be presented later by three of my colleagues. I will also touch on some of the current issues and future tasks of JICA as a whole in order to put this cooperation in context. Finally, I will try to make some comments on JICA's future plans, as the symposium secretariat has urged me to do. Please understand, however, that JICA's future plans are still being worked out and that my comments may not always represent the views of JICA itself.

The theme of today's seminar is "local development and the role of government". Since the success of local development depends on central and local governments fulfilling their respective roles and on local residents supporting and participating in the planning and implementation process, I will focus my presentation on how JICA aims to support these aspects of local development through its aid activities.

I think that it will be easier for me to develop my presentation around five sub-themes which were discussed at some length in yesterday's symposium.

First is about development assistance in the changing world.

Second is development assistance in the changing developing world.

Third is support for decentralization movements.

Fourth is a qualitative change in Japan's official developmental assistance.

Fifth is JICA's activities related to local development.

I would like to briefly address each of these issues within the time provided.

First, let me take up the question of development assistance in a changing world. According to Professor Takashi Inoguchi, the former vice president of the UN University, the world has entered into a period of major change in terms of security, the global economy and governance since the 1980's, and these changes have exerted an enormous impact on world aid trends and Japanese aid policy.

The change in security situation was the end of the Cold War. The collapse of the Soviet Union put an end to the development assistance competition between East and West and brought a change in US development assistance policy. With greater emphasis on balancing the budget, US aid supported market liberalization or was used to address the negative outcome of market liberalization (through, for example, refugee support and food aid). This trend led to the concepts of global partnership and local ownership.

As for the global economy, Inoguchi describes "the end of geography", in other words, the globalization process that started with the Plaza Accord in 1985. This globalization-a consequence of market revitalization-reduced the role of ODA overall and increased the role of private capital flows. The currency crisis in Asia which is now going on is harsh evidence of the development. As a result of this shift, donors reduced their budgets, focused more on humanitarian concerns and provided a wider variety of aid to marginalized groups.

The shift in governance, what Inoguchi calls "the end of history", is represented by the fall of the Berlin Wall in 1989 and signifies a change in the standards for promoting development itself. In other words, development came to be viewed more in terms of global governance. The undercurrent of this shift is represented by the increasing use of such words as freedom, democracy, human rights and equality, gender and environment. It was in this context that the ODA Charter of Japan was enacted.

Let me move on to the question of development assistance in the changing developing world. Let me look at East Asia in particular. The high economic growth, often referred to as the "Eastern Asian Miracle", gave rise to regional disparities as well as socio-economic disparities between urban and rural areas. A host of serious issues emerged among them. The concentration of the labor force into urban areas and the impoverishment of rural areas and the deterioration of the environment.

The movement of people, goods, funds, and information, which is essential to development, accelerated faster than expected and the inability to make the necessary adjustments in a timely manner ultimately became a factor behind the currency and financial crisis in Asia. Leaving the analysis of that issue to the experts, let me just say that JICA, as an aid implementing agency, is providing emergency as well as medium to long-term support for these countries as they bounce back from the crisis.

Let me turn to the question of the support for decentralization movements. One of the significant results of this aid research on specific issue is that it has added some depth to the analysis of issues concerning the development of developing countries.

Government to government aid has been slanted towards policy dialogues with central governments and the confirmation of national development priorities. In effect, localities were viewed as bases for the supply of resources for the growth of the nation as a whole; perhaps, this was

the only way growth could be achieved. However, in order for localities to develop themselves and eliminate regional disparities, it is necessary to enhance the awareness of local residents and improve the capacity of local governments as well as to extend assistance that fully respects the will of both. I think that this notion is captured in the words "think globally, act locally."

The participation and support of local residents are also important on the donor side. In May 1995, Japan enacted a decentralization law to adapt to the era of internationalization and to meet the diverse demands of its residents in different parts of Japan. A revised version of this law is scheduled for enactment in 1999. It will usher in a new era in which local governments are able to promote foreign relations and engage in active exchange of people and information.

The era of globalization is arriving at the local level in developing countries as well. Local residents are taking the development of their communities into their own hands. In such an era, local governments must not serve as satellites of central government. Rather, they must assume ownership of the functions and roles necessary for development.

Let me now turn to the change in Japanese aid. As you know, Japan has been the top aid donor for six consecutive years from 1991 to 1996. In Japanese fiscal year 1998, however, the government has decided to cut the ODA budget by 10 percent with JICA's budget expected to decrease by 1.8 percent.

It is necessary to look beyond these budget figures, however, to fully understand the meaning of this transition period in ODA. The ODA Charter announced to the world that the Japanese ODA would positively address a wide variety of aid issues and promote the participation of NGOs and local governments in international cooperation. Consideration must be given to the strengthening of ODA through a shift from conventional development assistance for central governments to aid that responds to the needs at the local level. For example, grant assistance for grass-roots projects of local governments and international, Japanese and local NGOs in developing countries; and the Japanese government's subsidies to local governments and Japanese NGOs active in development aid.

Finally, let me say a few words about JICA's activities related to local development. JICA has implemented various forms of assistance conducive to local development. Two of our major forms of cooperation are technical cooperation projects and development studies. Of the some 190 on-going technical cooperation projects, 98 of them, or more than half, target areas outside of national capitals. Forty of them, or about 21 percent, are thought to contribute to local development or the correction of regional disparities. Of the 250 on-going development studies in 75 countries, 211 of them, or 21 percent, target areas outside national capitals. Seventy five of them, or 35 percent, are thought to contribute to local development or the correction of regional disparities. While this assistance was not implemented in the name of "local development", as we have discussed here, it does reflect the recipient's priority or regional areas and efforts to correct regional disparities.

As cooperation directly aimed at capacity development for local governments and administrations, JICA offers various training courses for local administrators, assigns experts as advisers in the formulation of local development policy, and conducts local development projects to improve income at the grass-roots level. This fiscal year's training program includes ten courses for some 100 participants, aiming at the improvement of regional administrative capacities and the promotion of regional development. In recent years, there has also been a gradual increase in the number of local development projects contributing directly to the improved lives of people at the grass-roots level.

Well, I finish here, my colleagues will present three case studies on local development. The first case describes JICA's efforts to facilitate the decentralization process in the Philippines. The second case is a regional development project in Indonesia aimed at poverty alleviation. The third is a project in Dailin, China, that was initially a joint initiative of Japanese and Chinese local governments.

Reflecting on JICA's experience, I think that two things can be said about support for local development. First is that, in response to the socio-economic change in developing countries, cooperation for regional development and the correction of regional disparities will continue to increase or naturally deserves higher priority in the activities of JICA. Growth is also expected in the area of policy support for central government policy related to the decentralization and for the strengthening of local governments, as recommended in the report of the study group. An example of this is JICA's assignment of an adviser to the Department of the Interior and Local Government of the Philippines.

The second thing that can be said about support for local development is that it is important to promote the participation of local residents as much as possible and to encourage central and local governments to fulfill their respective roles. Various attempts have been made to promote the participation of local residents and these methods need to be further developed in the future. As for the roles of local and central governments, there are three necessary conditions for the promotion of local development as the report points out: (1) local governments must have the capacity to appropriately utilize their authorities and resources for local development; (2) central governments must create an enabling environment for local governments to tap their potentials, i.e. an environment that enables the promotion of local democratization, the building of social capital through regional networking, the mobilization of regional resources and the access to other regions; and (3) central government must make efforts to reduce regional disparities. Because JICA's cooperation is conducted on a government-to-government basis, assistance to local governments must be channeled through the central government. This has provided a framework calling for mutual commitment between central and local governments. As the study group points out, local development cannot be achieved until both central and local governments fulfill their respective roles. I think that it is

essential for JICA to back these efforts in its activities. Thank you very much for your kind attention.

## 2. Decentralization Process in the Philippines and JICA's Role

Presenter: Masami Shukunobe, Staff, First Regional Division, Planning Department

Mr. TAKASUGI:

Thank you Mr. Hashimoto. From now on we are going to concentrate on the discussions at the working level and focus on the project level. With this outline just explained by Mr. Hashimoto as the background, we would like to go into the three individual cases. First, I would like to ask Mr. Shukunobe, a staff member of First Regional Division, Planning Department to speak about the decentralization process in the Philippines and JICA's role.

Mr. SHUKUNOBE:

Moderator, other distinguished guests, ladies and gentlemen, good afternoon. It's my great pleasure to make this presentation on this topic; the decentralization process in the Philippines and JICA's role. Actually, I was in the Philippines for three years and I just came back last September. At that time I was in charge of management of agricultural projects and I was the assistant representative of JICA Philippines office. I visited Cebu many times not only for the job, but also for fun such as swimming and diving.

Anyway, my topic is very tough theme, that is, decentralization process in the Philippines and JICA's role. This topic consists of eight parts. First is the Local Government Code of the Philippines itself. And second, JICA's initial involvement about this issue. Third is JICA's past or current technical cooperations with this issue. Fourth, JICA's approach to Cebu province itself. And fifth, other donors' activities including USAID. Sixth, last are issues related to projects for decentralization. That is the component of my presentation.

First of all, I want to make a presentation about the Local Government Code, LGC, of the Philippines. This Code, LGC, was enacted in October 1991 and this Code has three phases. First stage is the change-over stage from 1992 to 1993, the second phase is the transition phase, from 1994 to 1996. And now is the stabilization phase. The content of this LGC is that the central government is relocating 700,000 national civil servants into local areas, providing 520 billion pesos worth of facilities, material and equipment. That's a very big project and a historical event. That is a simple and brief explanation of LGC.

Next is the second component, JICA's initial involvement. First, our approach is that we sent a project formulation adviser in 1995 in order to promote the decentralization process. This adviser, whose name is Mr. Akamatsu, is now working for the Sulawesi Rural Community Development to Support Poverty Alleviation Program. He identified three issues according to his reports. First is the strengthening of the administrative capacity of local governments. The second

issue is the strengthening of local government support functions within the Department of Interior and Local Government(DILG). The third issue is strengthening the functions of central government policy authorities, such as the DILG and the NEDA (National Economic Development Authority). Also, this project formulation adviser recommended that JICA had to assign an expert to the DILG. In response to this recommendation, an adviser is right now being dispatched to the bureau from April 1996 to April 1998 assigned to the DILG. This expert also recommended the establishment of a training course for local government personnel as a part of central government support for local government. That's why JICA set up these special training courses now, from Feb. 17th of this year to March 23rd, 1998. This course is being attended by twelve planning and development officers from local governments. Also, this seminar involved the seminar on regional development and finance like OECF loan and so on. That is a simple explanation of JICA's initial involvement on this issue.

Third, JICA's past and present technical cooperation about decentralization in the Philippines. JICA has implemented various technical cooperations on this scheme. Please check the list. First is development studies. Examples are Cebu Integrated Area Development Program, Central Luzon Development Program, Davao Integrated Development Program and the Study on Provincial Water Supply, Sewerage and Sanitation Sector Plans for Visayas and Mindanao. These projects are jointly implemented by DILG. Also, we had project-type technical cooperation called Philippines Rural Livelihood Generation Project. This project ended in 1996. This project is rather special because JICA conducted this project in three of the least developed provinces. These activities were implemented by local governments, farmers and NGOs in each of the regions. And the results of this project were communicated and disseminated, extended through the workshops at the end of the projects. That's JICA's past and present technical cooperation experience.

Forth, I want to point out JICA's approach to Cebu province, Mr. Garcia's hometown. JICA drafted a master plan for the province's comprehensive regional development based not only on the request from the Philippines government but also from the Cebu province. And this master plan developed into the project-type technical cooperation, the Cebu Socio-Economic and Environmental Development Project. This is a JICA's project-type technical cooperation(PTTC). We already sent a preliminary study team about this project in Cebu. It aims to improve the capacity and capability of the municipalities to develop themselves. The project aims to improve the lives of the residents and also to improve the abilities of planning and development officers. That is our approach to Cebu province.

Fifth, other donor's activities. Very brief and simple description about other donor's activities about decentralization in the Philippines. First, USAID implemented the Local Development Assistance Program, LDAP from 1990 to 1995. This program aimed to enhance the

capacity of local governments, for example, to improve their tax collection efficiency. And another's activities, Canadian International Development Agency, CIDA, has been conducting a local government support program since 1992 in order to improve the ability of these local government's officers. Those are some examples of the other donors' activities on decentralizations.

Finally I would like to point out some issues related to decentralizations. Considering the purpose of technical cooperations, it is very important for JICA's PTTC that the results of the project will be extended not only to the concerned local government itself but also to the other regions. That is a very important point. In this regards, the central government is also expected to play a significant role. In this matter, I pick up one example from the agricultural sector. Under the Local Government Code, agricultural research still remained the responsibility of the Department of Agriculture, while most of the agricultural extension activities were turned over to the local governments. Due to budget shortage and the lack of adequate staff in local government, agricultural extension activities have been little stagnated. It is very important to create a system that functions in all of its aspects-human resources, technologies and funding-to promote a cycle which the Department of Agriculture (DA) develops appropriate technologies through testing and research. And the local government should extends this agricultural technology and should be able to feedback to the DA. But, for example, extension work and research work with a little bit of disparity. That is why this problem is still going on, according to my observations. Secondly, there is a need to coordinate the project requests by local governments. When I was in the Philippines, I was in charge of agricultural projects. In recent years, there has been a increasing requests for JICA projects by local governments because under the LGC local governments are able to directly request to and contact with donors. As a result, each local government tends to submit project proposals to the appropriate donors including JICA, but donors like JICA have difficulties in placing the priority to each proper proposals because of the lack of screening by central government. For example, at the JICA office, more than 50 proposals for grant aid come from local governments per year. We read every proposals, but we sometimes have a tough time to make the priority list. That is one problem from my experience. Needless to say, NEDA is the main ODA coordinating agency, and it has a system of accessing the availability of ODA as well as deciding the priority list about projects. But after the LGC, local governments have played the main role of making a project proposal in their area. However, local governments are not familiar with JICA's schemes of technical assistance, because we have many kinds of schemes like development survey, project type technical cooperation, grant aid, dispatching experts, training courses, and JOCV programs. That is why local governments have difficulties in making appropriate proposals by themselves because of a lack or absence of correct references and proper guidance to the schemes. We sometimes have a seminar in a local office to local government staff, but it is not enough. In this situation, I hope that the DILG can play an important role in settling this problem, because DILG



promotes the local governments' capability for development project planning, and coordinates with NEDA about the issues as well. Thank you very much for listening.

### 3. JICA's Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Program in Indonesia

Presenter: Nobuhisa Takeda, Development Specialist

Mr. TAKASUGI:

Thank you very much Mr. Shukunobe for your clear and concrete presentation. Next, JICA's project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Program in Indonesia will be introduced by Mr. Nobuhisa Takeda, our Development Specialist.

Mr. TAKEDA:

Thank you Mr. Takasugi, Distinguished panelists and ladies and gentlemen. I would like to present the case of the Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Program in Indonesia. This project is carried out in the form of the Project-Type technical cooperation and this is an on-going project which started in March last year and lasting for 5 years up to year 2002. The project is in the early stages of implementation and a kind of preparation stage. So, I will introduce an outline of the project, particularly, the approach of the project, institutional framework for its implementation, and the major issues faced so far as well as the future challenges of the project.

As for the background of the project, in view of the growing income disparities between urban and rural areas and the regional disparities, particularly between the western part of Indonesia and the eastern part of Indonesia, the Government of Indonesia emphasized the need of poverty alleviation and the people's participation in community development in the sixth national five-year development plan (REPELITA). In this connection, the Indonesian Government requested Japan to assist poverty alleviation program in the South Sulawesi province in particular. The counterpart agency of this Project is the Directorate General of Rural Community Development, Ministry of Home Affairs, which is called PMD. The purpose of the project is to strengthen the capacity of targeted village communities and local institutions of PMD in South Sulawesi province, to plan, implement and manage rural community development. To achieve this purpose, the project has planned three outputs. The first is improving social, economic and institutional capacity of targeted village communities. The second is developing the PMD training system for Sulawesi. The third is strengthening managerial skills of PMD officials engaged in rural community development. To obtain these outputs, main activities of the project are divided mainly into three areas. One is the implementation and development of pilot projects in pilot villages. And the second one is the improvement of training system. The third one is the improvement of participatory approaches and

methods within the rural economic system. During the formulation stage of the project, one long-term expert was attached at the PMD for project preparation, and there was a continuity of personnel through the project formulation and the implementation stages. Particularly, the Chief Advisor of this project is the major architect of the Muramatsu Report on the Local Development and the Role of Government. Professor Kawamura was also involved in the preparation of the project as a member of project formulation team.

The conceptual framework of the community development of this project focuses on the facilitation of internal resource mobilization in the village level, and the utilization of external resources, such as market, credit, opportunity and various government services. In this concept, the village people is the main actor to plan and develop the village development project, so it is necessary to improve their capacities by strengthening village organizations, and providing access to external resources including infrastructure and institutional linkages. The PMD is the major organization to assist village groups to formulate their own project.

Based on this background, the approach of the project is as follows. (Please see attached paper.) The project is attached to the provincial office and its counterpart is the district office. So, the project covers the provincial office and district office of the PMD. The main objective of the project is the capacity building of the PMD staff in provincial and district office, and the improvement of the function through the improvement of PMD training program and the establishment of community development support system. Those two elements are to enhance the capacity of PMD provincial and district offices. For this objective, the project selected four pilot villages to implement participatory development activities. Through the village experimentation of participatory development activities in planning, exchange visits and the implementing of the community development program newly introduced by PMDs, experiences and lessons of the village level activities will be feedback to the PMD local office, and this will be used for the improvement of training programs. At the same time, the lessons and the experiences at the local level will be fed back to the PMD central level, so that the project can contribute to the improvement of national level community development strategies and programs. That is also expected by the project. In a sense, the project will strengthen the linkage between the PMD local office and the villages as well as the PMD's local level with the central level.

To facilitate this approach, the project formed an institutional framework for the project implementation. (Please see attached paper.) The Organization chart indicating institutional framework of the project illustrates the complicated nature of the Indonesia's administrative system. There are two lines of the authorities. In the center you can see the line of the PMD and the Ministry of Home Affairs. The left one is the line of the planning and budgeting which is went through the BAPPENAS at the central level to the provincial government, down to the district government. Each

provincial government and district government have a Planning Division called BAPPEDA for respective level. So, the PMD provincial office is under the provincial government. At the same time, the district office of PMD is under the district government. However, the Ministry of Home Affairs has still controlled the PMD's activities at the center. The PMD office had to coordinate with BAPPEPA in the Planning Division and also at the central level of PMD office as well as at the district level. As for the coordination mechanism, the project established Joint Coordination Committees as a formal arrangement of the project. But these formal committees do not meet frequently. In addition, in the course of the project implementation, the project established some kind of coordination mechanism which is indicated here. The project established the Project Coordination Meetings in each level, the provincial level and the district level, to coordinate the activities and share information. Moreover, the project established the Technical Support Group in the PMD, both in provincial office, and the central level of the PMD. The Technical Support Group will be expected to serve for obtaining the organization-wide support to the project because the project is doing a number of activities related to the PMD's various activities. This means that the involvement of various departments of the PMDs. Furthermore, to complement the information flow at the central level, the project appointed the Project Adviser to obtain information at the central level and also to support the coordination at the central level.

To support this project, the supporting network is also being formulated. In Japan, JICA established the Advisory Committee of the project which is chaired by Prof. Kawamura. The committee includes the institutions like Ryukoku University, NGOs like Karaimo Koryu Foundation, and The Central Committee of Japan Agricultural Cooperatives. In addition, Study Group is established to follow up the activities of the project, to provide some kind of support and to evaluate the project activities. This kind of similar supporting network is planning to be established in Indonesian side as well.

Currently, the project has established some networks with the technical support groups, however, the project is planning to formulate the networks with the institutions such as universities and NGOs in Indonesia. That is the plan for the activities of this project.

As for the major issues of the project and some problems so far faced in the implementation of the first year, I will list the following four issues. One is the uncertainty of the project environment due to the transitional stage towards decentralization. Since 1995, the government of Indonesia implemented the pilot project for decentralization which transfer functions of the some sectoral agencies to the district governments. So, decentralization will proceed gradually and the change of the inter-regional finance system will affect the project, particularly for local budget for the project. Second is the communication between the central department and provincial office as well as the district office which has not been functioning well, or sometimes disrupted. The communication

between the sectoral agencies, even within the PMD, is also a problem due to the factionalism. Therefore, in improving this situation, project has established some kind of coordination mechanism as I mentioned before and appointed Project Adviser in Jakarta to obtain information at the central level. The third one is the constraints of implementation at the local level in relation to the nature of program formulation at the central level. This means that often the community development program is formulated at the central level and may not well reflected well the situation at the local conditions and the capabilities of the local agencies. So this will cause the constraints in the implementation of the program at the local level. In this connection, the project is in an unique position to feedback the lessons to the central levels and also to provide the necessary training at the local level for the implementation of those programs. As a result the project may contribute to the improvement of central level's community development planning and its strategy by providing some information at the local level lessons and experiences. Lastly, it will be a challenge for the project in the future how to formulate the supporting networks for the project by linking the concerned agencies, universities and NGOs to achieve the sustainability of the activities initiated by the project. This project will have a lot of challenges and I myself, as a member of the Study Group, would like to follow up the activities of the project. That is the end of my presentation. Thank you very much.

4. JICA's Collaborative Study with Local Governments (the Study on Environment Management Plan for the Environmental Model Zone in Dalian Municipality in the People's Republic of China)

Presenter: Koji Fujiya, Deputy Director, Second Development Study Division, Social Development Study Department

Mr. TAKASUGI:

Thank you very much Mr. Takeda. Now, we would like to ask Mr. Kouji Fujiya, the Deputy Director, Second Development Study Division, Social Development Study Department, to make a presentation on the study on Environmental Management Plan for the Environmental Model Zone in Dailin Municipality in the People's Republic of China.

Mr. FUJIYA:

Thank you, Mr. Takasugi. I would like to introduce our development study. The study on Environmental Management Plan for the Environmental Model Zone in Dailin Municipality in the People's Republic of China. This development study can be said a model study from two points of view. One is that the friendship relations between the local governments in two countries resulted in a national cooperation project in this case. The other is that this is a model case for the collaborative project between JICA and the local governments.

Here, you can see a map of China and the Korean Peninsula, and here is Liaoning province. At the top of Liaodong peninsula is the Dalian municipality. This study focuses on Dalian municipality. This is a map of the urban area of Dalian and this is the study area of this development study, the central area of Dalian municipality. This is the Yellow Sea and this is Dalian Bay, and there are many factories, such as iron factories and chemical factories. Some of these factories were constructed before the World War II. In recent years, various environmental problems have emerged because of its large population, over 5 million, industrial growth and rapid urbanization, including motorization. However, its administrative framework and system for environmental protection has not sufficiently developed yet.

Kitakyushu municipality in Japan (Kitakyushu means the northern part of Kyushu Island), which keeps a friendship agreement with Dalian municipality, used to suffer from the similar environmental problems and had overcome the problems. Kitakyushu is famous for two industries. One is steel factories and the other is coal mining. Kitakyushu has a lot of human resources in the area of the environmental pollution control and environmental management. Because of the similarities of the problems which two cities have faced, they have had an exchange programs of environmental experts since the late 70s. Some technical seminars for the environmental engineers

have been held sometimes in Kitakyushu and sometimes in Dalian.

Based on such a friendship relationship, Kitakyushu suggested Dalian to establish an environmental model zone so that they can introduce pollution control technology and experience from Japan. At first, Kitakyushu suggested a name of "special environmental zone". This name came from "Special Economic Zone" in China. But the name has been adjusted and Dalian had requested National Environmental Protection Agency (NEPA) of China to assist the implementation of "The Study on the Environmental Management Plan for the Environmental Model Zone". NEPA and the State Science and Technical Commission submitted an official request for the assistance of the Japanese government in July, 1995. The proposed development study is supposed to formulate an environmental master plan of the central area of Dalian as "an environmental model zone" which aims at the coexistence of environmental protection and socio-economic development.

With the acceptance of the request by the Government of Japan in January 1996, JICA dispatched a mission to Dalian for the preparatory study, which included three members from Kitakyushu municipality. This mission discussed the scope of the study. Since December 1996, full scale study has launched with the cooperative scheme among JICA, Kitakyushu municipality and some governmental organizations concerned.

The study includes a wide range of components as the following. First, present conditions of environmental pollution and pollutant (air, rivers, sea water, noise and solid waste etc.). Second, analysis of the pollution source. Third, simulation of environmental pollution. Forth, examination and evaluation of the pollution control measures. Fifth, formulation of the environmental master plan. Sixth, prioritization of environmental improvement projects. Seventh, economic and financial evaluation. Eighth, technical transfer to the counterpart. And Nineth, assistance for the environmental education.

This is the cooperative scheme of this development study. The Japanese study team consists of two teams. One is JICA study team, which is the consultants contracted with JICA and the other is Kitakyushu expert team who comes from Kitakyushu municipality and Kitakyushu International Technological Cooperative Assoc. (KITA), including private companies in Kitakyushu. JICA will dispatch the JICA study team for the implementation of the study and Kitakyushu also dispatch their own experts in order to collaborate with JICA study team. The final report of this development study will be submitted with a joint name of both JICA and Kitakyushu.

Besides, JICA established an advisory committee. This committee is established as a technical consultative body for a smooth and accurate implementation of the study. This advisory committee, chaired by the development specialist of JICA, Mr. Hoshina is the chairman of this advisory committee, and consist of members of Kitakyushu municipality, the Environmental Agency of Japan, and the Ministry of International Trade and Industry. About environmental management,

the Environment Agency of Japan is the concerned agency, and about the industrial pollution control, the MITI is the concerned agency. Our JICA study team will include a team leader and experts of air pollution control measures and planning. This includes the stationary emission source and mobile emission source, water pollution control measures and planning, urban planning and urban environment, environmental sanitation improvement plan, wastewater treatment plan, noise control, institutional development and so on.

The Kitakyushu team will support the following items based on their strength. First is the measurement method of environmental monitoring. Second, environmental policy and administration including the law enforcement. Third, environmental education, and forth, cleaner production technology. As for the cleaner production technology, some of the private companies in Kitakyushu have experience, and through KITA, Kitakyushu can cooperate with this study.

In Japan, a local government is in charge of supplying services for urban environment, like water supply, wastewater management, and solid waste management. When environmental problems occur, local residents request their local governments to control them. In Japan, we have a history, in the 50s or 60s, of the serious industrial pollution like Minamata or Yokkaichi. This is the reason that many local governments have a lot of experience and human resources in the field of environment. The collaboration between JICA and local government brings some advantage and this advantage is derived from the skills and knowledge of the local government, which reserves the environmental protection techniques and has the actual experience of establishing/implementing the environmental policy. In addition, the follow-up activities after the completion of the study can be expected through the human resources exchange. Although duration of our development study is only two years, the friendship relations between Kitakyushu and Dalian will be continued even after we finish our study. Therefore, we can expect to follow the results of our cooperation through the relationships between local governments.

From the local government side, there maybe some merits, that is, accomplishing a larger cooperation program, which the local government cannot implement by itself, and bringing the positive result of the local government in the international cooperation field. In addition, such an activity would contribute to the publicity for the local communities, to the development of human resources with a global view and to tightening the friendship relation between the local governments and its counterpart city abroad.

This is just a model case and we are now conducting this development study. It has started just one year ago, and what we are doing is a trial and error situation. Maybe, this experience of the local governments in Japan in the international cooperation field will be learned for the future cooperation. But, there maybe some constraints such as human resources and financial problem. Local governments have human resources who have rich experience in the environmental management



but they generally do not have international experience. Also, financial problem could be constraint since Japanese government now has a plan of restructuring due to its deficit. Most of the local governments in Japan are in a similar situation, so maybe in the future these factor could be some problems in this field. Thank you very much.

Mr. TAKASUGI:

Thank you Mr. Fujiya for your presentation on the model project with distinctive features. Now, we would like to have a very short time for questions that you might want to ask immediately. Is there any short questions?

Mr. ETO:

Please excuse me for my ignorance of JICA's activities. I went through the three paper presented so far, but, not much issues on constraints are addressed except the paper on the Philippines. In page six of the paper written about the Philippines, the main issues of decentralizations are discussed. I think that JICA has accumulated technology, experience, knowledge and also money, therefore, practically it has no problem to carry out this kind of project. I think that most of the problems are related to how to cope with central government interventions and how the funds effectively, efficiently and appropriately injected to the most required area. I can tell one example of almost three years ago. I went to Vietnam with an EU project mission. We found a lot of shortfalls, however, whatever we discussed, it must go through the central government in the north. This type of problem I have seen all over the place. I think that we should focus on this issues. I think that three of your people who are working at your site are just like me who have been working thirty years in the field. I think that my major problem is how to persuade the central government for the decentralization program.

Yesterday I participated in this symposium. I found that in the Philippines they have already established the Code, so they understand the issues. And they have challenged in the last ten years or whatever. I think that more problem lies in Africa. Unfortunately, I don't see any representative from Africa at this table. Why I can say this is because here you are tackling the problem more systematic way. Five years ago I started a project in Eritoria. When I made a courtesy call to the president, we had almost two hour discussion and he said that "we are very lucky because we are newly developed country so we have seen all bad cases". He talked so many things about the cause of poverty, but among others, he said urbanization is most important factor. Poor people concentrate in the towns. So, he said, "we are lucky because we are just starting the development", and said, "when you operate a project please bare in mind this defect". In fact, in Eritoria, right at the beginning, they tackled the problem without any systematic guidance. I think that we have to make

more effort in Africa because, unlike in Asian countries, they are new countries and we can expect more impact. Thanks so much.

Mr. TAKASUGI:

Thank you very much for your important points. I think that these points may be discussed later in this session.

## *Part II:*

# *Donor Agency Presentations*

### **1. USAID**

**Ways and Means of Cooperation and Project Details - How We've Changed the Way We Support Local Governance in the Philippines**

**Presenter: Michael Calavan, Chief, Office of Governance and Participation, USAID  
Philippines**

### **2. UNDP**

**Ways and Means of Cooperation and Project Details**

**Presenter: Robertson Work, Principal Technical Adviser, Management Development and Governance Division, UNDP**



## 1. USAID

### Ways and Means of Cooperation and Project Details - How We've Changed the Way We Support Local Governance in the Philippines

Presenter: Michael Calavan, Chief, Office of Governance and Participation, USAID  
Philippines

Mr. TAKASUGI:

Now we would like to start again and continue this session. We would like to ask for presentations by USAID and UNDP. First, we would like to ask Dr. Michael Calavan to speak about ways and means of cooperation and project details and how they have changed the way they support local governance in the Philippines.

Dr. CALAVAN:

Thank you very much. So, how we have changed the way we support local governance in the Philippines? Our chairman, Mr. Takasugi, encouraged frank exchange and a comment from the floor, pointed out the need for a paradigm shift in how we think about this challenge of governance. With those things in mind, I want to present a relatively iconoclastic, zlot's view of the issues this afternoon. I hope I can do this reasonably politely. But I also hope that I can intellectually clash swords with almost everyone in this room and encourage you to encourage me to rethink my views and for me to encourage you to rethink your views of how the process is working and should be working out there. With all that in mind, I want to give some concrete ideas about collaboration and information exchange at the end of my presentation. But before I get there, I think that I have to give you enough background on where we are at this time.

We are zealots about local governance in the Philippines, in my organization and some of the other organizations we work closely with. In understanding what we are like, what it is like to work with us. If I can use a slightly indelicate image, working with us these days is a little like making love with a porcupine. So I want to give you a sense of what it is like.

First, some background. Earlier during our Local Development Assistance Program which was briefly mentioned earlier today, USAID staff worked in the background of local governance. Through policy studies, networking with many people in the central government, some at the local level, conditionally. That was in the days when our annual program was \$350 million a year and now it is \$45 million a year. So, we were in a different stage ourselves. Anyway, there was sustained effort to be supportive of local efforts to establish the Local Government Code of 1991. A code that followed the intentions of the 1987 constitution which said there shall be autonomous local governance in the Philippines. So, we supported a lot of work background policy studies, almost

always carried out by Filipinos about many issues of autonomous local governance. Having played that background role, after that, it was time to begin thinking about how to make autonomous local governance real. A lot of the policy framework was in place. How could we assist and be supportive of a revolution that demonstrated that local governance can really work in the Philippines and can really work in the world. My colleagues, and let me stress this again, I was working in Washington at the time, my colleagues, American and Filipino, made crucial decisions in 1993 and 1994 as they were building towards this support program. They made crucial decisions about our approach and they were unusual decisions. Had I known about them when they were made, I would have applauded, because I was unsuccessful in getting my colleagues in Nepal in 1992 and 1993 to think along the same lines. Anyway, I talked some about this yesterday. They decided to work directly with local governments, with the strongest local governments, not the weakest, to advertise for partner governments to studiously avoid pre-determining the technical content of project activities to help local governments in short to do what they wanted to do. And not to work through central bureaucracy. I hope that this is one of the places where we can politely cross swords and talk about in detail. And to work closely not with at the center and not with the national government agencies but with the local government leagues. So, these were all decisions that were made, and I think that each one of them represents a departure from how things are ordinarily done, not only in your organization, but in my organization. They were deliberate breaks from donor tradition.

To give you a flavor to what has happened since we made those decisions, I want to talk about once again about how we have rethought things, and how we are doing things differently. We have rethought our theories of why we are doing this. Why we are doing this, what we are setting out to accomplish, and why we think it is worthwhile to support and strengthen local governments. Unlike most donors and opinion makers, we don't dwell on the problems of local governments, though they are many. We don't think that the essence is to go out and work with every local government to give them standard training to build their capacity against their standard framework of what their weaknesses are and how to go from current point of weakness to eventual strength. First of all, as I said yesterday, we work in this sector because we see positive opportunities. We see a progressive code, not perfect, but a progressive code, that has gone a long way to enable local governments to do what they want to do, and what they need to do and what their citizens tell them they need to do. We see a strong base of skills and traditions out there, and we need to revisit this issue because I am an optimist. I think that there are not only skills and traditions out there in the Philippines, but I think that there are skills and traditions out there pretty much every place on which a firm base of governance can be built. We see dynamic leaders, we see a growing body, month by month, year by year, a growing body of good practice of things that are working one place or another in the Philippines, and can be borrowed and adapted and built on in other places in the Philippines. We see a lot to be

optimistic about.

To reiterate yesterday's point, our rapid field appraisals describe positive trends, and while others emphasize the problems of local governments, and of course they find a lot. You can talk to even the most creative local governments and ask them about problems. The more dynamic and creative they are, the longer the list of problems they will come up with. However, that doesn't necessarily imply a particular kind of programming. However, problem surveys tend to bring predictable solutions: training, typically very standardized kinds of training programs, and capacity building programs. "Here is how we are going to build up capacity", the same for every other local government, it is going to take two years, or five years, always the same. We don't think that this is the way to go to ignore existing good practice, to ignore all the things particular local governments and communities already know how to do, which are enormous in the Philippines and almost every place. We are impressed with the differences between communities, differences in the challenges they face, differences in the things they themselves really want to do, but we are impressed by the capacities already in place. Our assumption is that good things are happening out there and we can build on them. This leads to a different "how" of how we, as a donor, can support local governance.

Now, our fundamental concern is not building technical capacity, but enabling entrepreneurship. We are not saying governance is about a group of technical skills, although that is clearly part of it, but democracy and good, autonomous local governance are about entrepreneurship. They are about unlocking the latent capacities that I believe are in every community in the world, to be remarkably creative about solving problems that exist in a particular time and place. And solving those problems in ways that are new and achieve new breakthroughs. That is our core theory of what we are trying to do. It is the same reason in our programs, at least our best programs around the world, on the economic side, we emphasize building open and competitive markets, because that is the process that brings entrepreneurship. It is most useful, with this in mind, to work with the best and to help them do what they want to do. That is demand-driven programming. Our strategy, realistically, is not to transform every local government by working directly with every one. In the Philippines that gets you at some point to 42,000 barangays and more than 1,500 municipalities. But to support "breakthroughs", that can be widely shared and widely emulated. So, it is a combination of working selectively with some local governments and then sharing the "breakthroughs" of those local governments, plus countless other local governments that have achieved high potential breakthroughs, and in sharing that information. How to effectively share that kind of information is a challenge we are trying to face right now. Not that we are going to share it but how we are going to support others in sharing it.

Our current emphasis of our GOLD, Governance and Local Democracy Project, is on sharing across project sites. At the end of January, we had 250 people together from nine provinces and two

cities, and they spent half of the time together asking. How can we share what we have done with you? How can we tap in to what you have done and ask you to share it with us through cross visits, through cross posting, through sharing documents, through sending someone to be an expert? The next challenge that we face, the one we are thinking about right now, is information sharing across the country. We will ask our partner LGUs to expand what they have done in the last two or three years in relation to this project, to share the breakthroughs they have achieved. One of their first answers was a "sister LGUs" program within the Philippines. More emphasis on cross visits from place to place, on information sharing through the local government leagues, on newsletters, data bases, internet web pages. Sharing sessions have already been pretty well institutionalized in the League of Cities and the League of Provinces, where quarterly sharing sessions give chances for cities or provinces that have made breakthroughs in a particular area, to share that particular information with other cities or provinces, in a structured way.

We have learned to think differently about training and capacity building. Our project supports very little classroom training. Instead, what we do is lots of bits and pieces of what we call "just-in-time" training. I first heard that expression from the woman who was formerly the City Manager of Austin, Texas and is now taking over as the City Manager of a very troubled American city called Washington, DC. They do a lot of JIT training in Austin. Adult professionals and citizens are taught enough to accomplish some task they have decided they need to do. A lot of the training comes in snatches of half an hour or 45 minutes. Let's say you have decided that your municipality needs an ice plant. Let's help you to do some financial analysis of whether an ice plant would really be feasible, would it really strengthen your local fishing industry. What would it take? 45 minutes to do the next task. When you have done that, we will do a little bit more, but working on a real project, dealing with just what you need to carry that through. Technical working groups decide what they want to do, and then they decide what they need to learn. These are the groups that drive project activities, groups of local people. Then, instead of trainers, the project staff finds short term advisers who may, among other things, impart small bits and pieces of training, or help to design participatory events where leaders and citizens exchange views and make plans. Our purpose is to strengthen local institutions, rather than building skills of particular individuals and national agencies.

Now, here is a place where I hope I can really cross swords with some people. A lot of people working in the planning division. We are re-thinking planning. We haven't rejected the idea that careful data collection and good analysis are useful in planning. But, our observation about most plans is that they sit on the shelf. They are seldom consulted and they have very little influence on what actually happens. This isn't news to you, those of you who are professional planners and those who are not. We have concluded that the essential point is broad participation in making plans and extensive commitment after they are made. Our current emphasis, and this emphasis is being pushed



very hard by a woman who has made her career in NEDA, the planning agency in the Philippines, is on short-term, participatory planning. These two or three days exercise don't ignore available data, and sometimes use it extensively. But the emphasis is on, what I mentioned yesterday, the Technologies of Participation as an effort to tap the knowledge and the views that participants already have in their heads. 250 Barangay Planning and Budgeting workshops, that I mentioned yesterday, are examples. Those workshops ask local citizens to judge the main problems and the main challenges they face, and then ask them to think about how to use local resources to pursue those challenges. When there is broad acceptance of clear priorities, then data collection and analysis become very important. But, again, focusing on the things that local citizens at large have already decided are important.

Next, we are even rethinking financial assistance. Of course, we are not prepared to argue money is unimportant. But many breakthroughs made by local governments we have been working with are excited about involve little or no money. We think money is important, and we are assisting four provinces and twenty municipalities as they work very hard to increase property tax assessments and collections. We know this is important. We are helping local governments as they seek commercial loans and consider breakthroughs such as municipal bonds and BOT arrangements. We know that those things are important breakthroughs. But our help is limited to technical assistance, facilitation services, and a little cost sharing; there is no infrastructure and no cash grants. But, there must be something in what we are doing or you wouldn't find such zeal and excitement on the part of our local government partners. We are seeing many low cost and cost free changes. Changes that local leaders and citizens are excited about. Things such as more effective meetings. One governor noted at the end of the meeting, "One of the things that has changed in the last couple of years is that we all touch base on what we agreed. And who is going to do what will start tomorrow?". And that is a difference. There is more participatory planning, more multi-sectorial management groups in the Philippines that means that people, including elected officials, local government employees, NGO and PO representatives, and business representatives are working together to push some process along. And multi LGU commissions such as metropolitan governments are being formed. There are also pleasing trend towards programming modest amounts of essential funds in local budgets. Not big amounts of money, but local governments say that in order to help this move forward, we will put 100,000 pesos in this year and every year from now on.

And we are starting to think about future directions for our local governance assistance. This inevitably leads to donor collaboration. How do we work with others? We certainly invite other donors to join us in working directly with local governments. We will happily share information on how we work in the Philippines directly with local governments, and about our arrangement with the central government, our project steering committee, which is an information exchange mechanism that meets quarterly. It brings together representatives of the Department of

Finance and the Planning Commission (or NEDA as we call it), the Department of Local Government, and also includes representatives of the Local Government Leagues and is currently chaired by a provincial governor, an elected politician. We think that it is a useful way to share information, but it also allows us to work directly with the local government and their national leagues. Our support for participatory planning and local feasibility analysis has identified local projects for fund sourcing. We are glad to see that resources such as the World Bank sponsored Municipal Development Fund are being made more accessible and flexible for local governments. We think that is good, however, this is a big "however", we hope that donor funding is respectful of all of our efforts to build financial self-sufficiency. For example, we hope the subsidized loans and cash grants won't undercut effort to pioneer municipal bonds or build-operate-transfer agreements, or efforts to privatize services. A famous example that we all talk about, was that a couple of years of effort to support a very progressive city in moving towards a municipal bond to build their new bus terminal was ultimately undercut when the Bank came along and offered a subsidized loan. I know that I am going to pass my time but if I could just do this. Several months ago, I was in a marketplace in a municipality in Capiz province, talking to the citizens and saying to them very frankly we know that you want to upgrade your marketplace. Five years ago we had a lot more money and our answer to your desire to upgrade your marketplace would have been that we would build it for you. But we don't have that kind of money any more, we think that the name of the game at this point in history is for you to come up with ways to build a marketplace for yourselves, such as through floating a small municipal bond. What we can do for you is to help you to make a breakthrough for the Philippines because no municipality has done this yet. It's a different game now, and those kinds of efforts need to unfold gradually and carefully, and they can be easily undercut if another donor comes along and says "never mind, we will do it for you" or "we will give you a cheap loan to do it". Where there are serious local plans already in place, we hope that donor assistance for infrastructure in service programs will be consistent with those plans. We welcome opportunities to collaborate with other donor's projects in sharing technical expertise, facilitation services, good practice information and we need to talk about that. We are particularly excited to work with other donors on strengthening the Local Government Leagues. We are already in dialogue with Canadian CIDA, the Ford Foundation, and UNDP. In Manila, we would welcome the opportunity to have JICA involved in those discussions. In the future, we would like to explore opportunities to collaborate on endowments. We know that in ten years that USAID will not be in the Philippines, unless something unforeseen happens. We would like to start thinking about what we can help to leave behind, so we would like to begin to explore opportunities to collaborate on endowing a local government innovation fund, that would be in place for the next 50 years, to help local governments to come up with proposals for a breakthroughs. That would be partially funded from local resources and partially funded from innovation funds. So we welcome opportunities to

talk to our colleagues on doing those kinds of things. Thank you very much, I hope that I have said something to irritate everybody at least a little bit. Thank you.

## 2. UNDP

### Ways and Means of Cooperation and Project Details

Presenter: Robertson Work, Principal Technical Adviser, Management Development and Governance Division, UNDP

Mr. TAKASUGI:

Thank you Dr. Calavan for your stimulating and very well organized presentation. Next, we would like to call upon Mr. Robertson Work, principal technical adviser, management development and governance division of UNDP, to talk about ways and means of cooperation and project details.

Mr. WORK:

Thank you very much. I would like to spend about five minutes, placing you inside the content of multilateral cooperation and particularly the role at the global level, and the fifteen remaining minutes focusing on a global program on the urban environment, the Local Initiative Facility for Urban Environment, the lessons we have learned and particularly the challenges that we have faced.

First of all, as you may know, the UNDP is the central funding and coordinating body for the whole United Nations system; therefore, our resident representatives are also the resident coordinators of the United Nations at the country level. In 136 country offices, our resident representatives are also looking after the entire UN system. From these offices, we serve the member states of the UN in an array of programs and projects. One shift that we have made is from a project approach to a program approach. We are looking long-term rather than to only short-term interventions. The program approach involves many sectors over a longer time frame. We also sign a country cooperation framework in every country so that programs are within an overall agreement between UNDP and the central government, counterpart. Within that framework, UNDP has shifted in the last ten years from a funds administrator to a substantive and learning organization. Our governing council has mandated us to work in what is called sustainable human development, with poverty eradication as our first priority, followed by sustainable livelihoods, gender equality, environmental regeneration and good governance. These are the five priorities of sustainable human development. We have engaged in a two-year change management process that has resulted in a number of structural and substantive changes in the organization. One change is that we have taken note that a third of our total resources, which is about two billion dollars annually, is going to governance activities. Traditionally, this has gone to public sector management, but the shift is that now we are supporting parliamentary reform, judicial reform, decentralization, local governance, globalization, trade issues and so on, in addition to public sector management. About two-thirds of our country offices are now

supporting decentralization activities, not because we have mandated it, but because we have been requested by member states to engage in decentralization and local governance activities. I think that this will provide a background for my remarks about a particular program.

This program is managed by the Management Development and Governance Division (MDGD) in N.Y. Our mandate is to be the global hub of learning for UNDP. We want to learn from the country level and bring that knowledge to the global level through analysis and synthesis and feedback to the country level. We are not so engaged in operational activities, but more so in this kind of think-tank activities. We help articulate policies based on country level experience and then feedback methodologies, tools and policies to the country level through publications, workshops and conferences. This past July, we held a global conference on governance at the United Nations Headquarters with 1200 delegates. A quarter of the delegates were senior government officials, a quarter were mayors (the mayor of Cebu was present,) a quarter were parliamentarians and a quarter were civil society representatives. We were interested in the interaction of these different actors at the global level. UNDP programming is primarily at the country level, through the country cooperation frameworks. We have a few projects at the regional level, more for dissemination in Asia, Africa, Latin America, Arab states, and Eastern Europe and CIS. Then, at the global level, we have a global program, in our case dealing with governance. We also have a global program on poverty eradication and a global program on environmental regeneration.

We have just launched a new modality called Sub-Regional Research Facilities. We cannot provide all technical support from New York to the whole world. So, we are establishing Sub-Regional Research Facilities, eventually 18 around the planet, that will give consultant referrals to the country offices. At the global level, we will have limited functions to provide certain kinds of advice and advisory functions as well as the learning functions. This is a brief picture of multilateral cooperation, in particular the way we are approaching it after our change management process.

Now, I want to focus on a program which I touched on yesterday, but I want to go into greater detail. Local Initiative Facility for Urban Environment (LIFE), has elements of innovation on about ten different points which are important to our work. This program is in twelve pilot countries in Asia (Thailand, Bangladesh, and Pakistan), in Africa (Tanzania, Senegal and South Africa), in Latin America and the Caribbean (Jamaica, Brazil, and Columbia), in the Arab states (Egypt and Lebanon), and in the CIS and Eastern Europe (Kirghistan).

The program was launched at the Earth Summit in Rio in 1992 and is based on a decentralized cooperation framework in which we do not use foreign experts. We recruit a national coordinator, set up a national selection committee and hold a national consultation to identify priority urban environmental problems, whether they be solid waste management, water and sanitation issues, urban environmental education or health or whatever. We use a national consultation to design the

program a national selection committee to coordinate the program and a national coordinator to direct the program. Through these mechanisms of the national committee etc. we are channeling grant funds up to \$50,000 per grant. These are going directly to NGOs, local authorities or to community-based organizations, and particularly to the collaboration of all of these groups. This collaboration involves communities in the low income settlements, the slums and squatter settlements, the NGOs and the local authorities. The small grants of \$50,000 maximum are decided by the national committee and go directly to the local actors. We are entrusting the program to the national committees. The national committees are made up of mayors, NGOs, slum leaders, central government officials, private sector representatives and UNDP representatives. There are about seven to eighteen members in each national committee. We are entrusting multilateral funds to a national process, because we believe that this is demonstrating the philosophy of empowering the local, and not requiring foreign expertise or "second guessing" from N.Y. It is a decentralized program using local leadership, and direct funding to the low income settlements, the slums and squatter settlements, involving the local actors.

The hallmarks of the program are participation and partnership. The Technology of Participation (ToP) that is being used in the Philippines in the GOLD program is also being used in this program in all the countries. All of the workshops, conferences and seminars are using the Technology of Participation to brain-storm and to reach consensus by and among all of the actors involved. Partnership is a hallmark and every project, if possible, involves all of the local actors, a local authority, an NGO, and a CBO. In the case of Thailand, sometimes the local authorities take the lead. In other countries, often the NGOs are taking the lead, but the attempt is to involve all the actors in partnership. Therefore, the role of the national coordinator is that of a facilitator. He or she is bringing actors together, engaging them in dialogue and then assisting the national committee to select the projects through simple proposals. The proposals are very brief and in the national languages. We do not require proposals to be English. The proposals in Thailand are in Thai and the proposals in Pakistan are in Urdu and are only three pages long. Any NGOs or local authority or CBOs can prepare a proposal and send it to the national committee for consideration.

The methodology in this program is moving from macro to micro to macro, as I mentioned yesterday. We start upstream with a national strategy, national priorities and the national committee to get the attention and the permission at the national level so that this is something of significance and is being watched carefully by the government and by academics. Then, the small-scale projects are funded at the micro level in the slums and squatter settlements and the funds go directly to programs such as solid waste management, water improvement, sanitation improvement projects, and urban environmental education projects. After they are implemented, they are thoroughly documented and analyzed. Then, workshops are held to discuss the implications for replication, scaling up, and the

policy implications of these micro projects at the municipal level, the provincial level and the national level. The idea is to begin with national strategy and national attention and move quickly to the micro level in the slums and squatter settlements to test policy experiments and innovative approaches, to learn from those, document those, analyse those, and to bring that knowledge into policy dialogue and then attempt to influence policy.

In four or five years we have already seen some remarkable impacts at the policy level. For example, the Bangkok metropolitan authority is now basing its entire community development strategy on the LIFE program methodology. The new governor of Bangkok had been the chairman of the LIFE national committee and he asked the LIFE coordinator to be in his cabinet and to be his adviser on community development. They are mainstreaming and institutionalizing the methodology of local-local dialogue, partnership of the local actors, and channeling funds to the local actors. They are spreading this throughout the Bangkok metropolitan authority. This is just one example of going from a single slum project to metropolitan replication. In each country the program begins with the permission of central government, but not the control of central government. Because UNDP has a long standing relationship with central government, we are trusted as an impartial and neutral actor. Therefore, the central government allows this kind of program to take place and it allows bilateral participation. For example, Sweden, Netherlands, Germany and Denmark are our partners. These 4 bilaterals working with the UNDP are channeling funds directly to the local actors. This has often been difficult in their own bilateral programs to do. We inform central government and honor central government. We also link with the international associations of cities such as IULA, CITY NET and United Towns. They sit on our global advisory committee, which meets annually and includes mayors, NGO leaders, cities associations, LIFE coordinators and slum dwellers who meet at the global level to review the program and do strategic planning at the global level. This then is the methodology and some of the lessons of the LIFE program.

I want to conclude with some of the challenges that we are facing. One of the challenges is caused by the fact that traditionally we have been the friend of central government. It is often difficult for our country offices to work with local authorities or NGOs. This is an on going challenge in this program and in other UNDP programs. There is a shift from a central government orientation to a multi-actor orientation involving the local actors. A second challenge is that because we are an inter-governmental body and because the UN is a club of nation states, we have little experience dealing with civil society organizations. This is changing, however, and the Secretary General has made this part of his reform of the UN. Our administrator has made part of the change process of the UNDP and we now have NGO execution. Before, only UN agencies or central governments could execute an UNDP program. Now, an NGO can execute a UNDP program. We also had a tradition of more of a top-down approach. So, this bottom-up approach is a challenge. Fourthly, we have a tradition

of an expert approach, but we are trying to shift to a process consultation approach. In an expert approach, a foreign expert flies in and injects his or her expertise and then flies out. In the process consultation approach, that we are now trying to use, the expert flies in and facilitates a dialogue amongst local experts from the different sectors and the different stakeholders and the different actors to design the program, implement the program, monitor the program, evaluate the program, and feedback lessons of the program. The role of the expert shifts from the bearer of knowledge to facilitator of local knowledge but bringing outside knowledge as added value. The fifth contradiction or challenge is that we have traditionally focused on outputs, but we now see that is not enough. The question we are now raising is impact. We are shifting from output to impact. What is the long-term impact in the country that will be present after the program is completed? This is a huge transition that we are in the midst of-shifting from output orientation to impact orientation. A sixth challenge is that we have traditionally focused more on project design. The project document was very important. But, the implementation got less attention and evaluation even less. Therefore, we are now trying to give much more emphasis on evaluation and monitoring during implementation so that we ensure quality impact. The final challenge is mainstreaming. In the LIFE program, we are only in twelve pilot countries. How do we take these lessons from 12 pilot countries to 136 countries through publications, workshops, and dissemination on the internet. Countries have begun to join the LIFE program and are not receiving any funds from the global program. Country funds are being used for the LIFE program, for example, Uganda has joined with their own funds to start their own LIFE program, Malawi is joining, and Mauritius, Mongolia, and El Salvador are also joining. This is an example of beginning with a global pilot program, then, through dissemination of knowledge, inviting other countries to pick up the methodology and to mainstream the methodology. Thank you very much.



*Part III:*

*Comments from the Panelists from*

*Developing Countries*



Mr. TAKASUGI

I would like to move to the comments of the participants from developing countries. Mayor Garcia, what are your comments on the presentations made so far?

Mr. GARCIA:

Well, first of all I would like to comment again on the problem that many funding agencies will have to go through a central government in order for local government projects to be done. Even this should eventually be decentralized and there are only two kinds of decentralization I am talking of. One is the local NGOs or local governments should not go through the national government as for it satisfies the requirements of the funders. The second decentralization is the funders' themselves. Their country offices should have a say in the project, and, up to a certain level, it should not go higher up to the president or the board of directors of a funding agency. So, those are the two kinds. There are problems there, of course. There is competition between politics and between local and national government, and even if you go local level, sometimes there are also competition between an NGO and a local government. These are problems that probably will have to be solved, so I would like to concentrate on those things.

I would like to also comment on the USAID presentation. It is very similar to the age old story that if you give person a fish one day and you give that person a fish every time, it is expensive, but if you teach that person how to fish then you spend less but you capacitate him. So, I think that methodology is valid and probably that should be the future. With regards to the UNDP, LIFE is something that I think can be done. It is really from among the priorities of the national government you localize it and pick up a project and you concentrate on that project and elevate it back to the national government for internationally or nationally for replication. The methodology is interesting. Aside from that, there was a question yesterday afternoon that was not answered by a panel. It was asked by a Japanese girl and she was saying that what do the Japanese government get out of this development aid to other countries. It was never answered. Well, maybe I can answer.

Mr. TAKASUGI:

Thank you. Can we ask for Dr. Panggabean from Indonesia to make some comments.

Dr. PANGGABEAN:

I have to apologize if my comments are only related to my expertise related to training because I come from a university. I have a comment regarding strategy to strengthen local community's institutional capacity to alleviate poverty and to strengthen institution capacity to develop. I would like to share my experience regarding training and the thing related to how to train

people how to fish. According to my observations with regard to training to local level, I think that there are two issues that need to be addressed. The first is training at the local government if you would like to strengthen their capacity. The needs of training are often spelled out, however, our experience from conducting various training program for junior or middle level local officials suggest that the value of training in Indonesia is dissipated because the already trained officials are then moved or transferred to other divisions unrelated to the training that they have received. So, the issue here is actually related or rooted in the centralized nature of civil service structure.

I was very much involved in the training of local government's financial officials and helped them design and program revenue mobilization and also to prioritize public spending. I also involved in training related to a projects planning and development planning for the regional development board officials. We observed that many of them are moved to other departments that are not related to the given training, and hence dissipated the value of training.

Next, so far, training has only concentrated on a group of officials having a minimum background of university degree. In Indonesia, however, this group represents only a fraction of the local officials. Most of them do not have university degrees and they are not eligible for training. In fact, actually, this has an affect because there has been a constant difficulty to make policy, designed by those middle management having had training, effective because there occurs asymmetrical understanding about the policy. They understand the policy but those who don't get the training they don't have a similar set of minds. And no systematic training for this has been undertaken as of yet. There is a need to educate them so that middle management officials can get there message across to their subordinates effectively. That is one.

Another issue which I think is important is the lack or absence of local government financial support to back up the program initiated by technical assistance or donors. A weak planning system as I outlined yesterday creates a situation whereby coordinated action between local government funded program and central government funded program and also technical assistance funded programs are actually absent. To my knowledge, this happens for two reasons. One, because of a limited own source revenues and small salary of local government officials so they tend to take for granted that part of the jobs, for instance, poverty alleviation being taken care of by the central government or by the donor, and hence, they can divert some more proportion of their locally raised revenues to written budget to top up their income. So, that the result is that the program's potential effectiveness being effected.

When the donor program goes directly to local level, there is no mechanism, at least to my direct knowledge, to force the local government to provide the matching component, unless the mayor can be convinced by the usefulness of the program and it can boost significantly their region's profile. Maybe, that can make them want to provide the matching component. Usually, the strategy is coming

to the central government so to force the local government to provide the matching funds, but, as we know that, when we go to the central government, you create an additional headache to the project itself. I am sure that donors are aware of this situation, so this is the institutional set up that I also need to convey.

The third thing that I would like to say is regarding the possible niche that a donor can target for decentralization process in Indonesia. As I already outlined before, we have embarked on a program of experimenting of pilot regions, but there is a problem in there in the sense that regional government perception about the move towards decentralization is somehow creating problems for them. My own observations suggest the following: with that program there are some more functions devolved to local governments by shifting the jobs of sector agencies to decentralized agencies. First, they think that it is a good thing that their authority is increased and then, as usual, they start establishing new departments, and after establishing new departments, then the scale of the bureaucracy expands. To add, while functions are shifted, but actually the budget and equipments are not. Now, what they find is that while their authority is actually increasing, their financial capacity is actually declining and constrained by the central government in the ability to provide some grants. Some regions actually feel that decentralization is not a good move. There has been no assessment, for example, to my best of my knowledge, whether a such move toward a more decentralized government has been creating more efficiency or creating more accountability or more economical in the provision of public services. Rather, the central government asks the question whether the function of sectoral agencies has been already shifted or not. Now, this kind of situation creates a confusion on the part of the local government. That is why I understand why one of the problem is uncertainty about the institutional environment because even the local governments are confused. So, this confusion is automatically channeled to the donor who is currently undertaking the program. I think that if there is a sort of a research or identification of whether this decentralization move is successful or not, then, they will feel happy about this and it can be replicated more easily. So, I don't know whether or not this makes sense or contributes something to the strategy, but thank you.

**Mr. TAKASUGI:**

Thank you very much Dr. Panggabean. We would like to ask Mr. Chen to make some comments.

**Mr. CHEN:**

I have little to say on JICA's case study concerning Dailin municipality in China. Personally, I appreciated the study because the suggestion to set up an environmental zone will be very beneficial to us. I can't say much more than that.

I would like to give some comments on Mr. Work's presentation, although I don't know much about UNDP. In his presentation, he gave us such important information that the priority of UNDP's assistance is the area of governance, from the public sector, financial and economic management to the government's institutions and establishing local governance. I think that this transformation could certainly be helpful for developing countries to improve the decentralization and democratic process. For this reason, I think that UNDP's work should also be highly appreciated. What I would like to talk about here, in the first place, is the type and assistance of the UNDP in the fields of governance should be distinguished not only by the degree for political power, central or local, but also by the level of regional economy. In the experience of Nepal, I noticed that in his presentation, it seems there is no regional disparities in economic development. Regional disparities only occur in the aspect of political power. What I mean here is that there is a close relationship between the economy and politics. Generally speaking, the regions with an underdeveloped economy tend to have weak political power, whereas those with highly developed economy tend to have strong power. It is the case, at least in China. In a large part of the middle and western part of China, local governments are poor and weak and they have little influence on the macro decision-making. While the situation in the coastal areas is just the opposite. So, the fact suggests that the donor, the UNDP in particular, should have a concrete regional division according to the economic development and should put the focus on the development assistance on the poorer areas in order to strengthen the local power, and thereby increase their local economic capacities.

Next aspect that I would like to talk about is what efforts that the donors should make in avoiding the negative effects in the decentralization process in developing countries. Support to local governance is becoming one of the main tasks of those donors such as UNDP, however, if you ignore the negative aspects which are brought by such support, it would be harmful not only for the donors but also for the assisted nations. In a big country like China, centralization and decentralization are always disputed issues and many people including officials and scholars disagree that local government becomes strong. It is believed that problems facing China now are caused by the strong local governments. Those problems are presented yesterday including widened regional disparities, redundant constructions, local protectionism and a central-local conflicts. It is suggested that the power of decision-making, especially in investment, should put much more to enterprises than localities. Central government should have strong power over the finance and monetary affairs. In conclusion, the donor side should pay more attention to the regional economic disparities and differences and the negative effects in the different countries when they give the development assistance. Thank you.

Mr. TAKASUGI:

Mr. Panggabean, please.

Mr. PANGGABEAN:

I forgot to outline another issue regarding training. I was just talking about local government level. There were two that I mentioned before. Now the second is the training at the grass-roots level. The idea to my mind is for one to be careful in tailoring the training for this level which I suppose better done outside the classroom. To help the community to design the program, to design or to program their need is critical in Indonesia. I think you know that we work on the bottom-up and top-down planning system. And the weakness has always been on the bottom-up side of the planning cycle. The failure often happens for at least two reasons to me. First, because the proposals that are presented by the village or local level reflect more of wants rather than needs. I think that we are aware of that. Often local communities are not able to clearly see the own constraints and hidden potential of their areas. Take, for example, the development grants, the IDT, that I outline yesterday, which is actually targeted to village level to help to alleviate poverty. The funds in the first year of its implementation was not able to be fully disbursed because of the inability of the village to identify their needs and hence failed to submit the proper proposals. Other proposals is related to stomach food and do not try to see a longer purpose like generation of potential income. Now, here, in my opinion, a method like PRA or RA is important, so methodology introduction is contextual. At a certain level, even when it was properly designed, it conformed with what the local communities needs. It was still subjected to the cut by central government based on the reason related to irrelevance to the broader economic objectives as set out on national or provincial development plans. This happens every time every year. And, in fact, it is very large. So, I think that the community level should be taught not only to design programs conformed with their needs, but to teach them to make it conform with a broader objectives. I don't now if this is easy or not, but that is always one of the problems. So, not only to teach them how to identify their needs and to propose programs, but also should conform with the broader objectives because we cannot forget about that. Because Indonesia operates this kind of planning system, so to be pragmatic, this has to be included explicitly with the design. Thank you.





*Part IV:*

*Discussion*



Mr. TAKASUGI:

Taking into account the discussions from yesterday and today so far, I would like to set four main points of discussions, if allowed. First is how to increase or improve the aid absorbing capacity. What can the recipient side or donor side do for this? Second point is how to effectively strengthen institutional capacity, mainly that of the local government, such as improvement of the local services and the effective localization of local resources, promotion of networking in the local area, making of the effective linkages with the central government and so on. Third is how to promote participation of local residents in the process of the development starting from the very beginning of planning stage. The last point is about any other important challenges and breakthroughs, such as working with the strongest local government, from expert approach to process consultation approach, or from foreign resources to local resources shift. Because of the shortage of time it is not possible to request each of the participants here to make comments, I would like to take up these four points one by one and if you have any comments, could you kindly give us your comments. Well, I would like to do it in this way, Regarding the first point, how can we, both the recipient side and donor side, improve aid absorbing capacity.

Mr. GARCIA:

Yesterday, I proposed a project development office that we can probably do by regions which probably will be a grant. In other words, start with a project development office in each region. I understand that there was a Japanese model for the provinces. I don't know if it failed or not. Only the very advanced cities and local governments who have the money, they have a full time project development office and they know exactly what grants and what are the requisites of that, so they can work immediately on project study and financial study, but there are so many other local governments who do not have this capability. Although there are some projects in their areas they don't have a project development office. So, this is also in connection with what Mr. Shukunobe said about the difficulties of the local governments: "Some local governments cannot make appropriate proposals by themselves because a lack or absence of correct references and proper guidance to the schemes". So, that is a suggestion.

Mr. TAKASUGI:

Thank you very much. Any other comments, please.

Dr. CALAVAN:

I am interested in the contrast between what I am hearing from this side and what I am hearing from that side. And I would like to reflect on this for just a moment. Possibly, the

assumption behind your question is that the change needs to be asked by the donors themselves, as well. Mayor Garcia made another proposal yesterday that he didn't mention again, but what I thought potentially fascinating the idea of a local government and ODA fair. When he proposed it he suggested that it should start with the donors telling the local governments what kind of proposals they would like to receive, but you could also turn that around and it could begin with the donors asking the LGUs what they think they need at this point in history. It will be an interesting institutional challenge, to see whether we have that kind of flexibility. Rob Work talked about some new approaches from the donor side. A lot of LGU, are frustrated in reaching donors, because that they are expected to be able to put a proposal in a foreign language. Why is that necessary? And will it be necessary through all of history, or can that be changed? In listening to Adrian talk about it, I was stepping back a couple of steps. He was talking about how to be more bottom-up in a system which is face it more fundamentally top-down. In the Philippines, if local governments found that their proposals were being rejected because they didn't meet national priorities, then, through the local leagues or other means, local leaders might say "maybe we need to change those national priorities". So, it depends a lot on what the fundamental nature of the system is. I think that this is a very important question, but sometimes to understand the question we need to step back a couple of steps and ask what were the assumptions in our mind when we asked that question.

Mr. TAKASUGI:

Thank you very much Dr. Calavan. Yes, Mr. Koyama.

Mr. KOYAMA:

I have been listening to the Japanese side experiences and the USAID's case and the other participants and it is a very interesting contrast existing here. This topic should be discussed more carefully. For example, the Japanese aid is more or less using the traditional style through the central government and coming down to the local. And how to improve the access to the locality is the issue here. However, USAID has already taken a different strategy, and more or less stressing to take an more effective way to reach out local level without passing the central government. The UNDP has also a similar direction but more of a multinational strategy as a whole. I am interested in that you mentioned that twelve countries are participating in the LIFE program. Are those countries including some Asian countries or participant countries or mostly they are from Africa or other countries?

Mr. WORK:

Three from Asia. Thailand, Pakistan and Bangladesh.

KOYAMA:

What kind of countries are suitable for this new strategy of UNDP is another issue. Particularly, I am impressed by the comment from the participant from China focusing more on the economic issue and there are differences of the level of regional economy, corresponding to the political strength and weakness. Probably in the case of Cebu city, you have a strong political representation, therefore you can attract donor. However, the place where I used to work in the northern part where economic development is not so much, their capacity is weaker, and they have little chances. Again, coming back to the issue that how we see the central government's role within this kind of decentralization movement. In a sense, JICA is still behind and trying to struggle to sort out the channel. But we still respect the central government's coordination role, however, other donors here do not. Therefore, we need to discuss the issues more clearly in order to understand the correct situation. Thank you.

Mr. GARCIA:

Can I just say one thing about the role of the central government. It is probably true that they need a certain kind of role but maybe laid back. Secondly, the donor itself has its own capability to assess whether the project will have an impact. So, in other words, JICA itself has. You don't need to mind the central government if you think it is OK. Because you have your own evaluator, and if it is OK, then why bother with the national government?

Mr. TAKASUGI:

Dr. Kawamura, please.

Dr. KAWAMURA:

The issue that we are discussing now is exactly the part we found very difficult in the study committee. Although we introduce integration type of decentralization, we knew that this was not enough. Just that this is a very vague concept and we strongly felt the necessities to construct a kind of typology of relationship between a local government and a central government for the two dimensions. One dimension is the functional differentiation and the other one is decision making and structural differentiations. In the second case, if we are able to typologize based on that dimension, then we are able to identify what we can do directly with the local government or what we should do with a central government. If we are able to construct the typology of local government and central government based on decision making structure, then we are able to find out how we can tackle those kinds of things. However, we are not able to do that one at that moment. Probably Mr. Work will give us kind of a good comment for that because he has a different, experience on that. So, that is exactly

the same thing we had over the other problem.

Mr. TAKASUGI:

Thank you Dr. Kawamura. Maybe last comment.

Dr. CARAVAN:

I will be brief. Thank you for your praise of my organization. However, I don't think that something important in a strategies for working in development will never be uni-dimentional. I would like to point out one or two things that I have learned about JICA's strategy which are rather far ahead of how USAID does business. I think that the model from China has many exciting things about it and I think that this kind of direct city-to-city or local government-to-local government tie is something that we, in the USAID, need to think a lot more about. Secondly, the assignment of people, as you know, in prefectural governments for a few weeks in order to find out how they work is something that we may have approximated in the past, but I think that you put a finer point on it, made the process potentially more filled with learning and richer. I think we have some things to learn and I want to make that clear. Thank you.

Dr. SUZUKI:

Before Mr. Work respond to the question, I would like to mention some of the questions that you may raise as a new approach. One, it seems to me that in the case of China indicated local governments would be seen by central government of China as part NGO, rather than government. For example, Kitakyushu City municipal government is working closely with Dailin city. From Beijing point of view, it will be government but also an NGO as well, simply because that alone cannot request JICA to come in directly. That explains very clearly. Local governments are still seen by the UN as NGO, as you mentioned, but also by number of national governments as well. Is it right for us to maintain that additional view that local governments as NGOs. Second, it seems to me the argument now surrounding the table are touching very serious questions, I believe, that is what I call "aid governance". Donor governance, rather than recipient governance. You are talking about aid absorbing capacity? Absorbing by whom? We ask them to absorb because we have to consume the budget we have got. That is more our need rather than need of the localities. That indicates that aid governance seems to be the serious topic that we need really to argue. Perhaps, Dr. Adiran presented yesterday that aid have never really played a major role of reforming, so those "effectiveness", "participation" and so on are low. That was very revealing. Effectiveness at locality, participation and so on can take place without aid at all. As long the needs are there. As long as locality needs to increase there own capacity to get on well. Whether aid is coming or not, they will do it. But the

problem lies without aid, if investment comes without anybody's control. As our mayor in Cebu indicated very clearly, private sectors, multinationals, having local participants, multinational cooperations normally tend to include local capital into their own entity so that they have excellent set up to come anywhere intrusion. Without any intervention by the local or central government or even donor government cannot do anything at all about that private investment. That would create far more fundamental effects, sometimes very detrimental. So, who can really match with this type of movement of capitals. I think that Adrian indicated private capital formation today in Indonesia is very dominant compared to the public sector, and aid donors like JICA can do very little about it even though we have great capabilities to assess, perhaps. But we have no room to assess private capital investment which could use JICA's involvement as an umbrella or justification for third, perhaps. I will be very happy to listen to two things from participant. Is it now necessary to talk about aid governance for donor side that is quite sort of common consensus. But, on the other hand, to what extent, we can really support capacity building of locality, participation process of non-governmental sectors into governmental decision-making process by aid. Counter balancing gigantic and uneven private capital investment. Thank you.

**Mr. TAKASUGI:**

Due to the shortage of time, I hope that capacity building issues will be discussed next. Let's move to the second point. The second point is how to effectively strengthen institutional capacity of a local government. Now we have already listened to the discussions held so far. But please frankly make some comments to this second point.

**Mr. KOYAMA:**

Actually, I think that the point that Dr. Panggabean raised is a very essential part of the issue. The discrepancy between the human capacity and the financial capacity or expectation of the capacity building without correspondence of the financial increase is impossible. That is based on my field experience, too. Here, in this report there are some very interesting figures which tells how many percentages of the disposable capacity the local government has in each country, and, for example, here in the case of Indonesia, the central government spent 98.6% of the total money. That means that the local government spent only 3.2%. In the Philippines, 93.8% central government and local government 6.2%. So, really highly concentrated. But, in China, there is a very interesting figure here. 42.4% by the central government and 57.6% are spent by the local government. So, this is more financially decentralized. And in the case of Japan, finally adjusted figures is only 33.4% by the central government and 66.6% by the local government. This difference makes the capacity or even the authority of handling the local issue different. Therefore, in order to talk about the capacitation of the

local government people, or ever locality, or community or whatever, you have to consider financial decentralization. Thank you.

Mr. TAKASUGI:

Thank you, yes please.

Mr. WORK:

I think that Michael from USAID made an important point by acknowledging and honoring the existing capacity. We don't enter a situation in a vacuum. Every institution and every human being has capacities. That has to be the starting point: to identify the existing capacities and build on those, rather than ignoring them, dishonoring them and disregarding them. That is the critical point. The second point is that we are dealing with not only political capacity but administrative and fiscal. So, it is the combination of fiscal capacity, administrative capacity and political authority. What we often see in decentralization is that local authorities are given authority without fiscal capacity. They can't generate tax revenues. They are waiting for grants. The third point that I would like to make is that when we look at institutions we must not only look at the surface of institutions, which I call the collective exterior dimension, the institutional dimension, but we must look at the collective interior which is the cultural dimension, the set of values and assumptions and also the individual behavior and the individual mindset within the institution - the emotions and the intuitions, world views, and mentalities of the individuals that constitute the institution. We have to take this multi-dimensional view of institutions, rather than the surface view, I think that this will change our whole approach to institutional capacity building. My final point is that one of the best ways of building capacity is through partnerships. One thing that struck me about the mayor's presentation yesterday was that although he was representing local government, he kept talking about NGOs - "to strengthen NGOs", or "to bring in the NGOs" and so on. The mayor knows that, as a good mayor, he needs to mobilize the citizens. It is not just the role of local government, but it is the role of local government as a facilitator of the citizens which includes NGOs. I think that the mayor understands the importance of partnership creation which is a key capacity. Thank you.

Dr. CARAVAN:

Dr. Suzuki said that we should talk again about donor governance. Again, I think that it is valuable to step back a couple of steps and question some of our own assumptions about things that will happen. We quickly fall into assumptions about how we ought to accomplish things we think we need to accomplish. We need to rethink what we need to accomplish and how to do those things, but take something that we can all agree at some level as important like training. One of the things that I



have been going around and poking my colleagues in the ribs about is our assumption that training must always take place in a particular institutional setting in a particular way. A typical assumption is that there is some unit of national government which will be the training institution for local governments. I think that assumption needs to be questioned at the outset. Number one, because typically the challenge is that the national institution will never get sufficient resources from the national budget to do the job. Never. Under any imaginable circumstances. So, how do we think about this? I have been arguing internally with my colleagues that sometimes we should think, particularly when we are looking at a one time training agenda, a new local governance system. We want to train lots or perhaps all newly elected local government officials and then we need to think about a voucher system. Instead of assuming that certain institutions we already know about are going to do, more training they can possibly do in the time that is shorter than we want to think about. Let's think about a voucher system. Let's give every new local government a certain amount of money, no matter how modest, and let them decide how to spend it within prescribed circumstances. Set up a couple of national organizations, perhaps their contractors, first, to approve training syllabi, and second, to audit the process and make sure that it takes place in a legitimate fashion. But, thereby allowing non-governmental organizations, a whole range of universities and colleges, various kinds of government and non-government training institutions to think what do we need to know in order to train local governments about what they need to know. A different way of thinking about the challenge. I see lots of opportunities. We think about training for a local government in the Philippines. I think that more and more about peer training. Again coming back to this idea of sharing good practices. In Cebu, recently there was a kind of inter-local government training on introduction and use application of geographic information systems. What is a better way for a local government person to learn about GIS? From another local government person. Increasingly, we need to look for organizations like the Leagues, representing the local governments themselves, to organize things like that to call on the resources of the people who are already involved in the whole process to do that. That to me is economically sustainable and probably a very effective kind of adult training strategy. We need to step back far enough to think about the whole range of things like that.

**Mr. TAKASUGI:**

We would like to go to the third point of how to promote participation of local people in the process of the development. For example, Dr. Calavan also mentioned about the USAID's emphasis on the short term participatory planning and so on. Please be free to make any comments to that and to other points.

Mr. ETO:

I have participated in so many projects formulations and missions particularly in Africa. Mr. Work said that two-third of the fund for the UNDP is spent for the local government development or decentralizations, and UNCDF funds also has a special program for decentralization program. However, I have never seen any project made by the initiative of the local government wherever I jointed a project formulation mission. First of all, the UNDP go there and organize the bottom up approach or the seminars or whatever, but always the key people or the resource persons in the seminars are central government officers. Then, of course there are certain number of the local governments offices participating, but as same as Japan, central government officers consider local government officers are subordinate. For example, the fishery and agricultural sectors in the field, direct beneficiaries are the fishermen and the farmers. And of course we cannot expect any relevant participation from the fishermen. So, according to my experience, I think that capacity building of the local governments mean that the local governments officers are not relevant, because in any case, the final form of the project formulation will be made by the central government representatives. I think that in the case of the fisheries and agriculture, we have extension workers. I really consider them relevant and important for the capacity building or strengthening the extension workers network. Extension workers know what the real problems are and what do the fishermen or farmers want to be. Also, they are bridging a message from the central government or the local government to the fishermen or farmers and direct beneficiaries. In many countries, the extension worker's network is very weak, but I think that the extension workers can represent the views and requirements of the direct beneficiaries. At the same time, the central government itself has to increase the awareness of this approach. Because whatever you do to strengthen the capacity of the local governments, the central government cannot understand the real approach, the real sense of the local government, and it continues to intervene in the same way as it is. In order to increase the local participations I think that there is a true approach. Thank you.

Mr. GARCIA:

I think that last year there was a seminar in N.Y. for the UNDP on a private sector participation in the government. Well, one of the things is the institutionalize certain institutions that really make the participation important and give it powers. The Local Government Code of 1991 has plenty of that. Like what I described yesterday as the Local School Board, the People's Law Enforcement Board, and the Local Development Council, they really have something. They are included in the planning, and their inputs are carried. So, one of the things is institutionalization of this body either by a national government law or by a local ordinance.

Dr. SUZUKI:

I think that in the question of participation, what JICA has been doing in the Philippines and Indonesia could be a good example because this participation scheme seems to be very limited upon single stated issue. Rather than overall consultative semi-political body that we are not talking about, we are talking about a very specific clearly indicated issue-orientated consultation to which a number of interested people are participating. So, we are not creating a new elite by the process of this program implementation. In that sense, I believe, what JICA is doing very carefully indicates one possibility. But, Mr. Garcia is talking about more overall participation with a more established institution building. That would be too early for us to discuss, even though that will be very important. Because I believe that you have already established a political articulative system, and you can run against political parties. But, in Indonesia that is almost impossible, right? But concerning those specific issue- orientated consultation by asking an NGO to come, I think that the government will allow, even authoritarian Jakarta government would allow. I think that is very realistic and very politic. That is my judgement, do you agree with that?

Mr. GARCIA:

Yes. Actually I am really thinking of ordinances from the city that really mobilizes the participation. I give you an example. We have an ordinance which tells "you senior citizens, you make your own federation and we will support you". So, all the senior citizens now come together and discuss their problems and then they let the city know. It is not some institutions, it is very loose. Women have their own organizations. It is something that is between official government institution and a private institution, but it promotes participation.

Dr. KAWAMURA:

When we are saying participations, I think that we are trying to differentiate by two ways. Unfortunately, I can not say what we are going to do in the project in Indonesia. But, based on the Japanese experience of community development, recently we differentiate two ways even if we are using the participation method. One way is that we already know what is the problem. The people knows. Then, in this case, this participation method is different from the case in which people doesn't know that is the problem. Then, in this case, people have to find out, in a workshop or whatever, they have to find out what is the resource of development, what is the problem, what is the good and those kinds of things. Then, after that, they will find out the problems or the issues they are going to tackle. To me, the first case, when they already know the issue, is different in methodology from the participation method when they don't know what is the problem in the societies. So, maybe we have to differentiate these two things even if we are using the participation method.

Mr. TAKEDA:

In relation to the argument made by professor Kawamura regarding the participation, I think the role of the information is very important. Because when the people know about problems, as Dr. Calavan explained about the GOLD project, if there is a good example or successful stories, the other group will follow because they know the benefits of these activities. So, they have the incentive to do the similar kind of things. But if the people don't know what is the problem, some kind of information should be provided to promote what they can achieve from certain activities. In that case, a NGO might need to provide some information for facilitating the understanding or the realization of the local peoples. So, there must be a different approach as Dr. Kawamura said for that type of participation. Depends on whether the people know the problem or not. Thank you.

Dr. CARAVAN:

I'd like to respond to an implicit challenge which is that basically a participation is important, but let's write off the possibility that people who need to participate most are going to be able to, therefore let's find some surrogates and work with them, extension officers and so on. I want to present an increasingly positive scenario from the Philippines again. One of the examples was fishermen. I would like to sketch out a number of positive things that have happened that have to do with fishing and fisheries. Number one, the Local Government Code of 1991 gave municipalities authority to manage the seas up to 15 km offshore. So, you have got local governments with increasing authority. Number two, it also gives local governments a lot more authority to ally with each other. What is happening all over the Philippines is that you are getting groups of municipalities getting together on management of a particular bay fishery resource. So, on the local government side, it is coming more down to the local level, but building up to a higher and more natural level where that makes sense. So, you get agreements signed and commissions formed, small amounts of money being put behind those commissions and agreements on how they are going to operate. This is one fishery. We are not going to let outside fishing boats come in and play off one local government against another. We are all going to have the same standards. We are going to come up with a joint system to enforce those standards and so on. That's happening on one side. On the other side, USAID was supportive of a national movement of fisherfolk, and there is a national organization of fisherfolk to help, so they can strengthen their capacity to do legal research and find out how fisheries are managed in other parts of the world. They used this knowledge to do things like carrying out and publishing a very strong critique of the Asian Development Bank's \$200 million fisheries project, in saying "Maybe this is a great project, but we do not see how most of these activities can have any positive impact on people like us, the fishermen of the Philippines". They took their reservations about that past project and the future project into Congress, where it was discussed and became part of the public dialogue. They

were able to weigh in a very responsible, well-informed way, on the Congressional discussion and debate about the fisheries law. They didn't get everything they wanted, but they had some positive impacts. Because they are organized nationally, and the local chapters, they will be increasingly influential in these local bay management commissions. The national government law says that there will be, at the Barangay level, groups called fisheries and aquatic resources management committees. Some of our projects and some other donor's projects, are helping to strengthen those "FARMS" so that they can take positive steps in conjunction with municipal governments and commissions. I think a lot of things are coming together that are genuinely participatory, but it took some crucial national and legal policy changes. It took some push from civil society. It took some political will from local government leaders, and it took a little bit of support from outside donors. But, I think that it is a very positive scenario, where the fishermen are being represented by organizations of fishermen, not by somebody else.

Mr. TAKASUGI:

Thank you. Although our time is nearly up, but please allow to invite some more comments regarding point four that is any other important challenges and breakthroughs you may want to raise here. Are there any comments or opinions?

Mr. HOSINA:

Thank you Mr. Chairman. I appreciate all the comments in this session and perhaps I have a few impressions that we have to pay some attention in our future technical assistance. In my mind, I have three major points. One is related to Professor Suzuki's remark on for what aid can work. In my personal experience, when I was a small child we received emergency relief assistance from the US. Particularly for school children. For school lunch, they provided us with dry milk which were provided through the GARIOA aid program. The milk was not so nice, but in fact it has two major impacts. One is when we start to drink milk, the mother in each family recognize that milk will be very good for children's health because we didn't have milk so much in families before. That is one. So, it became one of the education programs for family education. The second is that it has certain duration. It was not forever aid. It was for 7 or 8 years. So, more or less aid was a limited term program. But, nowadays JICA or USAID or even UNDP looks like permanent agencies which people always expect that aid will come forever. But, actually, in practice, our program goes within a certain period. Particularly in JICA, dispatch of experts will continue originally for two years with the possibility of extension of one more. Or in some cases there are some follow-up dispatch of experts. Project type technical cooperation is designed originally for three to five years of cooperation. After phasing out the project what will happen? In many cases, we see it disappeared after phasing out. This means

that although our agency's activities are believed as a permanent or continuous agency for aid activities, but actual input to a particular country's particular regions is very limited in the time. It was the basic framework of our aid administration. Therefore, we have to had some commitment of recipient government. What will the recipient government take action for following up? Even before we discuss sustainable development or such and such. Simply maintenance. Otherwise, nothing will be changed much. I believe that we have to seriously think now how we can make a mechanism that external input to a region can be sustainably followed by what mechanism. So, in this sense there are some ideas. Why not NGO, why not local government. In terms of NGO, they also have a certain period of project period. It depends on the financial availability, or even if they have the funds from international base they cannot permanently work in a particular region. They have to move to improve some other regions. Again, that is, say, tentative assistance, so how can we make it sustainable because development, whatever it is, takes five years, ten years or even twenty years or more. We need such a mechanism which can secure the continuous activity to follow up the aid. Otherwise, it is very clear that it doesn't give much effect. So, in this case, the national government also have a limited term of national project, and they also do not continue forever in a particular region. Only the local government unit can be responsible for continuous services to the people or the local communities. This is the point that I would like to discuss on this matter. What is the role of local government? And also in this case, what they really need as the function of local government? Sometimes development invades sense. We promote economic development and we invite industries or built infrastructure and so on. But, at the same time, I personally believe that it is also very important for local government to secure the certain basic public services, function of local government, of course we have public education, health and such and such. But in many cases, it doesn't go in a stable manner, sometimes you put and sometimes you withdraw and shift, and budget goes to some other areas. So, stable public services will be one of the important tools for local governments to receive reliability from the local community I think. That is the one point that I could get some stimulation from your argument.

The second point is that I have some argument with the officer of a central government who is working for receiving aid from donors. They said that "OK, JICA will have a poverty alleviation program", then they appreciated it and said, "please put it in the poorest region". So it sound reasonable at first. But, perhaps if you look at the poorest region, there is a certain reason why they are poorest. Since aid is just support for their own development, even there are many poor regions who do not have any resources. Do you think that they can really be assisted to mobilize their own capability? Maybe you have some opinion but I personally doubt. We cannot do much for such most poor regions because simply we cannot continue forever. So, we are thinking what is the strategic area where our aid can most effectively stimulate the effective use of the local resources

including the minerals or agricultural or human resources as well. There are also many regions where they have yet fully mobilized their own local resources. I think that this is one of the development strategies in aid. I would like to have some of your ideas later on for this point.

Then lastly, local governance, in my mind, is not the kind of sectoral strategies. But I really believe that good local governance can help to establish their own social economic sphere within their local region, rather than depending on the national resources or even small sectoral activities. If the local government can focus on strengthening their own social economic spheres, it will be one of the strategies to mobilize their own local resources. Thank you very much.

**Mr. KOYAMA:**

I just forgot to mention what I personally think. It is very important and difficult things to strengthen the local government capacity. Even based on the Japanese experience, we need professional local government officials or human resources for providing various services, which was mentioned just now, to the local people. But generally this is very difficult in the so-called developing countries. Because the professional experience accumulation mechanism does not exist there in locality and because there is a lack of a continuous administrative bureaucracy system. In other words, those systems are highly politicized by the central government and even by local government. Therefore, every three, four, five years, all those people change, as a result of election and this is fundamental problem for strengthening the local government and it was not discussed here but it is implied by many people. I would like to point out this issue. How to overcome. It is not easy to overcome and it has to be solved by each country and I don't know how external donors can support and assist in this issue. But a local government professionalism accumulation system is not existing. Thank you.

**Mr. TAKASUGI:**

We would like to close these discussions. I would like to thank you for your active and stimulating discussions today. In closing, I remember the time when we, including our colleague Mr. Oiwa and Mr. Kohiyama and other colleagues, planned to launch the study on local development and the role of government more than two years ago. At that time, the most important question for us was that in the light of the recent movement towards decentralization in many developing countries, how we can implement aid more effectively and properly to contribute to the local development and narrowing inter-regional disparities as well as the alleviating poverty. This remains the basic question throughout the symposium and seminar held yesterday and today, and we also took it hard that participation and empowering of the people are essential, needless to say there is no easy answer to this question. But it is expected that these two day sessions gave us a valuable opportunity to broaden and

deepen our understanding about this issue through sharing experiences and views together. We would like to make a continuous efforts to tackle with this important issue.

For your information, the report of this seminar will be published separately with that of the international symposium held yesterday. We would like to send the report to all the panelists and speakers and participants soon after the publication. With all this, I would like to close this seminar. Thank you very much again.



# 当日配布資料



# Decentralization Process in the Philippines and JICA's Role

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## 1. The Local Government Code (LGC) of the Philippines

The Local Government Code of the Philippines was enacted in October 1991 and is being carried out over three phases – the change over phase from 1992 to 1993, the transition phase from 1994 to 1996 and the stabilization phase which started in 1997. Over these three phases, the central government is relocating 700,000 national civil servants into local areas, providing 520 billion pesos worth of facilities, materials and equipment and transferring a broad range of activities.

Phases of LGC implementation

Phases	Timeframe	Expectations
1. Changeover phase	1992 - 1993	Transfer of devolved functions, assets and personnel to LGUs completed.
2. Transition phase	1994 - 1996	LGUs and NGAs institutionalise corresponding adjustments to the decentralised scheme
3. Stabilisation phase	1997 - onwards	LGUs have acquired adequate capabilities in managing local affairs and NGAs continuously providing appropriate technical support

Source: LGA, LGC master plan of implementation

## 2. JICA's Initial Involvement

JICA has made various efforts to promote this decentralization process. For example, we sent a project formulation adviser to the Philippines from April through October 1995 in order to study the enforcement of the Local Government Code. This adviser identified three issues.

- a) The first issue is the strengthening of administrative capacity in local governments.
- b) The second issue is the strengthening of local government support functions within the Department of Interior and Local Government.
- c) The third issue is strengthening the functions of central government policy authorities, such as the Department of Interior and Local Government and the National Economic Development Authority.

In addition to identifying these three issues, the project formulation adviser recommended that JICA assign an expert to the Bureau of Local Government Supervision, under the Department of Interior and Local Government. In response, this expert is being dispatched to the bureau from April 1996 to April 1998. This expert also recommended the establishment of a training course for local government personnel as part of central government support for local government.

In line with these efforts, JICA set up a special training course on Regional Development Supports for Planning and Development Officers of local governments. The course, conducted from 17 February 1998 to 23 March 1998, is being attended by 12 planning and development officers and aims to enhance the capacity of these officers to promote regional development. The course

involves a seminar on regional development and finance.

### 3. JICA's Technical Cooperation

JICA has implemented various technical cooperation on the themes of regional development and decentralization. To support development planning capacity at the regional level since the enactment of the Local Government Code, JICA has conducted – or is conducting the following.

#### [ Development studies ]

- a) Cebu Integrated Area Development Program 92-94
- b) Central Luzon Development Program 93-95
- c) Davao Integrated Development Program 97-99
- d) Study on Provincial Water Supply, and the Sewerage and Sanitation Sector Plans for Visayas and Mindanao. 97-99

#### [ Project-Type Technical Cooperation ]

- a) Philippine Rural Livelihood Generation Project

JICA conducted this project in three of the least developed provinces from 1991 to 1996. The activities were implemented by local governments, farmers and NGOs in each of the regions, and the results were communicated through workshops at the end of the projects.

### 4. JICA's Approach to Cebu province

JICA drafted a master plan for the comprehensive regional development of this province, based on a request from the Philippine government, in order to tap the development potential of the province. Under this plan, JICA is working with the

provincial government of Cebu to promote the Cebu Socioeconomic and Environmental Development Project.

This project involves the dispatch of experts, provision of equipment and training of planning and development officers from 20 municipalities in the northern part of the province. It aims to improve the self-development capacity of the municipalities so their residents can have better lives and higher incomes, and to improve the abilities of planning and development officers in order to achieve balanced development within the region.

## 5. Other Donors' Activities

a) The United States Agency for International Development (USAID) :

USAID implemented The Local Development Assistance Program (LDAP) from 1990 to 1995. This Program aimed to enhance the capacity of local governments, for example, to improve their tax collection efficiency.

b) The Canadian International Development Agency (CIDA) :

CIDA has been conducting a Local Government Support Program since 1992 in order to improve the abilities of these officers. The program provides training in order to improve their abilities to promote regional development planning.

## 6. Issues Related to Projects for Decentralization

a) Issues in Relations between the Local Governments and the Central Government

Considering the purpose of technical cooperation, it is important that the results of a project are extended not only to the local government directly targeted by the project, but also to other regions. In this regard, the central government also plays a significant role and it is important to consider how it should be involved in the project. Let me take up one example.

Under the Local Government Code, agricultural research remained the responsibility of the Department of Agriculture, while most of the extension activities were turned over to the local governments. Due to budget shortages in local government, however, agricultural extension activities have stagnated. It is therefore important to create a system that functions in all of its aspects -- human resources, technology and funding -- to promote a cycle in which the Department of Agriculture develops appropriate technology through testing and research, and the local governments extend this agricultural technology and give feedback to the Department of Agriculture.

#### b) Need to Coordinate Project Requests by Local Governments

In recent years, there has been an increase in requests for JICA projects to be implemented by local governments (under the Local Government Code, local governments are now able to directly request grant aid projects). As a result, each local government tends to submit project proposals to appropriate donors like JICA. However, donors have difficulty in giving priority to each proposal because of the lack of screening by the central government.

Needless to say, National Economic Development Authority

(NEDA) , is the main ODA coordinating agency, and has a system of ODA access and availability as well as deciding priority list about projects. After Local Government Code was established , local governments have played main role of making project proposals in their area . However, local governments are not familiar with the different schemes of technical assistance that donors can offer. This leads to a conclusion that local governments cannot make appropriate proposals by themselves because of lack or absence of correct references and proper guidance to the schemes.

In this situation, DILG plays an important role in settling this problem because it promotes the local governments' development project planning, and coordinates with NEDA about the issues as well.



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 6 March 1998

Project on Strengthening Sulawesi Rural Community Development  
 to Support Poverty Alleviation Programme  
 in the Republic of Indonesia

1. Project Summary

1. Title	Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Programme
2. Duration	From March 1997 to February 2002
3. Counterpart Agency	Directorate General of Rural Community Development (PMD), Ministry of Home Affairs, Republic of Indonesia
4. Overall Goal	To contribute and support the implementation of an integrated Poverty Alleviation programme in South Sulawesi province by developing human resources.
5. Purpose	To strengthen the capacity of targeted village communities and local institutions of PMD in South Sulawesi province, to plan, implement, and manage rural community development.
6. Outputs	(1) Improving social, economic and institutional capacity of targeted village communities (2) Developing PMD training system for Sulawesi (3) Strengthening managerial skills of PMD officials engaged in rural community development
7. Main Activities	(1) Implementation and development of pilot (lab-site) villages (2) Improvement of training system (3) Improvement of participatory approaches and methods within the rural economic system
8. No. of Experts	1 Team Leader, 1 Coordinator, 3 Experts (Rural community development, WID/Gender, Participatory development)
9. Project Office	Ujung Pandang, South Sulawesi Province

## 2. Project Formulation

- During the project formulation period, experts were attached at PMD for facilitating project preparation.
- Continuity of personnel through the project formulation to implementation.

## 3. Conceptual Basic Framework of the Community Development

- Internal resource mobilization and utilization of external access

## 4. Approach of the Project

- Learning process approach of the project implementation
- Capacity building of PMD staffs through improvement of training programmes, implementation of the participatory development activities in pilot (lab-site) villages, and the formulation of support system.

## 5. Institutional Framework

- Establishment of institutional framework for project coordination and information sharing.

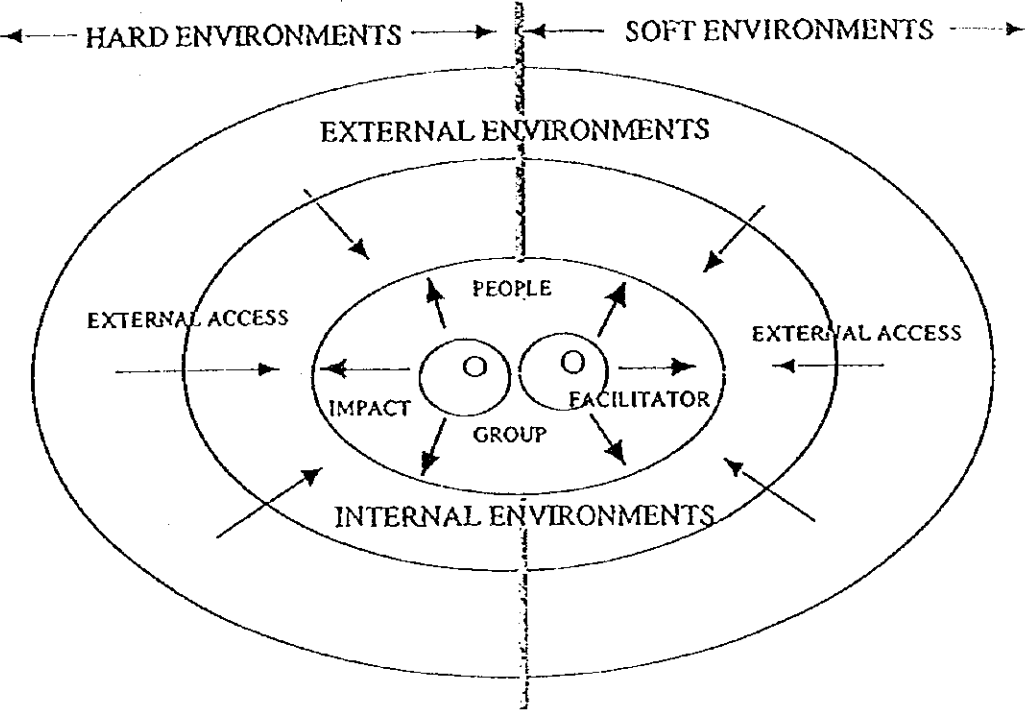
## 6. Support System for Project Implementation

- Formulation of project support system in Indonesia and Japan

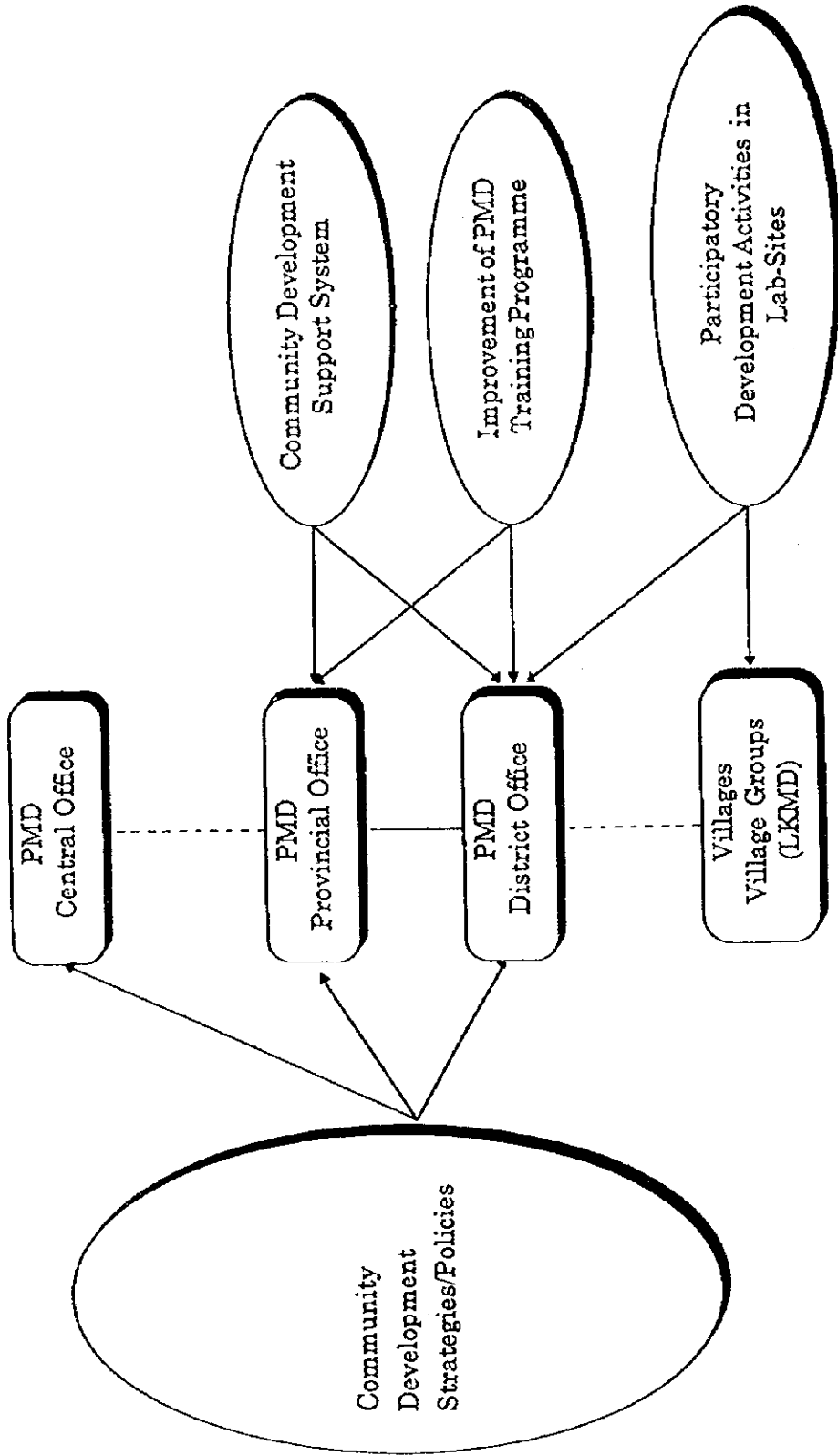
## 7. Major Issues

- (1) Uncertainty of the project environment due to the transitional stage towards decentralization.
- (2) Communication between the central department, provincial office and district office.
- (3) Constraints of implementation at the local level in relation to the nature of programme formulation at the central level.
- (4) How to formulate supporting networks for the project by linking concerned agencies, Universities, and NGOs.

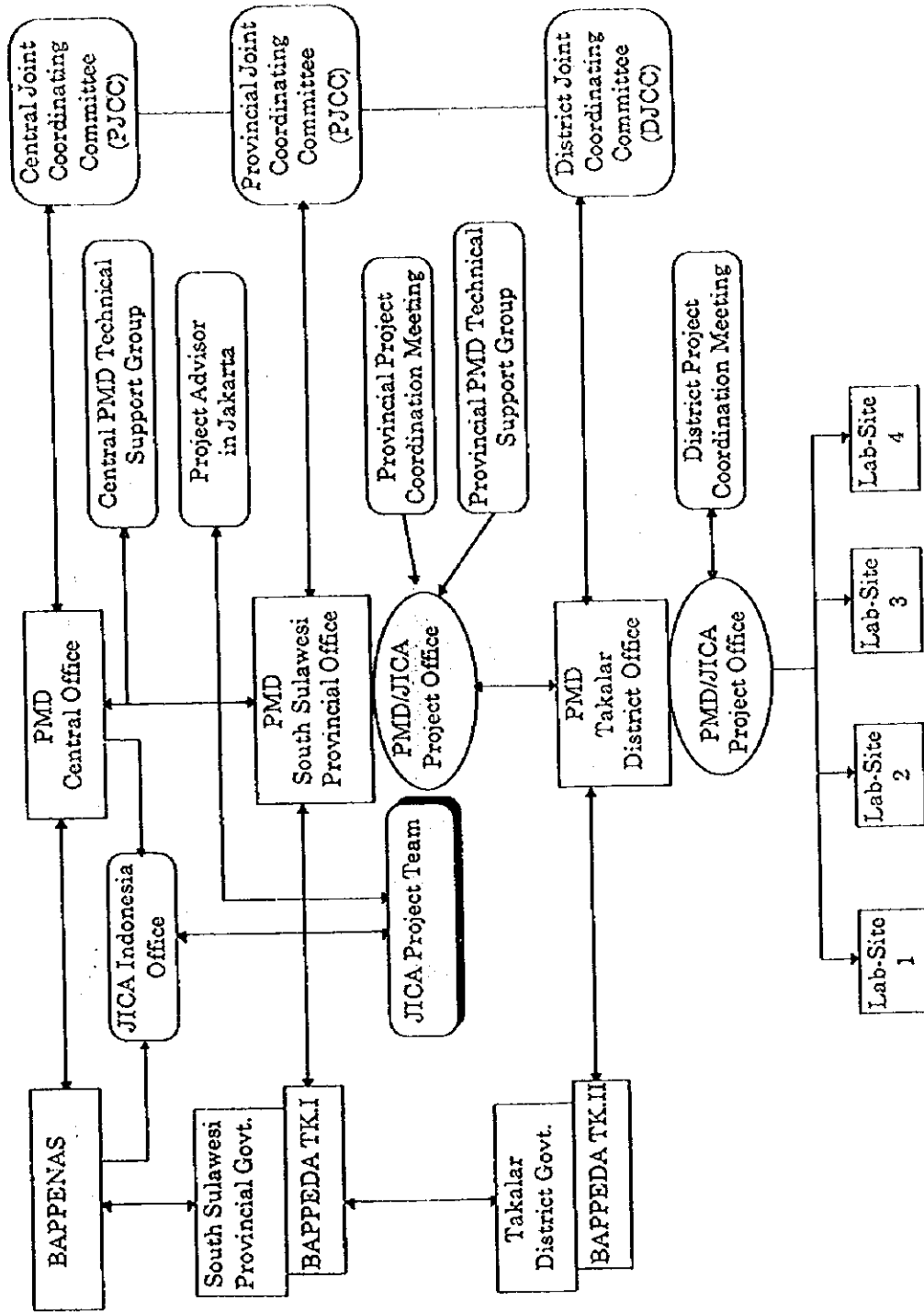
3. Conceptual Basic Framework of the Community Development



4. Approach of the Project



5. Institutional Framework of the Project



6. Support System for Project Implementation (Project Supporting Network in Japan)

