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New Directions in Aid Policy for Rural Development
Schwerpunktredakteur: Herwig Palme

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Editorial

This issue contains a selected number of papers presented at a Conference under the theme of *New Directions in Aid Policy for Rural Development* which took place at the University of Economics and Business Administration in Vienna during October 1994. The Conference was organized under the framework of the Working Group "Agriculture and Rural Development" of EADI (European Association of Development Research and Training Institutes).

The general objectives of Technical Co-operation are usually seen in increasing output and raising rates of growth. An additional objective is to increase self-reliance. The path to achieve these objectives leads via raising general factor productivity and the building of local capacity. This entails the transfer of know how and skills to enable local capacity to manage national resources. The implementation of Technical Co-operation generally took the form of projects and programs to increase or to improve human and institutional resources. However, almost all development activities require both capital investment and human and institutional capacity. Due to evolved habits of thought and bureaucratic traditions they were tended to be treated differently. The concept of Technical Co-operation as a separable activity rests on a artificial division: it splits off the human and the institutional dimension and couples the objectives of capacity building with particular inputs such as expatriate personnel and training.

For reasons that the usually weak performance of indigenous institutions, particularly in Africa, constitutes one of the biggest bottle-neck to faster and better-quality economic growth one can observe during recent years a resurgent preoccupation with institutional development and capacity building. This poses one of the major challenges to donor policies, not only in Africa, to devise adequate approaches that permit institutional development under the condition of not imposing alien experiences.

The following articles provide investigations into the nature of the problem and deal with conceptual issues in formulating improved approaches. A number of experiences from a broad range of empirical backgrounds in rural areas show point of departure for improved strategies.

Herwig Palme

Journal für Entwicklungspolitik XI/2, 1995, S. 115 – 132

Glenn Brigaldino

Technical Co-operation in Sub-Saharan Africa – From New Avenues to Winding Roads?[1]

Revisiting the "New Avenues" of Technical Co-operation

For half a decade, international donors have been reflecting on the shortcomings of technical co-operation (TC) in terms of building development management capacities in recipient countries.[2] In the sub-Saharan context, TC has led to fairly good results when involved with specific project goals (like in providing or improving infrastructures), it is nevertheless widely acknowledged among policy-makers and implementing actors alike that the results in terms of building national capacity and in promoting self-reliance are disappointing. TC as a major form of development aid has yet to arrive at operational and effective modes of capacity building which meet the objectives of its users and providers in a satisfactory, sustainable manner. How to accomplish this goal remains an unresolved question and thus merits closer scrutiny in the continuing development debates on "new avenues for technical co-operation in Africa".

In recent years, there have been several major reviews of TC effectiveness (DAC 1991; Human Development Report 1991; Cassen 1988, 1994; Berg 1993) which have all criticized the limited impact of technical co-operation efforts on local capacity-building. The bottom-line of these reviews is clear: rather than doing the job themselves, donor agencies should find ways to increase their support for local capacity and institutions. Yet, a critical shortage of clear understandings of how to mould the often promising recommendations and guidelines into operational guidance still remains. Successful capacity building by way of TC to date is still the rare exception rather than the rule.

For too long, debates on TC have been bogged down in seemingly endless reassertions of "what goes wrong and what should be done". The

1 Acknowledgments: This article is based on a presentation given by the author at the conference on "New directions in aid policy for rural development" organized by the Vienna institute for development and co-operation (vidc) from 13 to 15 October 1994. The author wishes to thank Jean Bossuyt of ECDPM for his helpful comments on earlier drafts of this text.
Peter Ballantyne provided well appreciated editorial assistance.

2 The terms "technical co-operation" and "technical assistance" are used synonymously in this paper.

gaps between policy prescriptions and practice, between reform proposals and effective implementation of new approaches have not been visibly reduced.

In 1991, the European Centre for Development Policy Management (ECDPM) attempted to bridge these gaps through an applied research programme that aimed to improve the record of TC in terms of capacity building. The approach adopted was based on an extensive review of the literature and on interviews with nearly 100 competent donor and recipient officials and practitioners. Concrete and practical information on reform attempts in the field were obtained by way of four case studies, (Burundi, Cameroon, Malawi, and Tanzania). The findings from the studies and ECDPM's own investigations were submitted for discussion and review to a forum of politicians and development practitioners from both Africa and the donor community. The results from this interactive research programme were published as an occasional paper under the title "New Avenues for Technical Co-operation in Africa" and widely disseminated (Bossuyt 1992). This document provided a critical inventory of existing reform attempts and of operational approaches to them, thus making a practical contribution to the agenda for change of TC and related aid policies.

TC's bumpy road

While large parts of sub-Saharan Africa remain at the bottom of the pits of human development[3] and the daily lives of their populations revolve around questions of survival and emergencies rather than relate in much significance to human development and welfare, the time to adopt and *implement* capacity development as a policy priority, is slipping away. Many development stakeholders and decision-makers have come to realize that rising absolute levels of aid and increased development impact do not necessarily correlate with one another. This is particularly true for TC, which is supposed to be aimed at building and strengthening technical and management capacity, support state and increasingly civil society institutions and help them to reduce reliance upon foreign experts. Shortages in human resources are to be eventually overcome as TC leads to a widening and improvement of the human resource base for development in under-developed countries. In the perhaps extreme example of Mozambique, few if any results of TC in recent years have been achieved: "Foreign 'TC' hired to fill the 'capacity gap' ... was costing Mozambique some US$ 168m, or 10% of GDP, in 1987. By 1993 it was costing an annual US$ 200 – 300m. ... A 1991 World Bank study

3 In the 1994 UNDP Human Development Report, out of the 55 countries ranked under "low human development", forty are to be found in Africa.

found that many donor actions actually weakened local capacity. 'The practice of hiring (foreign) technical assistance without giving enough attention to training local staff, or paying local 'consultants' to run autonomous units within government ministries and 'topping up' project managers' salaries – have all, often undermined (capacity)." (Southern African Economist 1994)

Such failures are now widely recognized: TC may well be "... one of the least effective ways to foster development".[4] From within donor implementing agencies voices are being raised to "farewell long term experts" and to critically evaluate technical co-operation. Fears have been expressed that the "... failure to address institutional issues in the 1990s inevitably will result in a continual spiral of foreign-based training and a lack of internal capacity for human development in Africa".[5] Unfortunately, this may well already be today's development reality.

An important question to ask is what kind of TC is efficient for building capacities? The theory for bold new approaches to TC design and utilization is broadly shared among donors, yet on the ground, implementation has, at best, been slow. It is generally agreed that capacity building remains the "top priority" of TC, and in reference to the 1994 OECD-DAC conference on "Improving the effectiveness of TC", hopes are expressed that donors will adhere to their own guidelines (White/Woestman 1994).

Making progress?

In June 1994, aid donors came together in the context of the OECD-DAC for the conference on "Improving the effectiveness of technical co-operation". Building on the extensive discussions on TC of the recent past, long-standing problems with TC were addressed and issues of recipients' involvement in decision-making were reviewed. Individual donor delegations submitted position papers in which they outlined their updated approaches towards TC. Some new momentum in the debate on how to redefine TC could be generated through the DAC conference, although it does remain regrettable that involvement of recipients in this important policy debate is not actively sought. Still, the DAC policy recommendations on the effectiveness of aid, including those on TC are well worth serious consideration by all donors (DAC 1991). Inconsistencies in donor application of common recommendations like the DAC principles persist and feature prominently among the

4 See: The Economist, Foreign Aid, May 7th 1994, p. 22; "Of the $12 billion or so which goes each year to buy advice, training and project design, over 90% is spent on foreign consultants."

5 Ibid.

central problems encountered in the process of redesigning TC. Many of these problems have been encountered by all donors employing the instrument of TC. However, only hesitantly do donors revise their own policies and approaches as a result of learning from each other's experiences. Canada has shared its experiences with "best practices, new initiatives, areas for improvement and constraints in implementing the (DAC) principles" (Bolger 1994). In 1993, the Canadian International Development Agency (CIDA) conducted an internal study which came to a number of conclusions which can be regarded as constructive advice to many other donors facing similar problems with TC. The study affirms the value of the DAC principles (underlining the need for a central role of the recipient country), considers country *ownership* as an essential element of effective TC, stresses the long-term nature of capacity development as a process and while ascribing primary responsibility for successful problem solving by way of TC to the recipient country, it fairly acknowledges the importance of donor support in creating an enabling environment (Bolger 1994). Still, progress in harmonizing and co-ordinating donor approaches to TC, particularly at the field level, remains appallingly slow.

While substantial progress in improving the record of TC has yet to materialize, some promising initiatives have been taken in recent years. Most notably, the National Technical Co-operation and Assistance Programme (NaTCAP), launched in 1986 by the United Nations Development Programme (UNDP), has helped to enhance management of TC as a development resource and has provided valuable in-country information on types of human capacity available and on policies for employing it more efficiently. Unfortunately, serious implementation constraints have arisen with the NaTCAP approach which have chipped away many of its initial merits unveiling it as an essentially donor-side driven concept.

Among more recent initiatives, the African Capacity Building Foundation (ACBF) specifically addresses capacity building issues in sub-Saharan Africa through improved policy analysis and development management. Still in its pilot phase, it is too early to asses the impact the ACBF's progress (ACBF 1992).

Several other initiatives complement and extend the above-mentioned efforts towards enhancing African capacity to take the lead in effectively managing its own development. They include the UNDP Management Development Programme (MDP) and the 1994 UN-Economic Commission for Africa's (UN-ECA) "framework-agenda" for capacity building. Recently, the MDP evaluated experiences with TC and among the "success ingredients in TC" it has identified the use of mixed teams in technical assistance and increased reliance on decentralized modes of aid delivery. Under the UN-ECA "framework agenda", an action programme "to guide the continent's

capacity building efforts" has been formulated. An important issue to be dealt with is how to regain the African skilled personnel that has left the continent for abroad as the "urgency of reversing Africa's 'brain drain'" is growing (Harsch 1994).

Meanwhile recognition among policy-makers, practitioners and analysts is rising that "... African governments are now more active in national priority setting in managing donor involvement, which is crucial to regaining ownership of the process. Such actions must also be accompanied by more efforts to allow local personnel to manage externally supported programmes. Donor awareness of and commitment to theses issues should be a priority of African governments and other actors concerned with the capacity building process in Africa" (Picard 1994).

It seems as if the roles of donors might be coming up for redefinition and consequently donors "... will face difficult professional judgements on whether, when and how to intervene where projects are not being competently managed by national institutions" (Maddock 1992).

Meanwhile numerous useful action issues can be promoted under innovative approaches towards sustainable institutional development: the crucial criteria upon which their success is likely to depend, is the introduction of a partnership based and inspired donor-recipient relationship. Reordering the relation between "donor and client" will require a thorough overhaul of the present system of aid delivery in general and of TC in particular.

Before any such overhaul is attempted, a closer look at some of the salient reasons for the slow progress in improving the performance record of TC needs to be taken.

Slow progress in improving TC performance

Among the reasons why redesigning TC has only occurred in a sluggish manner, four causes can be stressed in particular. Firstly, the abounding sensitivities towards the topic, the lack of real incentives to change, bureaucratic constraints, and finally policy incoherencies with respect to TC.

1. A sensitive topic

To start with, sensitivities regarding any fundamental overhaul of the well entrenched system of TC abound at all levels. Both donors and recipients have in the past benefitted from TC and from the way it has been managed. Resistance to any fundamental change of the present system of TC delivery is real, and on all sides stake-holders are apprehensive about being blamed

for the ineffectiveness of their role in the delivery of TC and its merely minimal effects upon capacity building. This scenario persists largely because well-paid expatriate TC personnel and pampered African policy-makers fail to set result priorities for TC usage. Sustainable results in terms of capacity building are not to be expected in the absence of recipient commitment to promote indigenous development management capacity and under conditions where donors continue to "add on" capacity building as an appendix to short-term project implementation while continuously neglecting the need for long-term and holistic approaches. "Institutions are not just conglomerates of policies, systems, procedures, staff, and resources. These are integral aspects of a whole: they interact and are interdependent ..." (Saldanha 1994)

2. Absence of incentives

The lack of incentives to change the existing TC system and to put long-standing policy recommendations into practice is a prominent factor for the inertia witnessed in reforming the TC agenda. The "rush to use expatriates" has slowed only minimally in recent years as the interest in aid dominates genuine interest in sustainable human development. The "... incentive structure within which technical co-operation transactions take place is all wrong" leading to situations where "... supply and demand (for TC) operate largely independently of cost considerations ... the host agency has no incentive to economize on (TC) use. ... On the supply side, donors have many reasons to urge personnel on host governments and few to abstain" (Berg 1993, p. 191).

The donor side policy-makers, who until now are the main politically responsible actors in setting development policy guidelines, rarely venture into new, impasse-breaking ground on innovative, systematically recipient focused forms of TC-delivery. In fact, TC can be seen by policy-makers as an indirect vehicle for tying aid to a particular (bilateral) donor. Again, such a basically counter-productive practice in terms of capacity development has been discredited in DAC reports and studies (Jepma 1991).

In addition to cost factors from this malpractice, issues of aid efficiency arise with regard to TC as a tied form of aid: "Limiting the buyer's choice, tied aid is nearly always inefficient. It can also hamper the development of local skills. Oxfam claims that 100 000 consultants from rich countries are now working in Africa, many doing jobs that could be done by Africans."[6]

On the other hand, many African governments continue to hold a stake in the existing system of TC delivery. The framework in which TC operates

6 See: The Economist, The white man's burden, September 25th 1993, p. 53 – 54.

allows aid administrators and project counterparts to derive considerable personal gains out of the system. TC furthermore often allows responsible actors on the recipient side to accept non-sustainable projects which seldom qualify as national development priorities. Resources are thus channelled into activities with only limited impact in terms of advancing national development. As TC is widely regarded as a "free" aid resource, little attention is given to the capacity building implications of using it: once TC is withdrawn, strikingly insignificant levels of local capacity are to be found that are able to take over responsibilities and meet programme or project objectives in any lasting manner. In the widespread absence of Africans in the designing and formulation phases of TC interventions, commitment to the fulfilment of original objectives often remains minimal.

TC comes and goes, without leaving much of a mark on development standards and management capacity in the receiving country, yet it all too often contributes to the enlargement of personal fortunes or helps to advance personal career prospects.

3. Aid Bureaucracy

Bureaucratic constraints have for long been recognized as impeding factors in improving TC performance. Bureaucracies, in particular of a control-oriented planning and management nature, are known to be slow to change, especially under conditions of "... complexity and uncertainty inherent in development activities" (Rondinelli 1982, 62). Indeed the history of state bureaucracies in Africa documents few instances of undivided attention to a country's development aspirations. This is not meant to ignore how these administrations are now confronted with mushrooming demands upon them to effectively deliver services. Meanwhile policy-makers and aid administrators alike struggle with situations which call for "... reorganization and re-direction and even shrinkage of organization when necessary resources ... are not readily available ... African public organizations face a situation of grand tasks necessitated by the crisis and other developments which demand expenditure of resources ... now in short supply" (Mukandala 1992).

It has been argued that the complexities of the development process require a plurality of institutions within a society in order to effectively advance the process (Esman 1991).

When introducing TC as a tool by which development (in particular of local capacities) is to be advanced, new complexities are easily introduced which may lead to an exhaustion of locally available (administrative/bureaucratic) capacity. This tendency of TC is reinforced by the continued multiplicity of

forms and approaches of donor aid interventions and the associated abundance of differing donor procedures for TC provision and implementation.

How to restructure bureaucracies, which in the past have often demonstrated unresponsiveness to effectively engage themselves in development activities, remains a pressing issue to tackle. Recasting bureaucracies from predominantly mechanistic formations to organic, participatory and adaptive ones is an issue to be given prominent attention by policy-makers. "The challenge is to find more appropriate ways of dealing with the inevitable uncertainty and complexity of development problems and of creating the institutional diversity that allows experimentation, innovation and widespread participation in economic activities (and public services)" (Rondinelli 1993, p.158)

4. Incoherent policies

Performance of TC is further curtailed by a persistent lack of policy coherence on TC among donors and by the lack of information on reform experiences shared between users and providers of TC alike. Co-ordination, or rather the lack of it, in respect of aid policies and delivery becomes a pivotal problem to resolve, both within a recipient country as well as among donors. Shortcomings in co-ordination efforts in the redesigning of TC prove to be particularly upsetting where recipient countries are under severe economic and political stress, as is often the case in the aftermath of emergencies or violent civil conflicts. Such countries are least equipped to assume responsibility for co-ordinating the largely unco-ordinated offers of TC by donors who occasionally even compete over influencing recipient development agendas. Only rarely is a donor prepared to "let go" and allow a recipient to determine which sort of TC it wishes to obtain and where from (Asmeron/Jain 1992).

First steps in redesigning TC

1. More incentives to change

On top of the agenda to redesign TC, is the question of providing incentives to proceed with a change of the current system. The perception of TC as a cost free resource, readily available to close gaps in national capacity, to absorb and manage external resources, or to compensate for shortages in expertise in delivering public services and goods, is deeply entrenched. The idea of attaching a price to TC has been developed as a way out of this careless way of utilizing what are in fact extremely expensive resources

(Berg 1993). By convincing recipients that high reliance on TC must in principle entail a reduced availability of other aid allocations, the inclination to call on TC is likely to decline.

At the same time, strategies for phasing-out TC in specific projects need to become standard features in all TC ventures. Where such strategies are not foreseen, there should simply be no provision of TC: "Except in a few isolated cases, milestones should be established for the phased elimination of technical assistance over a three to five year period" (Berkman 1990). With a clear time horizon in sight, each project which relies on TC will be under pressure to ensure that once the horizon is reached, enough national capacity is in place to carry on the project and to fulfil objectives even after the catalytic aid form of TC is withdrawn. Capacity building may thus eventually turn into the true major performance criteria of TC.

2. Be country specific

Country specificity in designing and providing TC to a recipient country is of prime importance.

A quick look at the 1994 UNDP Human Development Index shows that sub-Saharan countries differ greatly, ranking from the medium human development level of position 87 (Botswana) down to the lowest of 173 (Guinea). Obviously, there are equally great differences among these countries in terms of need for TC, country commitment to utilize aid resources effectively, and most importantly, the capacity to absorb and utilize available forms of aid, including TC. A striking paradox of the current system of TC is that "... countries most in need of TC also have the greatest problem in handling the resources put at their disposal and in deriving the best possible benefit from them. High degrees of aid-reliance co-exist with very low levels of absorptive capacity. TC works well in countries that hardly need it" (Bossuyt et al. 1992).

Levels of commitment towards realizing development objectives vary considerably among both recipients and donors. The extent to which TC is employed as a means to strengthen the capacity to formulate and enact these objectives is equally dependent on individual country and policy circumstances.

Although development themes in many African countries may be similar, the variety of national development priorities and objectives must be amply considered when recourse is taken to TC.

Aid relationships must be seen as expressions of confidence between donor and recipient. The higher this confidence manifests itself the more likely it will be that there will be less "... disappointments experienced in generating a spirit of partnership in development co-operation" (Please 1994).

Adopting country specific approaches also when employing TC is a crucial prerequisite for the successful utilization of this development instrument: "In crisis-ridden countries, 'gap-filling' TC may prove to be a necessity. In other countries, this type of substitution is no longer acceptable. The resources involved could be better used for other purposes – perhaps to retain national skills." (Bossuyt/Laporte 1994)

3. Improve cost-effectiveness

A pronounced focus on cost-effectiveness will help to substantially improve the impact of TC on capacity building. As a rule, any provision of TC must be subjected to a prior assessment of available in-country capacities. Again reference should be made to the NaTCAP approach, where "... the collection of basic data has made visible the 'iceberg of TC', particularly in relation to the global cost of expatriate personnel ..." (Bossuyt et al. 1992, p. 55).

Techniques for assessing costs can certainly be improved and once qualified local capacities have been identified, these should actually be called upon to perform developmental tasks. Of the donor instruments in place to enhance cost-effectiveness and aid performance, some can certainly be further refined. The ZOPP (Objectives-oriented project planning) system of the German GTZ, or the European Union's LFA (Logical Framework Assessment) are such examples; both currently suffer from oversophistication. Once a donor uses a method, it should be ensured that the rationale for using it is not only shared by the recipient but also sufficiently well understood to be effectively utilized.

A newer approach towards increasing cost-effectiveness of TC makes use of decentralized modes of development co-operation. While well-discussed and formally politically acknowledged as being an appropriate mode of aid delivery under conditions of weakened states undergoing complicated transition and reform processes, application of decentralized co-operation in practice has encountered operational hazards. Again, country-by-country approaches are of critical importance while the complexities of the transition processes in many African states require that pragmatic gradualist approaches towards institutionalizing decentralized co-operation as a pivotal, participatory mode of aid delivery are taken into due consideration. Especially in relation to the use of TC, "new interfaces" will be necessary in managing resources under this aid delivery mode based upon the recognition that "... civil society institutions can complement the action of the state, but not replace it" (Bossuyt 1994).

Donors themselves will need to strengthen their own analytical and institutional capacities in respect to employing decentralized co-operation in an efficient manner. With regard to TC, the decentralized approach opens a wide window of opportunities for building development management capacities at local levels, where skills, leadership, and analytical capacity are often least available.

Finally, mention must be made of the need to reallocate TC budgets as a means towards greater cost-effectiveness. Today, the largest portions of TC are allocated to providing donor staff to perform gap-filling tasks in Africa. Few resources are used for mobilizing local expertise, which often exists but is left idle and not called upon. Much larger parts of TC should be used to identify, attract, utilize, and retain such local capacity. In times of shrinking aid budgets, this necessarily entails a substantial reduction of expatriate staff being sent to Africa. In terms of effectiveness, this can make good sense, in reducing the numbers of non-essential donor staff who are employed. Parallel to a reduction in numbers of TC-staff, other remaining parts of TC-budgets could usefully be allocated to budgetary support to local institutions involved in providing development services and managing national development programmes. This may be seen by rigid and over-purist public sector reformists as a new form of subsidizing poorly performing local bureaucracies. However, this argument can easily be unveiled as hypocritical, once it is recognized that there is a strong relation between poor performance of African public sectors and administrations and the shortage of resources to strengthen and build development management capacity in African governance structures.

This does not preclude continued serious endeavours to advance in comprehensively reforming civil service in Africa and rationalizing, where necessary privatizing parts of the governmental machinery. Margins of manoeuvre exist and can be exploited and experimental approaches like creating a "central incentive fund" for civil servants (attempted in Uganda) or converting TC funds into budgetary support for engaging African expertise (experimented with in Togo) ought to be further explored in a serious manner. Under the pressures of structural adjustment and under the barely abated weight of the debt-burden, the task of utilizing TC for institutional development has gained in importance, albeit not necessarily in recognition. Using greater portions of TC for improved public sector management remains an important way to promote the capacity building function of TC in sub-Saharan Africa.

4. Scale down interventions

Scaling down TC interventions by donors will not easily escape encountering the contradiction between advocated policy recommendations and the actual

course of their realization. An illustrative example of such a discrepancy between policy and practice may result from a quick glance at the reality of TC use by German development co-operation institutions. Among the "new concepts" the German aid implementing agency GTZ advocates, a number of very sound answers to recognized deficits of TC can be found. The most novel concepts include:

- analysis of the interests of various participants,
- promotion of pluralism on an institutional level,
- inclusion of NGOs,
- use of local knowledge and, notably the intention to
- use various TC instruments for appropriate problem solution.

It is explicitly concluded that "Capacity building ... remains the top priority for TC" although the authors do tumble into somewhat over-enthusiastic vocabulary when they ascribe to TC a "... socio-political role for the development of pluralism and democracy" (v. Mitzlaff/Vermehren 1994, p. 25).

A closer look at TC as a development instrument of German TC does raise doubts about the seriousness with which proclaimed priorities are pursued. Official data on the deployment of German TC can be used to elucidate how expatriate TC continues to be heavily utilized in spite of extended possibilities to rely on local expertise.

As can be seen from table 1, over the period 1987 to 1993, the total number of German TC-staff has *increased*, despite of well-formulated policy guidelines aimed at reducing numbers of such staff. Differentiating the figures according to individual aid agencies indicates that GTZ itself has succeeded in reducing the number of assigned German TC staff by over 10%, yet most other agencies have not embarked on much of a systematic approach to reduce the number of staff they send abroad. Furthermore, the continuously declining national budget for development aid (during 1990 – 1993, in real terms from 0.42% of GNP to 0.35%, and still falling) has brought an absolute rise in the level of resources for TC, although a decline in relative terms could be registered (from 28% to 25%).

As is certainly the case for many other donors, such "hard data" developments can be well portrayed by the German proverb which states that "paper is patient". And the paper on which aid guidelines are written, clearly poses no exception.

TC-staff employed by German Organizations	1987	1988	1989	1990	1991	1992	1993
– German volunteer service	910	942	987	954	1057	1102	1087
– GTZ, leading public German TC agency	1140	1533	1570	1412	1406	1405	1414
– integrated TC-staff	613	630	694	681	771	736	745
– consulting firms	453	363	259	388	353	345	322
– political foundations	296	308	277	298	315	321	345
– other organizations	766	806	708	718	658	707	770
Total	4478	4582	4495	4451	4560	4615	4683

Table 1: German TC personnel (financed from Development Co-operation budget)[7]

The need to scale down the level of TC interventions remains real. The much referred to "Jaycox-paper" has spelled out a number of radical sounding reform proposals and policy changes. It is almost categorically announced that, from the side of the WB, all future TC projects will require a drastic redesigning, in order for them to "fit within domestic capacity", if they are to receive WB support (Jaycox 1993). Precisely, this matching of local technical and managerial capacity with quantities and qualities of available TC, and the responsible use of TC or the recipient self-confidence to decline offers of unneeded TC, are the critical issues of TC that need to be solved.

5. Combine salary and public sector reform

As a concluding, but by no means final step in the attempt to propel the implementation of some of the main long-standing policy recommendations in respect to TC, the question of civil service reform and management of transition phases comes into focus. While in recent years much attention has been dedicated to criticizing poor performance of many African public sectors and administrations, much less disquiet has arisen over the question of inadequate salaries for African public servants. Promises that a "structurally adjusted", de facto strongly scaled down public sector will be able to provide better conditions and terms of renumeration for the remaining (often too few) public servants have yet to materialize. Mounting local delivery and performance demands under conditions of continuous stress in terms of material, personnel, and institutional resources, coupled with tightened donor demands to improve effectiveness, do seem to be unresolveable dilemmas for "structurally adjusted" African public sectors. There seems to be a profound

7 Figures on German aid taken from "Journalisten-Handbuch Entwicklungspolitik 1994, BMZ 1994 and from "The reality of aid 1994", EUROSTEP, May 1994.

donor unawareness of the fact that even much higher paid public servants in a neatly scaled down public sector and administration, will face capacity limitations as well as shortages of staff, time, and resources in the absence of comprehensive institutional reforms and lasting improvements of dismal economic conditions.

The issue of improving performance in African country's civil service, repeatingly circles around the question of renumeration. In clear and precise words: "Poor levels of pay have resulted in low levels of performance, widespread laxity at work, moonlighting, lack of discipline, lack of care for public property, pilferage, brain drain, and a host of other problems"(Mutahaba 1993). How to tackle this problem is an urgent issue to address given that under semi-permanent complex and instable development conditions the African public sector is under severe stress to perform.

Given that the exclusive focus on cost-cutting as in the heydays of structural adjustment appears to be passing, donor attention can finally begin to concentrate on capacity development issues. As African societies continue to struggle hard to arrive at democratic and more equitable social relations, support to their new forms of social organization becomes all important: "Resources will have to be spent for stabilizing and generating consensus on the nature of major institutions of a country. In the short term, resource input into institution building may strain the provision of goods and services (in the absence of additional aid resources), but these will pay dividend in the long run. ... Leaders in developing countries for their part must understand that development of fundamental and basic consensus on the major institutions of the nation by an overwhelming majority of the population is vital to the stability and in some instances the survival of these countries." (Rahman/Thai 1991, 415) TC has a role to play in this process, as it can substantially contribute to promoting African capacities and competence to manage national agendas of change and reform in a self-determined manner.

No easy way ahead for TC

Whether one chooses to speak of new avenues or of winding roads on which innovative changes in the use of TC are to progress is rather a semantical question. What is clear is that debates on new ways of designing and utilizing TC have been underway for some years now and useful policy recommendations have been formulated. While debate continues to be necessary, without accompanying far-reaching actions, the point may soon be reached where further discussion is self-defeating.

While it seems as if donors now do view the capacity development agenda as a crucial one for effective TC, they continue to implement changes only

half-heartedly, with little co-ordination among themselves, and regrettably one must attest, seldom with much or any involvement of recipient side policy-makers and development actors. Some principal reasons for the slow progress in changing TC design and modes of its delivery have been explored in this paper. In conclusion, more decisive steps in advancing necessary changes, are long overdue.

One path to explore which may lead to promising ways out of current impasses, is to embark on new forms of in-country task division with regard to TC and its central function of capacity building (see figure 1 below).

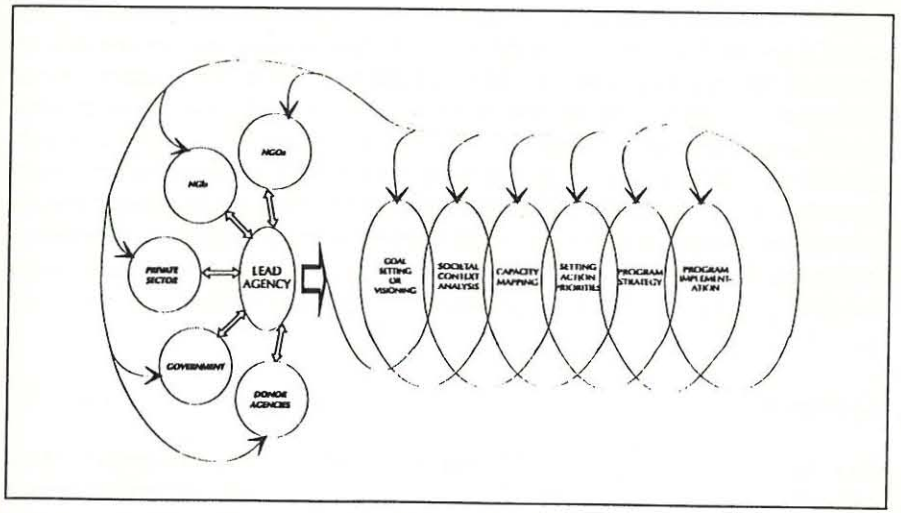

Figure 1: A participatory framework for capacity development

This "framework for capacity development planning" has been proposed to guide reform efforts in a systematic way. TC as a major instrument for developing capacities could benefit from such a framework.

Lead agencies or donors would be identified to co-ordinate, on a country-by-country basis, donor support for capacity building by way of TC. The framework would "... cut across ... the systems ... social, political, economic, and ecological". It would incorporate "... interrelated stages and a series of feedback loops".[8]

8 This participatory framework has been presented to the Institute on Governance workshop on capacity development from November 22 – 24, 1993 in Ottawa by Jan Loubser (CIDA). Reproduced from Loubser, J.: Capacity Development – A Conceptual Overview. In: Morgan and Carlan, 1994.

The concept of a task division, with a lead agency taking responsibility of capacity building measures and initiatives of TC in a particular country, would open up opportunities to concentrate relevant donor efforts. Duplications of efforts and inconsistencies in delivering TC among different donors could be reduced considerably. For recipient countries, the administrative and capacity stretching burden of meeting diverse TC related reporting and implementation procedures could be minimized. Once partnership concepts in development co-operation gain ground and recipient involvement in design, formulation, and implementation of TC (and other forms of aid) is thoroughly expanded, it is more than likely that one will witness substantially higher degrees of aid effectiveness. Aid flows should then accelerate and the often heard argument that "money is there but not being used" will be emptied of any justification it may have had. More capacity in Africa to manage national development, utilizing internal and external resources, may then quickly reveal how necessary *increased* donor commitments to sub-Saharan development actually are. Providing adequate means for human and institutional capacities in Africa to significantly improve in-country development standards will almost certainly help to reduce future risks of capacity breakdowns due to political crisis and the disruptions associated with conditions of economic stress many African countries struggle with daily.

Abstracts

Technische Zusammenarbeit (TZ) als Instrument der Entwicklungszusammenarbeit, ist überholungsbedürftig. Trotz gewaltiger finanzieller und personeller Resourcen, die seit vielen Jahren für TZ aufgewendet werden, ist der Hauptzweck wofür TZ offiziell eingesetzt wird, nämlich der Aufbau und die Stärkung lokaler Kapazitäten, nur unzulänglich erfüllt worden. Im Verhältnis zum Aufwand und gemessen an den formulierten entwicklungspolitischen Zielen der Beteiligten, sind die Erfolge eher bescheiden geblieben. Unter den Gründen für das Ausbleiben gewichtiger Entwicklungsfortschritte trotz intensiven Einsatzes von TZ, sind Unzulänglichkeiten im Umgang sowie Probleme mit dem effizienten und kohärenten Einsatz von TZ hervorzuheben. Anreize zur inhaltlichen Redefinierung von TZ, länderspezifische und kosteneffektive Anwendung des Instruments, sowie eine einhergehende Reduzierung des Einsatzes nicht-einheimischen Personals bei gleichzeitiger Verbesserung der Besoldungssituation und der öffentlichen Verwaltungsstrukturen in Afrika, werden als Einstiegsschritte zur Reformierung von TZ vorgeschlagen. Der systematischen Nutzung der, durchaus vorhandenen, sinnvollen Reformvorschläge und Initiativen im Hinblick auf TZ, sollten baldige Chancen eingeräumt werden. Den desorientierten Geberländern wie auch den institutionell angeschlagenen afrikanischen Ländern bleiben wohl kaum Alternativen hierzu.

Technical co-operation (TC) as an instrument of development co-operation is in need for an overhaul. Despite enormous financial and personal resources which have been invested into TC for many years, the main target of TC, namely the building and strengthening of local capacities, was achieved to an insufficient extent. Compared to the expenses and measured by the policy aims formulated by those involved success remained rather humble. Among the reasons for the failure of essential progress in development to materialize, despite substantial input of TC, shortcomings in dealing as well as problems with efficient and coherent implementation of TC have to be emphasized. Incentives for a substantive redefinition of TC, country-specific and cost-effective applications of that instrument as well as parallel reduction of expatriate personnel combined with improved remuneration and efficiency of public administration in Africa were proposed as first steps in reforming TC. Largely existing reasonable reform proposals and initiatives regarding TC ought to be given speedy chances for systematic utilization. Hardly any alternative is left for the disorientated donor countries as well as for the institutionally feeble African states.

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Rural Development in Africa South of the Sahara: Some Methodological Reflections

A meeting on the problems of rural development and agriculture such as this offers a welcome opportunity for throwing a critical light on some vital issues. Being aware that in sub-saharan Africa development efforts have failed to meet most expectations, I would like to raise five points that have come to my attention when looking for answers to these findings.

1) Top-down approaches obstruct the consideration of the rural, often illiterate population's concerns

For a long time the rural populations were treated as "objects" of development rather than subjects, maybe due to their inability to speak French (English), the foreign language, which nevertheless dominates discussions on development issues at all levels. Reflections, evaluations and designing new perspectives take place almost completely outside the world of the people concerned.

Donors and government services alike tend to focus on a logical framework that concentrates either on productivity or technicality, in total contrast and opposition to habitual ways of doing and managing things sanctioned by the people.

- Normally one finds nationwide just one uniform credit system which does not take into account any local differentiations.
- The programmes of water and agriculture management seldom integrate traditional, widely diverse production systems; thus, the effort to produce more rice makes them ignore other options for crop production (mais, millet, niébé) or the improvement of cattle-breeding; legitimate interests of cattle-breeders are not respected (f.i. securing tracks for the cattle) and therefore conflicts between cattle-breeders and farmers continue.
- Training programmes for farmers are often standardized, and leave out completely all local knowledge and know-how. Standard topics are being treated and techniques are diffused in a top-down fashion without any previous experience regarding their applicability. This may cause either acceptance or resistance that again obstruct any innovation, even when its relevance has been generally affirmed.

2) Often we do not know where exactly we put our foot

Haste and rashness mark the installation of many projects, and little is known about the economic and social environment of the people. I want to illustrate:

- Nowadays, for the implementation of their programmes, the "developers" want to work with "groups", ("groupements") or similar organizational forms. Often such groups are created or initiated from outside, as a reaction to a fashion and/or boom. Thus in Senegal the co-operatives or other producers' associations were mostly government fabricated entities, whose competencies and working mechanisms were defined without them. Although very few of them are still operative, they often serve as counterpart organizations for a large part of external co-operation and assistance.
- Formerly, before the creation of these "modern" structures, we knew of traditional organizations cultivating the principles of mutual assistance and solidarity: these organizations were in charge of common fields, they installed health infrastructures, wells, schools in an effort to improve the life of the people. Certainly, these organizations have been insufficiently valued and recognized. Today, because of the impact of the crisis, they have lost much of their effectiveness.
- Whether traditional or modern organizations, we must seriously question their present-day relevance as regards their contribution for reaching the given development aims. Are they really representative of the people? Do they have the capacities to act for the people and take upon themselves their multiple and diverse interests?

These ideas, it is true, have already begun to motivate some development agencies/organizations to look out for new orientations in the quest of sustainability. They have managed to combine elements of traditional organizational forms with modern types of basic organizations that seem to be able to evolve their own identity and perspectives, and to handle their tools. I here mention the Fédération des Organisations Non-Gouvernmentale FONGS or associations supported by ENDA-ACAS in Senegal as positive examples. Because of their knowledge of the local environment, they indeed induce innovations and improve living conditions in the communities, thus becoming really professional agencies. Much of this is due to their negotiating capability.

3) North-South Co-operation needs new orientations and demands institutional support of local NGOs and the recognition of African Know-how

A number of support organizations have been created by knowledgable Africans. They have sometimes accumulated much experience as regards interesting methodologies and generally know extremely well the world in which they work. It would be beneficial to them to be allowed more exchange of experience, and to get support for the diffusion of their methods to local associations actually involved in development work in the field.

The NGOs of the North ought to lean on these African NGOs in order to avoid the risk of formulating projects without sufficient local knowledge. This all fits into the strategy of "decentralized co-operation" which is urgently needed.

4) The scarcity of options causes isolated and often badly concerted actions

Africa is facing most serious threats, be it drought, advance of salt, wind erosion. To these are added man-made environmental destructions. Normally, African agricultural systems are complex, englobing agriculture, cattle-breeding, fishing, etc., but they are now being reduced to great simplicity by focusing on just one activity, which again increases the speed of environmental damage. As a consequence the main concern is just to secure survival, and the short-term strategies applied for that end are often incompatible with sustainable solutions.

5) Research on participative methods has to continue

The way in which most studies are conducted: rapid, standardized and vertical – explain the amount of mistakes, imperfections and superficialities encountered when speaking of the socio-economic framework that determines a particular population's ways and behaviour. This type of studies make evident two poles:

- active pole: (the agents/trainers); it is they that initiate the questions; it is they who analyze the answers, classify and exploit informations, formulate and evaluate a project and work out further perspectives;
- passive pole: (the population); it is reduced or contented to just react upon being asked questions.

This scheme has prevailed for a long time: these days, more and more is being done to take seriously the participation of basic communities. Methodologies that have to do with participation are generously being propagated.

Unfortunately, this is often entrusted to agents who have been trained in masses, and who do not know how to adapt these techniques and tools to a particular situation in a given context. The wide diffusion of a technique seems to be more important than the objectives of development.

To conclude, it seems that all difficulties mentioned above centre around *communication* as a key element in the work on development strategies. There is no solution to any problem in development work to be found which does not clearly demonstrate the need for better and permanent communication between the partners involved. But, even if we manage to agree on the need for better concerting our diagnoses, we still meet with mental distortions when making the choice of how to correct the many systems that do not work and failures, at all levels. By pretending that the acuteness of the problem exceeds the peasant's knowledge, those on the look-out for solutions systematically leave out the people concerned.

It needs meetings between contractual partners and "partisans of development" to ensure the necessary strengthening of participative methods.

Abstracts

In Afrika südlich der Sahara werden viele Programme zur ländlichen Entwicklung in Orten und von Menschen entworfen und bewertet, die völlig außerhalb der Welt der Betroffenen leben. Die modernen Strukturen, die entstanden sind, stammten zum größten Teil vom Staat und sind auf vereinfachte technische Ziele ausgerichtet, wie Produktivität. Die komplizierteren traditionellen Systeme werden entweder nicht beachtet oder verfielen. Die wichtigste hier gestellte Frage lautet: Repräsentieren diese Strukturen, modern oder traditionell, die Betroffenen tatsächlich? Es wird eine Verbindung von Elementen traditioneller organisatorischer Formen mit modernen Typen von Organisationen (wie NGOs) vorgeschlagen, damit sie in der Lage sind, ihre eigene Identität und Perspektive zu entwickeln, und zu professionellen Agenturen werden und Innovationen induzieren und Lebensbedingungen verbessern können. Afrikanische NGOs dieser Art sollten von Geberländern unterstützt werden, um sich lokales Wissen zu sichern und eine „dezentralisierte Zusammenarbeit" durchführen zu können. Da Kommunikation bei dieser Vorgangsweise ein Schlüsselelement darstellt, sollten partizipative Methoden neu formuliert und erforscht werden.

Many approaches to rural development in sub-saharan Africa are formulated, designed and evaluated in places and by people completely outside the world of the people concerned. Modern structures which emerged were largely government fabricated and targeted to simplified objectives of a technical

nature, like productivity. More complex traditional systems were either disregarded or fell in disuse. The major question raised concerns whether these structures - modern or traditional - are truly representative of the people. It is suggested that elements of traditional organizational forms are combined with modern types of basic organizations (like NGOs) in order to be able to develop their own identity and perspectives, to develop into professional agencies for the inducement of innovations and the improvement of living conditions. Such African NGOs ought to be supported to secure local knowledge and to implement "decentralized co-operation". As communication is the key element participative methods should be reformulated and investigated into.

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Peter Uvin[1]

Local Institutions for Rural Development in Burundi: Strengths, Weaknesses and Interactions

Introduction

During the last decade or so, Africa has undergone two main processes of reform. One is structural adjustment, brought about by the economic bankruptcy of its governments and the answer devised by the Bretton Woods institutions, leading to a retreat of the sphere of government in favour of private actors, as well as economic liberalization and privatization. The other is an almost universal tendency towards democratization, resulting partly from the political and ideological bankruptcy of African governments and partly from the pressure exerted by foreign donors, leading to decentralization, the abandonment of the one-party state and the organization of elections.

Both these processes have been, and still are, the subject of intense debate; opinions about the causes, desirability and consequences of these two processes vary widely. We will not refer here to these debates: they are known, and concerning our case study no different from all others.

For ordinary citizens, both economic liberalization and political democratization are essentially felt at the local level – yet, neither international policy-makers nor scholars devote much attention to it. For the vast majority of Africa's citizens, democracy is not a one-off election, or the establishment of some newspaper most people cannot read, but a matter of interaction with local officials. It is at the local level that the farmers, the traders or the small artisans interact with the state, receive (or do not receive) advice, credit, support, a possibility for feedback, etc. Similarly, privatization and liberalization are not the sale of the state-owned beer factory to some foreign investor, nor the dismantling of a long powerless marketing board, but local processes in which ordinary citizens take over functions previously exerted by the state: the production of seeds, the commerce of food or fertilizer, the management of the village clinic or of hydraulic infrastructure, etc.

1 This article is a partial synthesis of the results of a research project on "the role of local government in rural development in Burundi", executed by Paul Sauvin and Peter Uvin, and funded by the Swiss National Funds for Scientific Research (National Research Program 28). I also thank Daniel Fino for his inspiration and advise, as well as my colleagues Jean-Pierre Jacob and François Margot for their help in the development of the research methodology.

This study proposes a case study of local government in Burundi, a country characterized by a decade of structural adjustment and over half a decade of political change. This article will not deal with the macro-level, national processes: there will be but very little discussion of national economic growth rates, election results, or military and political tensions. Instead, we will focus on the "commune," the lowest level of government in Burundi, and, for most citizens, the sole level they ever deal with. We will study in detail its capacities, resources, interaction with its citizens – all of this under conditions of national liberalization and democratization. The field research on which this article is based took place in 1990 – 1992, i.e., just before the elections and their violent aftermath, and during the height of political and economic reform. Presently, everything in Burundi is blocked: no further change is taking place, meaning that, to a large extent, the situation described here still prevails today.

In second place, this article will deal with private local organizations: peasant organizations, users' committees, natives' associations, etc. Increasingly, throughout Africa, NGOs – whether SHOs or SHPOs – are coming into being and Burundi, although a late-comer, is no exception to this. It is widely believed that these local organizations should collaborate with local government to promote sustainable local development. This article, then, will analyze the types of local institutions found in Burundi, the constraints upon their emergence, as well as the nature of their interactions with local government. Clearly, under conditions of structural adjustment and democratization, these relations are subject to change – hence, the two themes of this paper interact.

Finally, as a sub-theme, we will also deal with the attitude of the development aid system towards local organizations: local government as well as peasant organizations. Our aim is to attempt to assess the impact of foreign aid on the nature (strengths and weaknesses) of both public and private local organizations, as well as propose ways for improvement in the future.

The context

Burundi became independent from Belgium in 1962. It is the 8th poorest country in the world, with a per capita income of 210$. With 200 persons per square km, it is also the second most densely populated country in Africa (after neighbour Rwanda) and one of the 10 most densely populated countries in the world; moreover, population growth rates are high. Agriculture employs 90% of the population; urbanization is only 4% – the world's lowest. It is landlocked, making its exports and imports expensive.

From 1965 to 1993, Burundi was a military-ruled, one party state, characterized by a quasi-monopoly on power of a fraction of Tutsi. The Tutsi represent approx. 15% of the population, but the power was really in the hands of a sub-group among them – the Tutsi-Hima and more specifically, those from one province, Bururi.

The Hutu, representing 85% of the population, are largely excluded from power: they are almost totally absent from the army and the security forces, and seriously under-represented in the administration, in the development projects, in the university and even in the secondary schools.

Slowly, since a decade, increasing numbers of Hutu managed to enter the system, go to university, get administrative positions, etc. That was part of a strategy to decrease ethnic tension and open up the country followed mainly by the Buyoya regime.

The origins of this situation are hard to know with certainty. What is clear is that the situation is of recent origin: the present Tutsi-Hima monopoly on power has not always existed. Its origins date from the colonial period when Tutsi were systematically favoured and especially the post-independence period when, with extreme violence, groups of them stuck to power and monopolized it. To do so, there have been successive waves of killing, in 1965, and most notoriously in 1972, when every educated Hutu in the country was deliberately killed: more than 100,000 persons died. As a result, mutual fear is a part of daily life in Burundi.

I. The commune

The commune in Burundi is headed by a "communal administrator" (usually called admicom). According to the law, he represents both the state and the population. He is nominated by the Minister of the Interior, and controlled by the Provincial Governor. Increasingly, there exists a policy of trying to nominate well-educated people that come from the commune itself, but this is by far not always the case.

The admicom is assisted for the administrative part of his job by an accountant, a secretary, and a number of sector and zonal chiefs. These are local people with minimal education (6 years), members of the unique party (as is the admicom). It is not clear what the criteria for their selection are. Clientelism and corruption undoubtedly play an important role. In every commune there is also a police corps, as well as agents of the public security; there are teachers in the schools and nurses at the health centres. All these people are paid by their different technical ministries.

By far the largest number of state officials in the commune are the so-called "communal technical services". These are agricultural, livestock, fishery, agents, foresters, etc. These are detached from their ministry, and paid either by the state or by development projects.

According to the law, the admicom is the hierarchical superior of all these people – the "chef d'orchestre", conductor of the orchestra, who co-ordinates and controls all the development interventions in the commune.

Tasks of the commune

Since 1977, the commune is, according to the law, the "local partner of all development interventions." Since the end of the 1980s, this has been strengthened with the commune becoming "the instrument of the inversion of the administrative tradition", acting as the source of local development, in conjunction with the population. Since 1984, the commune has also become "autonomous", i.e., it receives no more subsidies from central government. Other laws have charged the commune with responsibility for the construction and maintenance of schools, roads and clinics, forestry, etc. The commune can directly negotiate with foreign donors, although the Ministry of the Interior has an oversight role.

As such, the commune in Burundi is probably the most powerful local government structure in all of Africa, all the more impressive if one knows that its average population is only 50,000. How did this situation come into being?

The central state is almost bankrupt and must get rid of some costly functions: privatization and decentralization are the key words here. To do so, the state had to give the commune the right to find its own funding. The same holds for the population. There is a lot of privatization of certain economic functions to peasants or local organizations (even if they do not exist). Water users' committees, health centre committees, seed multiplication associations, etc. – these are all examples of this tendency.

On the other hand, there is little faith in the capacity and the morality of the commune to manage money. Hence, the state attempts to limit the financial power of the commune, giving it mainly powers of execution and maintenance, but not initiative. This is also caused by the fact that the top-down nature of the Burundian state and its policies remains intact.

Hence, the need for decentralization to the communes and the population clashes with a reluctance to abandon traditional top-down models of authority. It is in this tension that the local institutional future of Burundi is made. The risk is that the communes and the population become merely executors of the state's policies, while having to pay for them too. Clearly, this will create resistance. On the other hand, the legal texts and the absence of central state financial power, give a margin of manoeuvre to these local actors that is quite new and potentially revolutionary.

Here now we will study the capacity of the commune to play its role, while in the next part we will discuss the capacity of the population to increase its power.

Legitimacy of the commune

This part asks the following questions: is the commune anchored in the aspirations and values of the population? Is it recognized as legitimate, deserving the role it has?

Let us first look a the history of the commune, for history is an important element of legitimacy. To resume the history of the commune, we can observe the following tendencies since colonialization:

- A continual increase of the physical distance of local authority: from the level of the hill to the level of 50,000 persons (150 square km, without transportation for the personnel). More recently, lower levels of administrative coverage have been created, with the zonal chiefs, but these are rather elements of control of the population than elements of representation.
- A continued decrease in the capacity of the population to influence the local authority: no more election, no social sanction, no input in communal management. In the past, there existed popular control over local authorities – the institution of *umushingantahe* is famous for that. At present, local authority is a simple transmission level of central state power.

Of course, history is not all. The commune can, for example, acquire legitimacy, as it becomes a part of daily life and expectations converge around it. And indeed, one observes that everyone knows the name of the admicom, the zonal chief, and the local agricultural chief. Hence, its contact with the population is frequent. Moreover, the commune fulfils many tasks that directly concern the population: registration of births and deaths, agricultural support, health care, and education, etc. The commune is often the only instance that can provide these important services. All this can contribute to acquiring a functional (as different from a historical) legitimacy.

However, this capacity for legitimacy is counterbalanced by two factors at least. These two factors are at the level of the persons that make up the commune, i.e., its personnel:

- Corruption and mismanagement, absenteeism, disinterest for their work, low presence in the field, lies towards the population and promises broken, stealing from the commune and abuse of public property, etc. There are exceptions to this, of course, but they mainly prove the rule.
- The commune and its representatives are prime actors in the ethnic conflict that divides Burundi. The proportion of its personnel that is Tutsi is very high, although the population is almost totally Hutu. Many (but certainly not all) of these people actively play ethnic games, sowing division, creating rumours, discriminating, etc. It is no surprise that often the violence that hit the country started at the communal level.

In conclusion, the commune has no historical legitimacy but could acquire a contemporary one because of the frequency and importance of its contacts

with the population. The key variable here is the quality and the performance of its personnel, which tends to be low.

Financial resources

The income of the commune is low and fluctuates heavily. It largely serves to pay the salaries of the communal employees. Only a very small part – some millions of FBu at the most – can be allocated to infrastructure investment and maintenance. This is barely enough to build a mile of road, construct some classroom, repair a health centre.

There is little possibility to increase the commune's income. Almost all the commune's income comes from local taxes. Taxation is fixed by law, and already strongly resented by the population, who feels the commune taxes them too much and who try to escape it by all means. Tax collection is more of a permanent fight than a standard procedure in these communes. Moreover, tax collectors are not necessarily honest or competent, which decreases tax income further. Hence, tax income could increase a bit, but not much.

There are few or no other sources of income to the commune. It can try to sell some of the wood in the communal forests – if the population does not cut it, or if the forester has not sold it for himself already. In the past, state subsidies allowed the commune to invest in some constructions of general benefit. Since 1984, however, as part of the structural adjustment, the state has ended all subsidies.

All the commune can do is hope for development projects to come and give things to the commune, or to mobilize local savings and labour of the population. In theory, the latter is part of commune life: since decades, there exist the "communal development works" (TDC) in which every able bodied male above 18 years spends a Saturday morning working for the commune. The capacity of the admicom to use this resource depends on the quality of his programming (does he ask the population to work on projects they consider to their interest?) and his authority. Both should be high to overcome the dislike and the resistance of the population to these TDCs.

Human resources

A number of problems concerning the human resources of the commune are usually recognized and discussed by the authorities. They are:

- lack of people
- lack of transportation
- lack of qualification of the personnel.

Less discussed, but as important, are some other limitations:

- Lack of capacity in animation and support: technical and administrative services have no idea how to really implement a strategy of self-help promotion, how to experiment. They feel insecure when obliged to do so and largely prefer the old top-down style
- Lack of deontology and morality (already discussed) – undoubtedly linked to very low salaries
- Factors that limit the capacity of the admicom to play his role as "chef d'orchestre":
  – too many tasks, especially as the quality of his staff is low; he must control and do everything himself. Too many meetings outside his commune: training sessions, meetings with the governor, the ministry, the Party, etc.
  – high rotation: basically, once the admicom knows the job, he goes. As the lower personnel is very stable, however, he depends on it and cannot easily control it. Moreover, for social reasons, it is very hard for him to fire people.
  – he has little power over his "musicians". They are hired, paid and judged by either the ministries or the development projects, and hence their loyalties go to these institutions, which do not play the card of the commune. Indeed, the communal technical services are often paid by the development projects intervening in the region, while the teachers, nurses, etc. are paid by their respective ministries.

Management capacity

The management capacity of the commune is low and deficient. The communal programs – annual or triennial – are formal exercises, copies of previous years, devoid of interest, without information about delays, costs, maintenance, etc.

The usually invoked reason for this situation is lack of capacity and training. This is at the most only a partial answer: many admicoms have been trained repeatedly in programming, monitoring and evaluation, but still do not apply it. Why?

- they don't see the reason for programming: for them, it is only an administrative obligation to be dispensed with as easily as possible
- they are hardly sanctioned: even if they don't make any program at all, it is often not even noticed by the Governor
- they lack information: absence of data, archives, etc.

Willingness to promote local development

The agenda of the admicom – the activities he priorities (as well as his administrative personnel) – consists foremost of security, followed by tax perception, then conflict regulation. Rural development comes by far last. That is due to the fact that the admicom himself is hired and paid by the Ministry of the Interior, whose main preoccupations are with security manners – especially given the explosive nature of the Burundian state.

Conclusion

The commune has few financial resources, and precious little capacity to increase them. The available funds allow to pay the salaries of some underqualified commune personnel and to make some small investments or maintenance projects. If anything, its resources have declined as the subsidies from central governments have evaporated. Yet, at the same time, the commune has received more and more responsibilities – so-called decentralization – with financial implications. That puts a tight squeeze on the commune.

The solution is not totally desperate, however. First, there are some solutions to this low financial income. One is to use the labour and investment capacity of the population. If properly mobilized, that can make a serious difference. The second is to draw external actors into the commune: NGOs, the Church, bilateral and multilateral agencies. Second, we must not underestimate the resources of the commune. Indeed, the commune has sufficient revenues to pay the salaries of more than 10 persons, and to invest in some activities – some of which could generate revenue by themselves. Moreover, it has at its availability the human resources of up to hundred persons, paid by their ministries but legally under the authority of the admicom. There are few places in Africa, if any, where the lowest administrative unit, responsible for approx. 50,000 persons, has such a pool of personnel and legal powers. A lot could be done with that.

The quality of the functioning of the commune is heavily dependent on individual qualities, foremost the admicom. A dynamic admicom can make the commune move, mobilize the population, get projects to come and invest. A non-dynamic, corrupt one? Tax perception decreases by 30% after the death of a tax collector; the previous accountant quit his job and took the books of the last 5 years with him; the participation in the TDCs fluctuates in function of the authority of the zonal and sector chiefs, etc. This lack of institutionalization of the commune is important. It creates insecurity, and renders any external intervention dependent on these chance factors.

Moreover, notwithstanding its legal mandate, the commune is hardly interested in development matters. The administrative personnel has a strong security agenda, whereas the technical personnel basically attempts to please the projects that pay it while minimizing its work input.

Face to face with these weak, poor, non-institutionalized communes we find the development projects, with much higher budgets, much better trained personnel, committed leadership, clear objectives and well functioning decision making structures. One may wonder where the real power in the communes resides, or who will set the local development policy. We will come back to this later.

II. Local organizations

Situation

There are few private local organizations in Burundi, compared to most other countries. We will discuss the reasons for that below.

We distinguish seven types:

- mutual help associations: it is hard to know how many of them still exist; the common wisdom is that they are dying out,
- the Church and its local groups: they are by far the strongest and oldest local organization in Burundi, with committed personnel and significant resources. Since the end of the 1980s – since the Buyoya regime opened up the political atmosphere – the Church has become more active in development work,
- the co-operatives: dating from the colonial period, they are weak, suffering from the usual problems of co-operatives in Africa: mismanagement, member disinterest, etc.,
- peasant associations: there are few of them, and they are usually very dependent on development aid (see below),
- intermediary NGOs: there are also very few of these (not more than 10 nationally in 1991), with little presence in the field or popular legitimacy,
- natives' associations: there are few of them, but they can be powerful actors in the commune, for they have access to the resources in the government and the aid agencies,
- users' committees: recently imposed by the aid agencies in the field of water and health (and maybe even education in the future), they are an outgrowth of structural adjustment.

Constraints on the emergence of local organizations

We distinguish at least four of them:

- Lack of resources to pool: there is almost no land or money to bring together for peasants – only labour, which is over-abundant. Associations mainly exist in the handicraft sector, outside agriculture.
- Lack of markets: even if associations come into being and produce food crops or handicrafts, the demand for these is low, especially when one moves further away from the few cities.
- Lack of civil space: between the state, with its omnipresent Party and administrative and security apparatus, and the family unit, there is hardly any civil space left in Burundi for people to organize.
- Lack of potential leaders: in past occurrences of violence, Hutu leaders have systematically been killed, depriving the rural milieu of its potential leaders.

Support by the commune

In theory, the commune is in favour of local private organizations, following in this the discourse of the central state since structural adjustment. In practice, however, admicoms make clear that there is little they can do to favour or strengthen local organizations – except the case of the users' committees, which admicoms were obliged to help create and which were to their interest anyhow (decrease of communal expenses).

It is true that the commune has little capacity to influence the constraints that face local organizations. It has little to give to them – no money or land – except advice, which it is not particularly good at. It constitutes only a small market – although still a real one. It cannot change the global political situation – and, for that matter, its personnel often worsens it. Moreover, the few local organizations that exist ask little from the commune: they put no pressure on the commune, but focus on the Church or the aid system.

III. Foreign aid and its relation with local actors

The basic attitude of almost all foreign aid towards the commune is neglect, combined with distrust. Most projects, whether managed by governmental, intergovernmental or non-governmental organizations, intervene within the boundaries of the communes but do not even inform the admicom of their activities or their annual budgets. Indeed, amazing as it may seem, admicooms often have no idea what is being invested within their communes – although, they are often partly in charge of the management, if not the financing of the maintenance. One admicom proudly told us that, after three years of lobbying, the project now sent him its annual reports.

This situation gets worsened when we realize that, in many cases, it is the projects – or the foreign-funded national institutions – that pay the salaries of the communal technical services. As such, these people are hired, paid, judged and let go by project managers – not by the admicom. This decreases the admicom's authority over these people.

Moreover, the projects have many more resources than the commune. This offers real possibilities, of course, for investments that benefit the commune and its inhabitants, but also creates many problems between them. Very often, even lowly project employees have salaries and means of transportation that are beyond the earnings of the commune's personnel. While the admicom at the most has a small motorcycle, and his sectoral and zonal chiefs only their feet, many project employees have Landrovers, Pajeros, etc. Many people – technical and administrative agents, but also peasants – receive some of the added benefits of projects: training opportunities with per diems, salary complements, grants, credits never to be paid back, jobs for a cousin, etc. It is clear where people's loyalties lie, especially in case of conflict between the commune and the projects.

Hence, the impact of the projects is to seriously decrease the power and the capacities of the commune. It is a case of institutional destruction.

As much as the foreign aid system neglects the public local organizations, it is in favour of private ones. Indeed, and much more than the local administration, the aid system seeks to favour the emergence of local organizations – and has the means to do so. Foreign aid can both give incentives for the creation of local organizations – land, credit, gifts – and invest in their supervision and support (training, advice, contracts, etc.). The aid system seems to be capable, to a certain extent, to overcome some of the constraints on grassroots organizations: most notably the economic ones. It can supply money and sometimes even land; it has competent personnel that can help in identifying markets and commercialization opportunities. And, at first sight, the positive effects are clear: local organizations exist mainly where foreign aid projects that favour them work.

Of course, the risk here is the overly rapid creation of artificial associations, dependent on subsidies and support, manipulated by their "support" institutions, show-cases for project managers, but without real roots in local milieu, and without long-term survival capacity. After all, the constraints remain essentially the same, and the political ones are not even being touched by the aid system.

This problem – the lack of sustainability and the artificial nature of associations – is compounded by part of the aid system's top-down definition

of participation. Indeed, the users' committees are typical examples of participation decreed from the top, without implication of the grassroots at all. At worst, one can simply consider them mechanisms designed to make the population pay for previously free services. They reflect a technocratic model of participation, to which the central state is not averse.

In the following article, an analysis will be conducted of the Communal Development Support Program, a Swiss program that set out to be totally different from the other aid agencies in the country – and indeed for ten years acted as a precursor in matters of local institutional development. Yet, notwithstanding its innovative objectives and mode of functioning, it failed to achieve many of its objectives. The reasons for that will illustrate the fundamental dynamics of institutional support, in Burundi and to a certain extent elsewhere.

Abstracts

Nicht nur in Burundi, auch in vielen Teilen Afrikas tritt die lokale Bevölkerung in den ländlichen Gebieten in direkten Kontakt mit dem Staat. Dieser Artikel untersucht lokale Institutionen, die Beschränkungen für ihr Entstehen und die Art ihrer Verbindung zur lokalen politischen Führung. Besonderes Augenmerk wird der Haltung des Entwicklungshilfe-Systems gegenüber der lokalen Führung und ihrem Einfluß auf sie gewidmet. Da in Burundi die lokale Führung über nur wenige Ressourcen verfügt, aber zur selben Zeit im Zuge der Dezentralisierung weitere Aufgaben, die finanzielle Verpflichtungen mit sich bringen, übertragen erhielt, mußte sie nach Auswegen aus dieser Zwickmühle suchen. Eine Lösung betraf die Anziehung externer Akteure wie NGOs, die Kirche, bilaterale und multilaterale Organisationen. Erfolg oder Mißerfolg hingen dabei stark von den Anstrengungen der lokalen Führer bei der Mobilisierung lokaler Ressourcen, wie Arbeitskraft, ab. Im Gegensatz zur schwachen institutionellen Struktur der Gemeinde, verfügt das lokal tätige Entwicklungsprojekt über viel höhere Budgets, besser ausgebildetes Personal, eine engagierte Führung, klare Ziele und eine gut funktionierende Entscheidungsstruktur. Da die meisten Projekte der lokalen Gemeinde nur Mißtrauen und wenig Beachtung entgegenbringen, kommt es kaum zu Verständigung zwischen ihnen, obwohl die Projekte auf dem Gemeindegebiet stark intervenieren. In vielen Fällen zahlen sie die Gehälter technischen Angestellten der Gemeinde, was ihnen auch das Recht gibt, Personal anzustellen und zu entlassen. Die finanziellen Ressourcen des Projekts üben auf eine große Zahl von Gemeindemitgliedern beträchtlichen Einfluß aus, wodurch die Macht und die Möglichkeiten der Gemeinde beträchtlich verringert werden. In vielen Fällen bedeutet dies sogar Zerstörung der Institutionen. Auf der anderen Seite kann das Projekt Anreize für die Entstehung privater lokaler Organisationen schaffen und helfen, Beschränkungen für diese Organisationen zu beseitigen. Doch haftet diesen Organisationen mangelnde Dauerhaftigkeit an und sie haben etwas Künstliches an sich. Ort spiegeln sie ein technokratisches Partizipationsmodell wider, dem der Staat nicht ablehnend gegenübersteht.

In many parts of Africa, not only in Burundi, many local people in rural areas interact with the state. This article analyzes local institutions, the constraints on their emergence and the nature of interaction with local government. Special attention is given to the attitude of the development aid system towards local organizations and their impact on them. As local government in Burundi commands few resources, but at the same time acquired increased responsibilities, including some of a financial nature as a consequence of political decentralization, it had to look for solutions to this tight squeeze. One solution involved the attraction of external actors like NGOs, the Church, bilateral and multilateral agencies. Much of the success or failure depended on the local leaders in their effort to mobilize local resources, like labour power. In contrast to the weak institutional structure of the commune, the locally present development projects are characterized by much higher budgets, much better trained personnel, committed leadership, clear objectives, and well functioning decision-making structures. As most projects express an attitude of neglect and mistrust towards the local government there is little communication between them, although most projects intervene heavily in the area. In many cases they pay the salaries of the communal technical services which enables them to hire and fire local personnel. The financial resources of the project to extend substantial influence over a number of local inhabitants which leads to a substantial destruction. On the other hand, the project can provide incentives for the creation of private local organizations and help to overcome some of the constraints acting upon grassroots organizations. Such organizations flower where aid projects exist and favour them. But there is a lack of sustainability and an artificial nature to them. They often reflect a technocratic model or participation, to which the central state is not averse.

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Daniel Fino[1]

The Communal Development Support Programme in Burundi: A Case Study of External Support of Local Institutions in Rural Development

In the eighties, an intensive North-South discussion concerning methods of intervention in the field of technical co-operation and their necessary reforms was initiated. This exchange influenced both the ways of thinking and the operational activities within the Graduate Institute of Development Studies (IUED).

Our team tried to systematically adapt its field work strategies to the new issues. One of the first attempts to do so occurred through the "Communal Development Support Programme". This bilateral programme between the Burundi and Swiss governments was carried out, at the Burundian side, by the Ministry of Agriculture, and by the IUED, for Switzerland.

In this reflection, we attempt to capitalize and learn from experience acquired during this co-operation programme, which lasted ten years. Institutional aspects and support strategies are emphasized as we tried to innovate in these fields during the whole period the programme was operative.

The programme became active in 1984, after a preparation period of two years; it ended in August 1993, only a few weeks before the ethnic violence of October-November 1993 began. This tragic conflict led the country, once again, into a state of social, political, and economic turmoil.

The programme had a difficult start. The initial idea of the Ministry of Agriculture was to increase fruit and vegetable production in the rural part of the province of Bujumbura in order to supply the capital market. In 1981 a team from our Institute studied this proposal in the field and discussed it with the Burundi authorities. The team came to the conclusion that, owing to erosion and insufficient land in the area, it was not possible to implement the project as planned.

A proposal was made to obtain a good appraisal of the situation and to organize an action-research project, i.e., initiate a few small actions on soil protection, seed supply, food storage, water distribution, etc. The results obtained after this first phase generally confirmed the conclusions of the identification mission. As a result, the IUED decided that the programme should promote diversity (different types of activities) and not only one

1 The author wishes to thank Peter Uvin for his inspiration and advice.

specific agricultural activity; moreover, it should seek to strengthen local institutions for rural development.

In 1984, a proposal was made to the Ministry for a medium-term co-operation programme (3 to 5 years) between the Swiss Development Co-operation agency (SDC) and the local administrative structures of the Isale-Mubimbi area. It was based on three important points:

1) Development activities must build on local dynamics; they must come from problems which people are willing to solve and result in initiatives they want to promote.
2) External aid must be considered a supplement to the efforts and contributions of both private and public actors, to solve their problems and to achieve autonomous development. External aid must be additional to local efforts and not replace them.
3) The external support must be flexible and adaptable. The general co-operation agreement should not be too detailed; details should be included in the annual operational programmes. Both partners must collaborate in preparing this agreement and it is important that, while negotiating, an adequate system of programming – monitoring – evaluation be included in the agreement.

Concerning the programme content, it was proposed that external support would focus on eight main working fields, which are the main preoccupations of the people living in the region:

1 Food production
2 Reafforestation
3 Animal husbandry
4 Agro-industrial production
5 Handicraft industry
6 Infrastructure
7 Public health improvement
8 Fish farming.

Here again, the negotiation phase of the new programme between the Burundi and Swiss governments was long and painful. The Ministry of Agriculture did not agree with the proposal. It refused to change the status quo (authoritarian and vertical learning methods, priority to cash crops, i.e., coffee, disinterest in food production, etc.). Moreover, the Ministry preferred a more traditional project in which inputs and outputs are well defined in advance and priority is given to the interests of the central administration. Another handicap to the negotiations was the fact that the social-political context of Burundi at the time was unfavourable to open discussion of new strategies for development, such as the consideration of the basic needs of population and the suggestion of their greater involvement.

The IUED could not accept being part of an approach which 1) ignored the realities of population, formulated planning actions on the basis of needs felt at another level; 2) did not appeal to introduce responsibility, did not favour the participation of the local population; 3) did not take into consideration local potentials.

The Burundi authorities finally signed the agreement, but without being convinced on the contents and under pressure (they did not want to lose the Swiss funds). During the years that followed, this forced agreement was a real handicap and hindered the outcome of the programme: the Ministry has never really committed itself to the programme although its full support would have been necessary and determining.

Institutional Structure: Intentions and Realities

The following is the institutional framework of the programme.

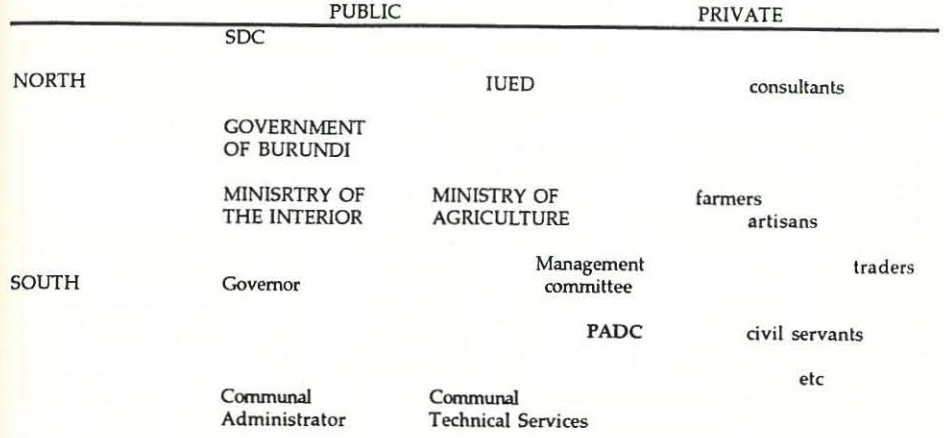

Figure 1: Principal Actors Involved

Some explanations:

1) A co-operation contract was signed between the Burundi Ministry of External Affairs and the Swiss Co-operation Department.
2) Until 1992, there was no office of the Ministry of Agriculture in the Province of Bujumbura (Provincial Direction). The PADC had to fulfil some functions of the Provincial Direction on behalf of the Ministry. This was incompatible with the PADC's role to strengthen and reinforce local structures.

3) PADC's main partner was the local administration, whose role in local development was not clear (see article P. Uvin). Collaboration between PADC and the local administration has always been difficult.
4) Farmers were not organized. Their main problem was the lack of good soil and its degradation.
5) Handicraft producers were slightly better organized than farmers.

We now turn to the internal organization of the PADC project: its structure, composition and functions (see figure 2 and annex 1). We immediately observe two features: The PADC is a heavy structure with much personnel and a strong field presence. Its functions and resources are very important compared to those of other local structures, including the communes and the local agents of the Ministry of Agriculture.

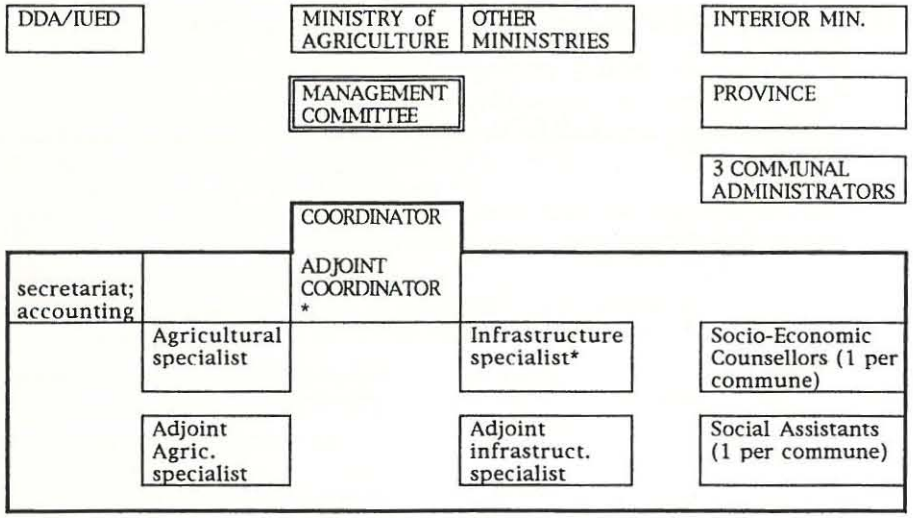

Figure 2: PADC Organigram, 1989
* expatriate technical assistants

Concerning its functions, the PADC was subject to continuous pressure to act not as an institutional support program (as outlined in figures 3 and 4) but as an ordinary classical project. In some sectors, where dynamic and motivated actors existed, the PADC managed to act as a real support project. In most sectors, however, the PADC became the central actor carrying out projects which had not been initiated by the local actors. The PADC ended up substituting local action, programming, financing, and implementing activities on its own. This question of substitution is central to the present analysis.

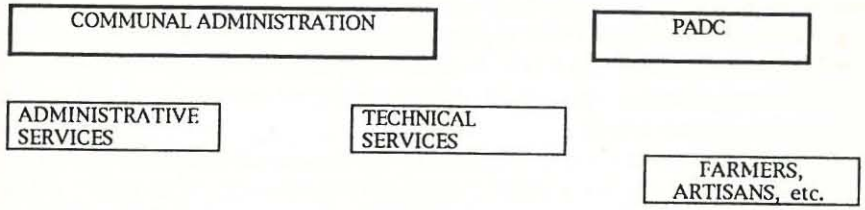

Figure 3: Planned institutional set-up

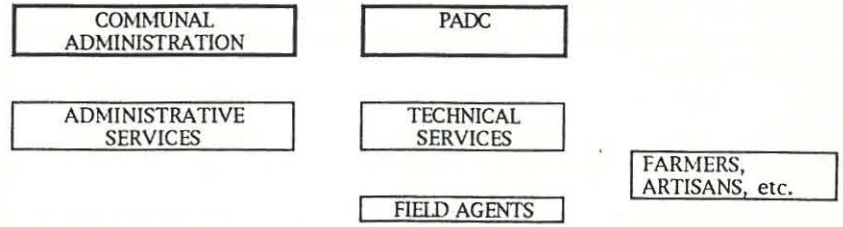

Figure 4: Actual institutional functioning

To conclude this short analysis of the actors, I wish to add that there was a considerable gap between the interests of the different actors. The only real consensus concerned soil protection; open opposition was expressed on some of the other points (see annex 2). Looking at the programme globally and with the benefit of hindsight, we must ask ourselves if there existed the bare minimum of convergence and understanding between local actors and the support programme to achieve the ambitious PADC programme.

An Overview of the Major Problems

In general, the program faced the following six major challenges:

1) From the beginning, the PADC was confronted with the dilemma between reinforcing, supporting local structures, and intervening directly, through an autonomous project.
2) The PADC found it difficult to combine contractual co-operation based on negotiation and the necessity to request the fulfilment of the other party's commitments.
3) The PADC was not entitled to choose its partners.
4) There were problems in matching the financial support to the institutions' own resources, and in covering recurrent expenses.
5) The PADC management was plagued by internal problems.
6) Problems linked to the institutional setting.

In each case, I will give one or two examples, which show the type of solution chosen and the lessons learnt from it:

1) From the beginning, the PADC was confronted with the dilemma between reinforcing, supporting local structures, and intervening directly through an autonomous project.

Difficulties encountered	**Solutions tried**	**Lessons learnt**
The PADC was under pressure from both *natives' associations,* and *political authorities*, who demanded visible results such as roads. This lead the PADC to intervene even when actions were not supported by the local actors. There existed a contradiction of interests between visible "hardware" like buildings, and invisible "software", like training, creation of management tools, increase in participation, etc.	– information of the population and awareness "campaigns", by means of lectures, visits, video reports, etc. – training support to the PADC team to better understand the PADC approach and resist outside pressures.	From the very beginning it is very important to resist the temptation of *substitution*. Once it has taken place, it is extremely difficult to return to a support strategy. Except in emergency cases, one must avoid intervening in lieu of the local actors. The large financial capacities of PADC certainly created an incentive to intervention.

2) The PADC found it difficult to combine contractual co-operation based on negotiation and the necessity to request the fulfilment of the other party's commitments.

Difficulties encountered	**Solution tried**	**Lessons learnt**
PADC managers were unable to enforce respect of the decisions taken by the Management Committee. There were no sanctions in case of non-respect of decisions by administrators and technical services.	In order to show the responsibilities of each partner and to clear up a certain number of points, several agreements were signed between the local administration and the head of PADC (some were also signed by the provincial authorities).	Even though it may be difficult, it is important to stop co-operating in cases of repeated non-respect of agreements, contracts, etc. This helps to stop the automatic provision, year after year, of project funds even if agreements are not respected. PADC's main error was to continue intervening although the local Partner was not committed.

3) The PADC was not entitled to choose its partners.

Difficulties encountered	**Solutions tried**	**Lessons learnt**
Partners were selected without checking if they were willing to co-operate in an institutional support approach. The PADC's strategy involved working with partners who had (or wanted to have) a programme with priorities; had some power, legitimity and a will to commit themselves to social change. With a few exceptions, these criteria were absent in the case of PADC partners.	The PADC organized a great number of training sessions, trying to convince its Partners of the advantages of the PADC strategy.	Before starting co-operating with a strategy of institutional support, some minimum conditions have to be fulfilled: – Securing that there is a will of the partners to work for development objectives; – maintaining positions in favour of local inhabitants; – working according to a programme; – agreeing to transparent relations.

4) There were problems in matching the financial support to the institutions' own resources and in covering recurrent expenses.

Difficulties encountered	Solutions tried	Lessons learnt
Annual negotiation and planning of supports with local administrations were never possible. They did not agree with transparent communication, neither in discussing the budget, nor in elaborating a consolidated planning. PADC contributions were considered compulsory dues. The financial inputs of the PADC significantly certainly helped solve problems in the area. Yet, two questions remain: did they match local resources? did they match the available management capacities?	Precise proposals were made several times towards a consolidated communal planification, which would include local budget, external subsidies, community participation, and so on. Attempts were made to create opportunities for local administration to participate in the PADC programming. The results were not conclusive.	The partners should agree to analyze together their global financial situation: – their own financial capacities, – alternative sources of subventions, – structure of expenditures, – definition of support needs. Clear procedures should exist to make this happen.

5) The PADC management was plagued by internal problems.

Difficulties encountered	Solutions tried	Lessons learnt
From the beginning onwards, the PADC lacked a strong management system. Team relations were mainly based on confidence. As a result, the PADC structure was not organized strongly enough to prevent and control cases of confidence misuses and malversations. The team of PADC was too big for the role they had to fulfil; thus, the structure was difficult to manage and to control.	PADC regulations were improved. Management tools were introduced.	The regulations and internal management procedures should have been introduced, and applied, from the very beginning, especially in a situation like that of Burundi, where ethnic tensions are permanent.

6) Problems linked to the institutional setting.

Difficulties encountered	Solutions tried	Lessons learnt
The composition of the Management Committee created two main problems: a) The membership of the administrators (leading to a confusion between decision making and executive positions) b) the absence of representatives of civil society. The Management Committee did not assume its responsibilities of monitoring, control and imposing sanctions.	All the problems were always discussed openly during the meetings of the Management Committee. Unfortunately, these exchanges were rarely followed by decisions, and even less implementations.	The executive team must be acting independently, under clear terms of reference, and report to the Mangement Committee. The latter does not include all the actors, but only one or two representatives of both sides.

Some elements of conclusion

In a strained social and political situation it is difficult, almost impossible, to introduce a real strategy of institutional support. If transparency and will to change are lacking, the operational and technical partner institutions are very often paralysed. There often is no real possibility to freely choose partners. The choice of partners becomes then very politicized, especially in a situation like that of Burundi, where any local institution engaged in a social transformation is considered a danger by the official system.

PADC experience shows clearly that some basic conditions have to be present if an institutional support programme is to work:

- The main actors have to agree on the approach.
- The systems of negotiation, contracts, respect of the engagements, participation, evaluation have to be agreed upon.
- The will to work towards public interest and to be open to a public discussion about development priorities, utilization of resources, distribution of responsibilities must exist.

PADC experience shows also that training has a limited impact, if these basic conditions are not present. It is the same in the field of introducing regulations, procedures, organizational reforms, new concertation structures, etc. Their usefulness is limited, because of deeper problems undermining them – such as a lack of understanding about development options and differences of interest.

Furthermore, PADC experience showed that the complexity and size of the support structure created difficulties. It was difficult, in the frame of this programme, to practice good management and control, to remain flexible and adaptable towards new situations, to end or to start relations with partners, if necessary. The bigger the structure, the less easy it is to function as a real support to local structures, reorienting activities and even stopping them, if needed.

Many efforts have been made, in 1992 and 1993, to learn from the lessons of the past and to reorient activities. The process was well advanced and the socio-political context was more and more favourable (democratic opening 1990 – 1993). Unluckily, one month before completion of the proposal of a new co-operation programme (which was to support mainly private self-help initiatives), resurgent violence brought about a brutal end to the process.

Abstracts

Dieser Artikel konzentriert sich auf die institutionellen Aspekte und die Unterstützungsstrategien, die ein Hilfeprojekt in Burundi verfolgte. Das Projekt gründete auf einer Vereinbarung in drei Hauptpunkten zwischen dem Geber und der Regierung: Erstens müssen die Entwicklungsaktivitäten auf lokalen Vorgängen aufbauen; zweitens war die Hälfte als Ergänzung für die Anstrengungen der öffentlichen und privaten Akteure anzusehen; und drittens muß die Unterstützung von außen flexibel gestaltet und anpassungsfähig sein. Diese Konzeption führte zu einer Reihe von Problemen für das Projekt in Bezug auf den institutionellen Rahmen und die Unterstützungsorganisation einerseits und dem Bemühen, die Projektziele zu erreichen andererseits. Einige Lehren konnten aus diesen Erfahrungen gezogen werden. Die wichtigste betraf die Versuchung zu vermeiden, daß Aktivitäten der lokalen Akteure durch solche des Projekts ersetzt werden. Eine andere bezog sich auf den Abbruch der Zusammenarbeit, wenn Vereinbarungen wiederholt nicht eingehalten werden. Schließlich zeigte sich, daß eine Unterstützungsstrategie nur dann Aussicht auf Erfolg hat, wenn bestimmte minimale Bedingungen gegeben sind und die Partner sich von Anfang an darauf geeinigt haben, die finanzielle Gesamtsituation gemeinsam zu kontrollieren. Als weitere notwendige Bedingung erwies sich die Vereinbarung eines Systems der Verhandlungen, der Verträge, die Einhaltung der Verträge, der Entscheidungsteilnahme und der Bewertung. Schließlich gehörte dazu noch der Wille zur öffentlichen Diskussion der Prioritäten, der Verwendung der Ressourcen und der Aufteilung der Verantwortlichkeit.

Institutional aspects and support strategies followed by an aid project in Burundi constitute the focus of this article. The project was based on an agreement between donor and government consisting of three main points. First, development activities must build upon local dynamics; second, external aid must be considered supplementary to the efforts of both private and public actors; third, external support must be flexible and adaptable. This led to a number of major problems confronting the project with respect to the institutional environment and the support organization on the one hand and the attempt to fulfil the project goals. One particular lesson learnt from this experience was to resist the temptation to substitute the activities of the local actors by the project. Another lesson was to better stop co-operation when agreements are repeatedly not respected. It turned out that an institutional support strategy has only a chance to succeed if minimum conditions are met and partners should agree to analyze jointly their global financial situation. Another necessary precondition turned out to be the agreement on the system of negotiations, contracts, respect of agreements, participation, and evaluation. In addition, the will to discuss publicly development priorities, utilization of resources, and distribution of responsibilities had to exist.

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Annex

	PADC	Manag. committee	Ministry of Agricultu	IUED	Communal admin.	com. tech services	peasant groups
preparation of the communal support programme	+++				+	+	
preparation of the farmers' support programme	+++						+
approval of the annual budget		+++		++			
execution	+++				+	+	+
organisation of the work	+++					+	+
monitoring		0		+	0	+	
supervision	++		+	+++			
conflict regulation			++	+++			
internal evaluation	+++			++	0	0	
accounting	+++						
approval of accounts		+++		++			
preparation of new phases	+++			++			

+++	very active
++	active
+	involved (slightly active)
0	overtly opposed
no sign	indifferent

Annex 1: Table of actors and functions

	Ministry of Agric.	Commune admin.	PADC	communetechn. serv.	farmers	artisans	natives assoc.	IUED/ DDA
increase volume of Swiss aid	++							
visible infrastructure	++	++					+	
management of public resources		0	+					++
maintenance of public order and security	++	++		+				
introduction of participatory approaches	0	0	+		+	+	0	++
strengthening of local private institutions		0	+		+	+	0	++
increase cash crop production	++	++	+	++	+			
fight against erosion	++	++	++	+	++			++
diversification and improvement of food crops			++	+	++			++
improvements in input quality and supply (seeds, tools, credit,..)	+		++	+	++	++		
commercialisation	+		+		++	++		

+++	very active
++	active
+	involved (slightly active)
0	overtly opposed
no sign	indifferent

Annex 2: Table of actors and interests

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Hans Gsänger

Capacity-Building for Rural Development at the Micro-, Meso-, and Macro-Levels[1]

Introduction – Why do IRDs fail?

By the end of the 80s, an international consensus had emerged concluding that, in spite of a number of success cases, the majority of integrated rural development projects (IRDs), especially in Africa, have not really delivered. Critics said that they were too costly, too complex, wrongly conceptualized, that they suffered from limitations inherent to the project mode, could not cope with adverse political and economic environments, and consequently lacked sustainability, and did not contribute to poverty alleviation in any significant manner. World Bank sidelined or rather abandoned rural development projects in favour of (sectoral) adjustment lending. Bilateral donors, however, took a less radical view and have hitherto worked towards reforming their IRD approaches. Till now, however, questions are still being raised as to the future of rural development projects and the necessary directions of change. Should we sideline IRDs in favour of other approaches to attack rural poverty? Are the weaknesses and failures of IRDs really a result of an overly ambitious project design? Are IRDs more rooted in donor strategies rather than in local needs? Are IRDs prone to failure because they want to rectify structural deficiencies which have to be addressed and attacked at sectoral or even higher levels? Have IRDs fallen victim to TC-specific weaknesses such as the expert-counterpart model or the mismatch of seconded personnel?

We still may ask: will IRDs eventually die? But as the German proverb says: Totgesagte leben länger! Those reputed dead tend to live longest! This apparently holds true for rural development projects as well. Otherwise we would not be here to discuss new directions in aid policy for rural development.

My contribution draws heavily upon personal experience which I gathered between 1987 – 1990 as a manager of a rural development project in Nepal. Nepal is host to more rural development experts and IRDs than any other least developed country – Kathmandu holds a world record in terms of the highest density of aid personnel per km². All major bilateral and international

1 Paper presented at the International Conference on "New Directions in Aid Policy for Rural Development", Vienna, October 13 – 15, 1994.

donors are there, demonstrating a diversity of approaches and management styles that make the country an IRD laboratory!

Based upon this experience, I would like to propose the following working hypothesis:

> *To break up the poverty cycle multisectoral approaches are indispensable. Rural poverty needs to be attacked in a vertically concerted and horizontally co-ordinated manner. First-generation IRDs (planned in the seventies) failed mainly because of faulty design, second-generation IRDs (planned since the mid-80s) are doomed to fail again if the technical co-operation policy framework is not adjusted and if the local and national TC-management remains weak. In order to reduce the failure rate of IRD capacity-building for rural development at micro-, meso-, and macro-level is of paramount importance.*

Rural development projects (see Box 1) operate within a TC environment that defines priorities, operational styles, financial modes, personnel recruitment and placement policies, and monitoring and evaluation schemes. IRDs operating within this framework have hitherto largely failed to attain one of their core objectives: creating sufficient human and institutional capacities for national management and local ownership of the development process.

First-generation IRDs failed because they were organized from the top-down, with parallel project management units, rigid blueprint planning, single-channel implementation (mostly formal), lack of popular participation, centralized decision-making, and they were biased in training and skill development against organizational and institutional requirements.

Second-generation IRDs planned from the mid-80s onwards, have rectified most of the original design problems. They give micro-level capacity-building and institutional development high priorities for attaining sustainability. They are process-oriented, promote popular participation, choose multi-channel implementation strategies, and work from within existing institutional structures. They even address the problems of policy coherence to become more effective and significant instruments for alleviating rural poverty. *But they still operate in troubled waters because of TC-specific problems which are mostly systemic in nature.*

First-generation IRDs (planned in the 70s): large, parallel-project management units, top-down, mostly formal one-channel implementation; resident expert-counterpart model; commodity-based rather than resource-based; enhancement of individual skills rather than individuals plus organizations; lack of local participation; rigid blueprint planning; massive infrastructure development, project staff mostly implementors.

Second-generation IRDs (planned from mid-80s onwards): work within existing intermediary institutions rather than creating parallel project structures; process or rolling planning rather than blueprint approach; start small and expand gradually, based upon action research; promote local-level organizations and institutions; promote beneficiary participation; decentralize decision-making; strengthen local financial capabilities; multi-channel implementation of programmes involving government, parastatals, NGOs, SHOs; project staff act as facilitators rather than implementors.

Box 1: Common Features of Integrated Rural Development Projects (IRDs): multisectoral approach; working within a defined geographical area, orientation towards to the "rural poor".

In-Country Capacity-Building Requirements

Capacity building usually means three lines of activities: skill development, procedural improvements, and institutional development. What skills, procedural improvements, and institutional capacities are needed in order to create a framework conducive for IRDs to promote *sustainable* rural development and to contribute to a *significant* alleviation of rural poverty?

Since rural development cuts across many sectors, involves decision-making at many different levels, ranging from the individual, the household and the group via community, locality and district to the national and even international levels, and makes use of bureaucratic organizations, the market mechanism and voluntary associations as implementing channels, diverse sets of human and institutional capacities are required to attain the goals set (see Box 2).

At the *macro-level* it is essential to create a political, legal, and economic environment in which poverty-alleviating rural development schemes can effectively work. Typically, the emergence of a more conducive macro-level environment is impeded by a lack of the abilities needed to adapt development models to the local environment and to provide for effective administrative and financial decentralization, which is a prerequisite for a downward transfer of power and democratic modes of operations. There is also a lack of the managerial capabilities needed to effectively "own" the TC provided

by donors. This not only leads to the typical patchwork of unco-ordinated projects but also hampers a more equitable policy dialogue.

The specific organizational and institutional environment for the IRDs should be shaped at the *meso-level*. This requires capacities to

- exert local control over economic processes;
- strengthen financial capabilities at decentralized levels;
- mobilize self-help and voluntary collective action;
- provide for more participatory management and interactive learning;
- establish fora involving all actors relevant for an open development dialogue; and
- build technological competence for local adaptation and modification.

Finally, at the *micro-level*, an effective management of social, technical, and organizational innovations needs to be put in place. This calls for

- abilities of individuals and organizations to adopt locally tested (technological) innovations;
- self-organization of the beneficiaries (user groups);
- instilling in people confidence in responding to change;
- promoting responsibility for decision-making;
- enhancing skills through training and education;
- strengthening organizational performance; and
- changing the incentive structures for individuals and local-level organizations.

Individual – household – group – community – locality – subdistrict – district – regional/provincial – national levels

Three sets of institutions that can be used for rural development:
- state: bureaucratic organization, regulations; top-down.
- market: market mechanism; price signals; individualistic.
- collective action: voluntary associations; agreements; bottom-up.

Box 2: Levels of decision-making for Rural Development:
Source: Uphoff, N. (1993)

All three levels are highly interlinked, and balanced capacity-building at all levels would be required. However, as experience shows, IRDs typically act at the micro-level, often neglecting the meso-levels where sectoral policies and administrative procedures are shaped, and hardly reach into the macrosphere, where strategies and overall policies are analyzed and formulated. The inherent limitations of the project mode can be offered as one explanation for that bias. The growing preoccupation with "sustainability" – GTZ distinguishes between ecological, economic, and institutional sustainability – may even aggravate this micro-level bias, because "sustainability-minded" project planning should take into account the laws of the eco-system, adverse policy environment and the limited capabilities of the lead agencies and other relevant institutions (GTZ,1993). Obviously, the eco-system must be seen as a parameter, but should the policy environment and the mix of institutions be treated the same way? This is where the real challenge lies. If IRDs are downsized and reduced in complexity to meet the present limitations, then significance may be sacrificed for *low-level sustainability*. But what we need are IRDs which are significant and shape at least sectoral policies. A trade-off between sustainability and significance may be avoided by embedding IRDs in a sectoral programme design.

TC-Related Problems Impeding an Appropriate Use and Build-up of Capacity

Four TC-specific problems will be highlighted here which either seriously impede the appropriate use of existing capacities or hamper the widening and deepening of human and institutional capacities. First, donor requirements waste scarce capacities due to procedural inefficiencies; secondly, local capacities are insufficiently mobilized because of half-hearted participation; thirdly, ineffective learning models persist because of an inflated use of seconded long-term and short-term experts; and fourthly, donor TC financing modes may obstruct a strengthening of local financial capabilities.

In most least developed countries – and the more prominent recipients of IRDs belong to this country grouping – competing donor IRD approaches, management styles, and financial rules can easily exhaust the existing political and administrative capacities. In Nepal, the responsible lead agency for rural development, the Ministry of Local Development, has wasted its scarce analytical and managerial capacities through a merely bureaucratic handling of projects (donors expect prompt administrative action, full compliance with their disbursement and documentation rules, their numerous missions have to be received, and, among many other things, residential visas and even duty-free exemptions for resident experts have to be handled).

It is not easy for a politically weak recipient country to "discipline" the donors. It is up to the donors to co-ordinate and streamline their aid policies. Nepal, for instance, proposed a sector-based "lead donor agency approach", which was not well received by the donors.

Although most donors claim that they only act on request, many projects are still donor-driven and lack demand-orientation. Who is actually request-

ing, whose demands will be met, whose needs are to be satisfied? There is too much participation rhetoric. But without a public and democratic development dialogue at both national and local levels, involving the main actors, including the civil society, it is illusory to expect any democratic and transparent project identification.

Professionals' Perceptions	Poor People's Perceptions
universal	local, specific
simplified	complex
reductionist	holistic
standardized	diverse
physical	experiential
quantified	unquantified
income-poverty	multidimensional deprivation
employment	livelihood

Box 3: Our or Their Realities? Contrasting Perceptions of Professionals and Poor People
Source: Chambers, R. (1994)

Project planning and design are still donor-driven. The donors dominate the stage. They second professionals, both long-term and short-term, and actually decide about "local counterparts" in appraisal and planning teams. Project planning lacks popular participation, in particular during the critical initial stages, where the project is actually shaped. Usually popular participation only commences after the project has been launched. So projects still reflect more the perceptions of international professionals than those of the so-called target groups. And these perceptions do differ considerably (see Box 3).

If persistent trends are to be reversed, local people should be enabled to conduct their own analysis (e.g. by Participatory Rural Appraisal – PRA) and plan for their own action. An "open orientation phase" is not a substitute for an early involvement of the beneficiaries in the project design, but rather a supplement.

In the Dhading Development Project (DDP) (see Box 4) the empowerment of the hitherto unorganized local people was initiated by means of confidence-building measures and self-help mobilization. To that end, ward-level user groups were formed by the beneficiaries, and they implemented, altogether, 900 hundred small-scale development projects, which were perceived by them to represent priority needs. In carrying out the work, people learnt to organize and implement projects. They learnt how funds

were transferred and what paperwork had to be done, how to purchase materials and organize labour for transport and construction. In the end, however, the most important lesson was that they gained confidence in their abilities to help themselves.

A further problem that is impeding local capacity-building is the inflated number of expatriate experts, both long-term and short-term. Seconded experts are certainly needed for specific planning, monitoring, controlling, and advisory tasks. But the majority of them – many posted on the basis of soft job descriptions – are actively involved in implementation. They are a mixed blessing, especially when they act in keeping with the obsolete expert-counterpart model which usually puts the local expert in a junior position, with limited access to management relevant information, from within and outside. As it has turned out, the expert-counterpart model is a rather ineffective learning model. Real on-the-job-training based upon a clear job description and assignment is the better approach. DDP went exactly that route. From the very start, local personnel filled expert positions on the project team and local consultants were hired as short-term experts. The goal was to eventually replace all seconded personnel with national experts. For the last four years the project has been managed by an all-Nepali team.

For the planning and orientation phase, the DDP team set themselves the task of designing a project in which the beneficiaries themselves took their own development in hand. Even though the government of Nepal was not wholly committed to such an approach, the responsible Ministry of Local Development under which DDP would function, felt that such an attempt should be made. This approach was further supported by the strong stress placed on popular participation by the bilateral agreement establishing the project. The DDP team, consequently, took the following decisions:

1. They did not want a separate project office in Dhading District. Some sort of liaison office would be required in Kathmandu, but as far as possible all activity in Dhading District would be directed from the offices of the district administration.
2. The project budget would be channelled through the normal budgetary channels of His Majesty's Government (HMG)/Nepal. Development funds would be disbursed according to HMG/Nepal regulations. Under the Decentralization Act, this meant that district plan formulation committees would be involved in preparing DDP programs, the District Panchayat would have to approve those plans, and the District Assembly would have to approve the budget required to fund these programs.
3. The team also asked the MPLD to empower the Local Development Officer to serve as the Project Co-ordinator rather than appoint a separate Project Co-ordinator. These were all radical departures from the accepted practices of Integrated Rural Development (IRD) projects in Nepal.
4. Whereas other IRD projects had focussed on extension activity through various line agencies operative at the district level, the DDP set its focus

on the villages at ward level. This is the very bottom of Nepal's administrative tree.

5. The DDP team also decided to create development situations that forced villagers to interact in a wider arena than they had traditionally done. The team assumed that economic development would be conditioned by social structures. The team felt it would be wise to force villagers themselves to search for the knowledge required to execute village-level projects rather than attempt to introduce new technology or new technicians as a preliminary to project activity.
6. Lastly, the team decided that they had far more chances of discovering agents of change within the village than of successfully persuading agents of change to go to the villages.

Box 4: Basic Decisions taken by the Dhading Development Project (DDP) Team, Nepal
Source: Dhading Development Project (DDP), Kathmandu, n.d.

Another crucial area is the handling of project finances, here, local capacity-building can rather be hampered than promoted. Efforts to decentralize development planning and to strengthen local structures and institutions needs to be accompanied by a decentralization of the budget and increased local resource mobilization. Many donors fear that their funds will be misused and therefore attempt to tighten financial control and/or by-pass government structures by channelling funds through NGOs. While these are understandable moves, the most effective way of safeguarding donor funds is to create financial transparency, which can be best achieved at local level.

Conventional explanations for low institutional performance are:
- negative exogenous factors;
- lack of outstanding leaders and managers;
- poor planning and implementation;
- unadjusted applications of standard management techniques;
- distorted prices and market mechanism; and
- insufficient political commitment.

An alternative explanation is that institutional performance depends upon three sets of incentives:

- **degree of "specificity"** as defined by an agreement about objectives, time frame, methods to be applied, and control. Typically, the degree of specificity is highest in *technique-centered* activities, lowest in *people-centered* activities;
- **level of competition** or competition surrogates such as external pressures (economic pressures) from clients, beneficiaries, or suppliers, political pressures, and internal competition (administrative pressures);
- **effective management** which relates to the organizational structure, personnel policy, management techniques and style, training, etc.

IRDs belong to a type of activity with
- a low degree of specificity (people-centered, non-standardized process),
- a low level of competition (hardly any market-related competition and low level of competition surrogates, i.e. weak economic, political, and administrative pressures), and
- high pressure on project management for compensatory actions.

Conclusions for IRD:
High priority should be given to increased levels of competition by strengthening the voluntary sector – grass-roots organizations as well self-help organizations – and to aiming at higher specificity through improved M&E.

Box 5: Incentives for Institutional Performance
This analysis is based upon: Israel, A. (1987)

Conclusions

Attaining food security and sustainable livelihoods for the poor are top priorities on the agenda for development. This requires basic rural and social infrastructure, access to productive resources, credit, education, and training, as well as gender equity and effective rural people's organizations so that the rural poor gain a voive. In other words: a well-co-ordinated multisectoral attack on rural poverty is needed, and IRDs therefore should not be prematurely pronounced dead. However, under the conditions of the 1990s the success of rural development will largely depend not only on the creation of an enabling policy environment but also on a skilful linking of sectoral programmes and related projects. This requires the build-up of institutional capacities at all levels (see Box 5) and additional financial resources for poverty-alleviating sectoral programmes. Development co-operation for rural areas has to be adjusted and must evolve from project-centered, isolated interventions to programme-centered interactive co-operation if the frustrations of the past are not to be repeated. Besides central administrations and local government bodies, the self-help organizations of the rural population should be chosen as partners. Raising the level of intervention and linking programme promotion and individual projects will, however, also require some rethinking on the part of the donors, i.e. they must abandon practices of which they have grown fond, such as unco-ordinated aid policies in which their own profile or supply interests are more important than the actual needs of the country concerned.

Abstracts

Angesichts der geringen Erfolge Integrierter Ländlicher Entwicklungsprogramme (IRDs) wurden immer wieder Fragen nach den notwendigen Veränderungen gestellt. Es wird davon ausgegangen, daß multisektorale Ansätze nötig sind, um den Teufelskreis der Armut auf dem Land zu durchbrechen. Um die Zahl der Mißerfolge von IRD-Projekten zu verringern, ist es von entscheidender Bedeutung, „capacity-building" für ländliche Entwicklung auf der Makro-, Meso- und der Mikroebene voranzutreiben. Auf der Makroebene müssen die politischen, gesetzlichen und wirtschaftlichen Rahmenbedingungen für das Wirksamwerden von arumtsbekämpfenden Maßnahmen geschaffen werden. Auf der Mesoebene sind die spezifischen organisatorischen und institutionellen Maßnahmen zu setzen und auf der Mirkoebene ist ein wirksames Management der sozialen, technischen und organisatorischen Neuerungen einzusetzen. Diese drei Ebenen sind untereinander eng verbunden und der ausgewogene Aufbau von entsprechenden Fähigkeiten ist auf allen drei Ebenen notwendig. Eine programmorientierte interakive Zusammenarbeit muß die isolierten, projektzentrierten Interventionen ablösen. Neben der zentralen Verwaltung und den lokalen politischen Strukturen sind Selbsthilfeorganisationen der ländlichen Bevölkerung als Partner heranzuziehen.

In view of the limited success of Integrated Rural Development Programs (IRDs) questions about necessary changes of these projects and programs were repeatedly asked. It is assumed that breaking the rural poverty cycle multisectoral approaches are needed. In order to reduce the rate of failure if IRDs capacity-building for rural development at the micro-, meso-, and macro-levels is crucially important. At the macro-level, the political, legal, and economic environment for the effective working of poverty-alleviating measures have to be created. At the meso-level, the specific organizational and institutional environment must be shaped, and on the micro-level, the effective management of social, technical, and organizational innovations has to be put in place. All three levels are highly linked and balanced capacity-building at all levels is required. Isolated, project-centered interventions must give way to program-centered interactive co-operation. Beside central administration and local government bodies, self-help organizations of the rural population should be incorporated as partners.

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Hilmar Stetter

Strengthening Alternative Ways of Development Financing: The Building-up and Management of Financial Funds for Local Development. First Experiences Gained from Swiss Debt-for-Development Funds

1. Introduction

As we all have observed, one of the major development problems of the last decade was the huge volume of external debt of different kind (e.g. ODA loans, officially guaranteed export credits, and private debt). The outstanding debt, the debt overhang, was of such magnitude that negative effects on the growth of the indebted countries' national economies could be observed, and a widespread near-default of sovereign debtors had ill financial repercussions on the Export Credit Agencies. The first two types of debt play a major role in the SILICs. Furthermore, one had to think about the rationale for debt conversion (so-called debt swaps), as opposed to unilateral write-offs (what Switzerland did for its outstanding ODA debt).

At the end of the eighties, more than 25 Swiss development NGOs and church-related organizations came together in order to form a coalition to carry out a national campaign on debt relief. Finally, after long debates on how to combine structural changes with the necessary short-term improvements in financial flows between the South and the North through a substantial debt reduction, the NGOs opted for the debt swap option, whereby domestic Debt-for-Development or Counterpart Funds (CPF) are created.

The Swiss NGO coalition thus launched a petition named "debt for development", requesting the Swiss Government to establish a "debt relief fund" of at least SFr 700 m in order to write off the (official and commercial) bilateral debt owed to Switzerland by the LICs. As "creative debt relief", the objective was to reduce the debt overhang of eligible countries and to establish counterpart funds which would finance development projects aimed particularly at alleviating poverty and generating new income at the local level.

In 1991, the year of Switzerland's 700th anniversary, the Swiss Administration worked out a bill establishing the "Swiss Debt Reduction Facility". This Facility tries to combine the interests of the NGOs engaged in development work, as well as those of the Government and of the business community, so as to improve the difficult financial standing of the Swiss Export Credit Agency (ERG), heavily subsidized by the Swiss Government.

In that same year, the Parliament established the "Debt Reduction Facility" with an endowment of SFr 500 m to finance its operations. Four types of operations were planned at bilateral and multilateral levels in order to support SILICs with on-going policy reforms with a view of assisting them in their efforts to obtain debt stock and debt service relief. These operations are:

- Buy-backs of "tail-ends" of officially guaranteed Swiss export credit debt. These tail-ends are held by private exporters at their own risk and are part of Paris Club debt negotiations. When the government has accomplished these buy-backs and transfers from the ERG, they will decide upon initiating bilateral debt relief negotiations.
- Buy-backs of commercial bank debt and contributions to the IDA Debt Reduction Facility
- Contributions to the clearing of arrears and, where appropriate, the financing of obligations towards the international financial institutions (IMF, WB, and regional development banks)
- Complementary measures: new money for balance of payments supports for debtor countries having followed a reasonable debt management policy

I will concentrate on the first type of operations, the only one where counterpart funds are a fundamental part of the policy. In general, the criteria for the countries' eligibility to benefit from the Swiss Debt Reduction Facility are:

- highly indebted low income countries, primarily LLDCs;
- countries with a Swiss ODA Program, having to restructure their debt in the Paris Club and which are engaged in a medium-term economic reform (Structural Adjustment Programs);
- countries having an acceptable governance situation and an adequate debt management policy.

By August 1994, nine bilateral debt conversion agreements were signed, involving a face value of approximately SFr 850 m of debt, thus generating close to SFr 155 m in local currency.

2. The concept of creative debt relief

Writing off the external debt does not necessarily provide the development partners with the tools to foster development in a broad sense, particularly not in strengthening the NGOs' capacity to contribute to the national development process. By writing off the external debt and by channelling the converted part through the so-called "Counterpart Fund" (CPF), the idea is not to do more of the same, but to allow domestic NGOs to create long-term financial instruments for projects and programs, thus enhancing their financial autonomy as well as their organizational and management capacities: this is the concept of this "new generation of debt swaps". The part of the local funds not directly used to finance projects can serve as capital base for

intermediate financial instruments (e.g. revolving fund of an NGO or as a loan guarantee fund with a local development bank). Under the first generation of debt swaps, some of the big NGOs from the North undertook some debt swaps with high redemption rates to finance specific projects.

3. The major components of a creative debt relief program

A creative debt relief operation, as implemented by the Swiss Facility, includes four central components:

- *A bilateral debt relief agreement:* The Swiss Government negotiates the debt relief, including the provision of local currency (the Counterpart Fund), with the debtor government. This agreement contains the rate of the debt conversion, the payment modalities, the sector(s) in which the capital should be invested, and the structure and composition of the body responsible for the management of the fund.
  The rate of the debt conversion is determined by both the value of the debt based on approximate secondary market prices and the actual cash flow relief obtained by the debt reduction. More arbitrary criteria are the quality of the public spending, from a development point of view, the debtor's budgetary constraints and the absorptive capacity for additional development projects by the debtor government and the domestic NGOs. In general, these conversion rates are rather low, on average around 20%, which would correspond approx. to the "tail-end" of the bilateral debt.
  The funds are deposited in a local commercial bank account, i.e. taken out of the budget in order to be protected against inflation and to have on-demand access. As a side effect, the local financial sector is thus supported.
- *The body responsible for the management of the CPF:* Generally, the NGO representatives of the CPF board or committee will come from the most representative national umbrella organizations or NGO networks. The contracting parties, i.e. the two governments, will, in most cases, also have a seat on the CPF committee.
  Within a short time after its formation, the CPF body has to establish rules and regulations for its functioning and for the allocation of the fund's resources. These include, among others, general investment and funding policy guidelines, funding application guidelines, project selection criteria, etc.
- *Projects and programs to be submitted for funding:* Within the priority sectors defined in the agreement – normally, at least one of the sectors should focus on rural development, small-scale industry, and natural resources management – the scope of projects and activities eligible for funding is defined broadly enough to allow all the interested NGOs and People's Organizations to file applications. An innovative field for its

impact is the strengthening of the organizations themselves by measures of organizational development, including the enhancement of their financial autonomy through endowments.

- *The development partnership:* A creative debt relief program should, in the best of cases, be part of a long-term relationship between NGOs in the South and private and/or public development agencies in the North. Only a relationship of long standing provides the necessary insight into the local conditions and sufficient knowledge of the strengths and weaknesses of specific organizations. Particularly in the preparatory phase, when the CPF is designed, a close co-operation and regular exchange of information between relevant NGO partners in the South and the North are of great importance. This includes as well an effective lobbying by the interested local NGOs with their respective governments.

4. The role of the Southern NGOs

Southern NGOs and their networks play a crucial role in designing and implementing the debt relief opertions with the respective debtor country. They can get involved at different stages:

- When designing the CPF policy: NGOs might be consulted by the Swiss NGO Coalition or the Swiss Development Agency for the policy of the management and the utilization of the fund. At the same time, they might advocate their interests with their own government.
- When an NGO network, or eventually individual NGOs, become members of the Fund's decision making or executive body (board, technical committees, monitoring sub-committees).
- When making use of the Fund: NGOs and People's Organizations file applications for funding with the CPF according to the guidelines of the Fund.
- During Monitoring and Evaluation: local service organizations or NGO consultants may be mandated by CPF's management to monitor or evaluate specific projects funded by a CPF.

5. The experiences gained until now with CPF: three examples

Within the CPF concept, there is a wide range of locally adapted and 'tailor-made' options for the management and use of the proceeds of debt conversion operations. The variety of options ranges from an NGO-managed capital fund to the budgetary support of the government. In all cases (except one), domestic NGOs participate in the funding decisions at committee level. All funds organize their own executive and monitoring structures and all projects must organize independent financial audits. Some of the experiences gained may be illustrated by the following examples:

Bolivia: a 'slim' management structure and a quick disbursement option

In Bolivia it was possible to rely on a relevant Swiss Development Co-operation (SDC) national program, a well established relationship with the government and a highly organized domestic NGO network having a good absorptive capacity. The Swiss NGOs' presence is specifically focused on regions and partners and cannot give a broad support. Bolivia's fund, the first one of the Facility, started to work about a year ago. There is no separation between the policy and the executive management levels. The fund has already approved 11 projects, programming about 90% of its resources. All the projects and programs are implemented by NGOs and private institutions. Two of these projects are designed as financial instruments, one of them being a revolving fund run by an NGO (FADES) specialized in this kind of operations. The fund is credited with SFr 5.8 m to support rural handicrafts and micro-enterprise production. The amount of one credit can fluctuate between US$ 3,000 and US$ 35,000; reimbursements should be made between 1 and 3 years, with an 8 – 12 percent interest rate, and the beneficiary must be able to provide collateral. In the sub-committee are represented: SDC, the NGO network, FADES, and the evaluator.

Tanzania: a medium-term CPF including the public sector, and a small absorptive capacity

In Tanzania there is a well established bilateral co-operation (presently supporting the structural adjustment process), a young, but not yet consolidated NGO community, and a government with big financial problems to fulfill its development commitments. Since other counterpart funds and other donors could be interested in the CPF policy, an independent legal structure was created: the "Public Trust Fund". It is the first time that NGOs can participate in this kind of funding structure. A small management committee has been established, and the fund will finance micro-projects (up to TSh 50 m) with disbursements (not yet started) having medium-term operational time periods. Twelve NGO projects have applied for the first round of project approvals, and it is possible that the government's share will be below 40 percent. This fund model has already raised the interest of other donors in Tanzania, since it allows an effective financing of micro-projects. For the first time, as well, the Government spends money on local NGO activities and is, thus, strengthening the policy dialogue between the Government and NGOs.

Philippines: a sizeable amount and a strong NGO community

The bilateral debt volume of the Philippines is one of the largest to be negotiated under this Facility. As a MIMIC, the Philippines possess a reasonable domestic financial sector. There is no long-term bilateral development co-operation between Switzerland and the Philippines and only a few Swiss NGOs run their own programs locally.

Nevertheless, the Philippines are busy with implementing an economic reform program, having signed an agreement with the IMF/WB. A strong and highly competent NGO community exists, embracing different tendencies. The Swiss NGO Coalition has the mandate to prepare the negotiations with the Philippine Government and the NGOs. Because of the selection criteria mentioned before, we believe that the Philippines can become a model for a capital fund, and negotiations and lobbying for this option have been undertaken. After long preparations and difficult negotiations, also on the Swiss side, this model seems to be maintained as the Swiss and the Philippine NGOs' proposal for the forthcoming negotiations. If the Philippine government agrees, the proceeds of the debt relief will be invested in a long-term capital fund. Interest earnings will be used as a project fund for productive agricultural and fisheries activities. Also, part of the capital can be disbursed yearly, and the operational life of the fund is expected to be about ten years. It will be a long-term additional financial instrument for the Philippines' NGO community.

6. What are the actual constraints

- Although Switzerland practices a cautious conversion policy, taking into account the monetary constraints of the debtor, the governments try to limit the costs of financing activities of domestic NGOs and opt, as a first priority, for public expenditures according to their own development priorities. In some cases "one-off" payments are not possible because of budgetary constraints and payments in two or three installments are negotiated.
- The transfer of the funds to a private bank account is almost the only non-negotiable position of the Swiss Government and a very new procedure for most governments. But only this procedure allows a quick access to the funds.
- NGO participation was also contested in some, if rare, cases, but Switzerland's firm position made the general policy to allow domestic NGOs to participate in the decision-making process and their submission of projects and programs for funding.
- The innovative character of the scheme can only have an impact if domestic NGOs are informed and briefed early enough about the policy of the Facility. This can only be done in an optimum way if the Swiss NGO Coalition or Swiss NGOs are fully engaged in the debtor country during the preparatory stage of the debt relief.

7. What is the actual potential

Besides the additional financing on the micro-level, which in some cases is substantial, and the financial restructuring on the macro-level, which is in most of the cases marginal, the potential is focussed on the following components:

- On policy level, the Facility establishes a dialogue within the domestic NGO-community and creates a forum where government and NGOs can discuss development problems and approaches.
- A second potential lies in the participation of umbrella NGOs in the designing and decision-making process; it strengthens their ownership of development programs and their know-how of financial instruments, increases their experience with monitoring and evaluating projects and makes future negotiations easier, where the investment in local financing instruments – with its own legal structure – are concerned.
- A third potential lies in the demonstration effect of successfully operating funds. Also outside the context of debt relief, the creation of Financial Funds is an alternative to traditional project-oriented financing.
- Finally, we are confident that the impact of the Swiss debt relief policy on the SILICs will be strengthened by similar facilities of other donors at the bilateral and multilateral levels.

Abstracts

Die große Auslandsverschuldung vieler armer Länder, die das Wachstum in vielen Fällen negativ beeinflußte, hat NGOs und die Entwicklungszusammenarbeit in der Schweiz zum Nachdenken über Schuldenumwandlung gebracht. Als Folge einer Petition einer Koalition Schweizer NGOs an die Schweizer Regierung wurde ein Entlastungsfonds eingerichtet. Sein Ziel bestand in der Verringerung des Schuldenüberhangs berechtigter Länder durch die Einrichtung eines Counterpart-Fonds, welcher Entwicklungsprojekte, besonders zur Beseitigung von Armut und zur Einkommensschaffung auf lokaler Ebene, finanzieren sollte. Das Funktionieren dieses Konzeptes einer kreativen Schuldenerleichterung wird an den Beispielen von Bolivien, Tanzania und den Philippinen demonstriert. Die Vorteile der Schuldenumwandlung werden in die Schaffung eines Dialogforums mit den lokalen NGOs und den NGOs mit der Regierung, in der Teilnahme Dach-NGOs am Projektentwurf und am Entscheidungsprozeß und am Entstehen eines Demonstrationseffekts gesehen.

The large external indebtedness of many poor countries which had negative effects on the growth performance in many cases induced a thinking about the rationale for debt conversion among Swiss NGOs and development co-operation. As a consequence of a petition by a coalition of Swiss NGOs to the Swiss government resulted in the establishment of a debt relief fund. The objective was to reduce the debt overhang of eligible countries and to establish counterpart funds which would finance development projects particularly aimed at alleviating poverty and generating new income at the local level. The working of the concept of creative debt relief is illustrated by the examples of Bolivia, Tanzania, and the Philippines. The advantages of debt conversion are seen in the establishment of a dialogue forum with local NGOs and between NGOs and government; the participation of umbrella NGOs in the designing and decision-making processes; and the creation of a demonstration effect.

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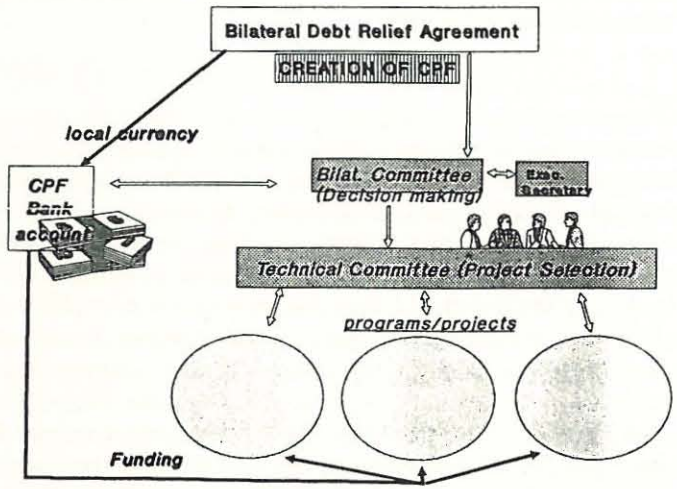

Table: Typical counterpart fund structure

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Neil Webster[1]

Democracy, Decentralized Government, and NGOs in Indian Rural Development

Introduction

Rural development in India is currently in a state of some confusion. The policies of economic liberalization, i.e. 'the New Economic Policies' (NEP) have been laid over a development scene that was already broad in its range of strategies and in which an extremely varied range of institutional actors play different roles in development, both complementary and competing. At international, national, and sub-national levels, many voices reflecting often quite different development discourses are now asserting a right to influence the course of development within the country. Yet the new directions in development and economic policy that have begun to emerge, are often serving only to complicate the issues involved and to provide misleading signals to the various institutions and actors involved in development planning and implementation at the local level. This paper is an attempt to reassess the role of local institutions in rural development with a view to aiding both the ultimate effectiveness of their involvement as well as the development of better aid policies by external organizations that wish to promote a pro-poor rural development through the local institutions.

From the institutional perspective two themes are currently prominent in discussions of rural development in India, each involving a different group of local institutional actors. The first is an argument for more effective, more accountable and more participatory local government. Here the institutional actors are Panchayati Raj institutions (PRI), that is institutions of local government operating at village cluster, Development Block, and District levels.

The second theme rests more upon the argument for a reduction in the state's involvement in development, i.e. a return to the market. Local Indian NGOs[2] figure in this discourse both for reasons of their ability to cushion

1 Senior Researcher at the Centre for Development Research, Copenhagen. An earlier version of this paper was presented at the International Conference on New Directions in Aid Policy for Rural Development, Vienna, October 13 – 15, 1994. A considerable debt is owed to Lars Engberg-Pedersen, Researcher at the Centre, with whom I have co-operated closely in recent work on democracy and decentralization in development.

2 Unless otherwise stated, NGOs are used in the article to refer to Indian NGOs involved in development work, usually at the local level.

some of the short-term effects of the new policies, but also as they are institutions seen as central to the development of a strong civil society that can counter-balance the state through the political incorporation of a greater number of its citizens, particularly those previously excluded from development.

The two themes are far from being mutually exclusive. Both reflect the process of political liberalization currently gathering pace in the country. Within the international development community, both themes are central to the more general debate linking development with democracy and which stress participatory development and political empowerment.

The trend for most of India's post-independence history has been for rural development to become increasingly a centralized, 'top-down' process. Participation and empowerment of the rural population and specifically of the poor majority might have been somewhat idealistically and superficially planned for under Nehru and later played with to gain political capital by both Indira and Rajiv Gandhi, but the reality is that rural development witnessed a retention and strengthening of hierarchical structures within the federal state development departments and the central government development agencies. Administrators and officials remain accountable only to those above, their work is simply to fulfil the requirements of the planned programme sector for which they are held responsible, and popular or representative participation has had little role to play.

Then during the 1980s the focus in India began to change with calls for decentralized and devolved government in the form of Panchayati Raj. Taking a lead from the experiments in the States of West Bengal and Karnataka in decentralized government, attention was first turned towards the need for a restructuring of the state along more decentralized lines, creating or revitalizing local state institutions that could facilitate greater participation and assertion of influence by the rural population on the state and its planning and implementation of development. In the late 1980s the focus of attention broadened to include local institutions that can enable a greater degree of political and economic self-determination for specific groups of social actors form the voluntary sector, in particular NGOs.[3]

3 So far the total contribution of NGOs to Indian rural development is very small. There are estimated to be in excess of 40,000 in number, of which around 15,000 are registered under the Foreign Contributions Regulation Act of 1976. Most of these are relatively small and limit their work to specific localities, but the growing acceptance of their potential reflects a growing movement away from the belief in state managed development. It also reflects a tendency to conceptualize the institutional side of rural development in somewhat simplistic terms of NGO vs. State. This is dangerous as it pushes important institutions for rural development into an ideological confrontation as well as confusing donors seeking to develop a better strategy for the delivery of aid to the rural sector in India.

The result in India today is that the rural development scene at the local level is somewhat chaotic with both state and non-state institutions and organizations operating in an uneven, unstructured, and often incoherent fashion. The challenge is therefore to begin to move towards a more coherent strategy of rural development that draws upon the resources, skills, and comparative advantages of the range of institutional actors present, from the local to the international, and one which stresses the need to draw upon the rural population's own abilities to organize for development.

It is to this end that the paper seeks to explore the nature, role, and inter-relationships between local government institutions and non-governmental institutions and organizations.

Decentralization of government

Arguments for the decentralization of government usually proceed along the lines of: decentralized local government institutions make the state more participatory, thereby more accountable, and thereby more efficient. The rural poor majority can assert their interests and the local government institutions and the development they undertake begins to be more equitable and more sustainable.

Decentralization is currently a policy advocated by neo-liberals seeking to 'role back the state', by neo-marxists seeking to obtain better means through which the marginalized and oppressed can influence and begin to change the class character of the state, and by a range of theorists occupying various positions in the middle ground concerned administrative efficiency and effectiveness, fighting corruption, and much more.

So it is that in the past 10 years or so there has been a growing pressure for democratic decentralization as an important policy to bring about development and not merely as a desirable political goal in itself. Decentralization is seen to represent a qualitative change in the form of government, and not merely the administrative extension of the state outwards and downwards. It is the devolution of responsibility and capability from above (financial resources, competent personnel, etc.) and the incorporation of demands and interests from below into institutions of local government. Ideally, much of the design, researching, and implementation of development policy should then take place at a local level through institutional structures and processes that enable the democratic participation of the population.

The principal problem confronting any real decentralization of government is that it runs counter to the recent history of the state, namely the tendency for a centralization and concentration of power at the centre. Not only is the political organization of government based usually upon the

consolidation of vested interests at the centre, but the administrative organization of government has been increasingly centralized in hierarchical line ministries. Therefore, even when there is a shift in the balance of political forces and a genuine desire to decentralize democratically government, there remain the entrenched interests within the administration secured by their bureaucratic structures and procedures.

Decentralization of government therefore requires a strong *political commitment* on the part of the state government. There are two obvious reasons for this: First, the creation of democratic decentralized government introduces the very difficult problem of integrating horizontal political councils with vertically structured administrative departments. Decentralization only begins to become meaningful when departmental administrations begin to carry out their functions in co-ordination with, and with a degree of accountability to, the local political institutions. In order to achieve this, the quite radical requirement of central government and of the state generally is to re-conceptualize its relationship to its citizens and to redraw its lines of responsibility and accountability. It is not just to generate the local institutions, but to make them function effectively and democratically. This also requires time as the generation of a popular trust of decentralized institutions requires the gradual transfer of individuals' expectations about key aspects of their everyday life to these institutions.

Secondly, there is a need for the state to intervene at the structural level in order to bring about certain key changes necessary to facilitate the democratic functioning of local government and the participation of those traditionally marginalized from the political process. Land reform, education, minimum wage legislation, and the protection of minority and individual interests are examples of measures designed to secure rights. Without the security of key rights such as these it is difficult to envisage decentralized government institutions achieving the free participation of marginalized and oppressed groups, or of these institutions being accountable to the population as a whole.

Lack of any degree of popular participation and thereby accountability to the population must call into question not only their legitimacy, but also their sustainability in the long-term. It must also lead to a questioning of the effectiveness of such institutions given the state's inability or lack of political will to secure such rights.

It is therefore important to argue strongly against views that see the generation of local government institutions, i.e. decentralization of the state, as a zero-sum process whereby in developmental and political terms the central state becomes weaker as the locality grows stronger. Instead, one can argue that a principal development role of the state is to pursue democratic decentralization of governance in order to facilitate the local

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rural development, and their relationship to the 'people' were all left to the individual States to decide. Accordingly, it is not possible to talk of democratic decentralization on an all-India basis, or of Panchayati Raj empowering the people of India let alone the poor.

However, there are examples where significant attempts have been made to carry through democratic decentralization and to a considerable extent these have gone down the path that other states must at least appear to follow. West Bengal has been effectively running decentralized government, Panchayati Raj, since 1978. The previous redundant panchayat bodies were constitutionally restructured in the state by the Left Front Government elected in 1977. New direct party-based elections to the three tiers of Gram Panchayats (village cluster), Panchayat Samitis (Block) and Zila Parishads (District) were then held in 1978 and every five years thereafter. From 1985 the Panchayati Raj institutions have also been responsible for drawing up the District Annual Development Plans beginning with Basic Needs proposals from the lowest tier. These are then formulated into the State's Annual Plan for submission to the central government for funding. The direct benefits, both democratic and developmental have been recognized by a growing number of authors[4] as well as by the people of West Bengal, reflected in the past four sets of elections.

West Bengal is unusual in that its Left Front Government is led by the Communist party of India (Marxist), CPI(M). Committed to bringing about a 'People's Democracy' and thereby socialism, its agrarian strategy has combined structural reforms with Panchayati Raj to bring about an anti-poverty agrarian strategy that is quite unique in India. In this instance, democratic decentralization has involved the intervention of a strong state to break many of the traditional socio-economic ties of dependency that undermined the poor and marginalized them from independently participating in politics. It has also involved not just the generation of an accountability of the bureaucrat to the elected politician and of the elected politician to the electorate, but also the accountability of the elected party members and party supporters to the party's development goals through a system of close monitoring.

In this way West Bengal has seen a successful challenge to the traditional mode of patron-clientelism in local politics and to the 'rock departmentalism' of line ministries. However, this 'model' also possesses the weaknesses associated with a democratic centralist party that must pursue short-term political demands required for re-election as a state government within the Indian Union while retaining a long-term goal of a fundamental transition of the social formation and its economy. Consequently, while there is a greater local democracy than ever before, the Left Front Government is extremely

4 See for example Webster 1992a, 1992b; Lieten 1992a, 1992b, 1993; Westergaard 1985.

reluctant to allow the local 'political space' to emerge that one normally associates with such democracy with the result that local development initiatives that lie outside the work and political domain of the panchayats rarely succeed in establishing themselves and developing into viable development actions.

On the surface the political strategies for local rural development in the Indian states of West Bengal and Karnataka appeared at one point to have set out on very similar paths towards decentralized and devolved government and planning under their respective Panchayati Raj programmes.

In 1983 the Janata party was elected to the State government with Ramakrishna Hegde as Chief Minister. It proceeded to take the original Karnataka Panchayat legislation passed in 1956 and enacted the Karnataka Zilla Parishads, Taluka Samitis, Mandal Panchayats, and Nyaya Panchayats Act in 1985. The legislation created two elected tiers: the Mandal Panchayat (equivalent to West Bengal's Gram Panchayat), and the Zilla Parishad (District), with the Taluka Samiti as an intermediary nominated body.

The most significant feature of the Karnataka system was the extensive devolution of powers and financial and administrative autonomy which in many ways exceeded that implemented in West Bengal.[5] All functions and functionaries of the development departments at the district and lower levels were transferred to the Panchayati Raj institutions (PRI). The councils were finally elected, after some delay on the part of the Congress central government, in 1987.

However, the return of Congress to power in Karnataka in 1989 has seen the gradual demise of the initiative. Direct elections to the three tiers of Panchayats constituted under the revised Karnataka Panchayat Act: the Gram Panchayat (formerly the Mandal Panchayat but slightly reduced in size), the Taluka Samiti (now elected rather than nominated) and the Zilla Parishad, were due to be held in the State in January 1992, but were repeatedly delayed until December 1993 despite pressure from both the High and Supreme Courts. Even now it is only the elections to the lowest tier that have been held.[6] The consequence has been that after the Mandal Panchayats' and Zilla Parishads' terms of office were completed in early 1992, they effectively ceased to exist. State development planning in Karnataka once more became centralized with responsibility for local rural development lying with the relevant administrative departments. Whether the new elections will

5 For a detailed account of Panchayati Raj in Karnataka, see Inbanathan 1992.

6 The elections were contested on a non-party basis, but unofficial reports suggest that pro-Janata Dal candidates secured a majority over pro-Congress candidates. As the elections to the two higher tiers of PRI are to be contested on a party basis, it is hardly surprising that the State's Congress government has postponed them indefinitely.

bring about anything more than a superficial revitalization of the Panchayati Raj institutions remains difficult to judge.

So it is that the political space that exists for local institutions in Karnataka is somewhat different to that found in West Bengal. In Karnataka, as the local government initiative has declined so the role and scope for local NGOs has grown, with the State's full agreement. In West Bengal, NGOs have not been encouraged by the Left Front Government. Few have received government support, bilateral and multilateral aid has been encouraged to pass through the Panchayati Raj institutions, and generally, those NGOs that have been operating in the State are at best tolerated, not supported. It has only been in the past years or so that there is beginning to be a debate, albeit behind closed doors, as to how to use local NGOs in the process of planning development.

In Karnataka, the reverse is true. Local NGOs have grown in numbers at a very rapid pace in the past five to ten years. At the lowest level it would almost appear that the State has franchized out certain development work to the local NGOs. Over four hundred are currently active in rural development work alone.[7] In one District, Kolar, the number grew from less than 10 to over 40 in the space of 6 years. Many of Karnataka's local NGOs are little more than paper entities, registering as NGOs as the availability of external donor funds became known.

The beginnings of a revitalization of local government with the new elections to Panchayats held in December 1993 has raised key questions as to how the two types of institutions should relate to each other, in many ways the same that are also being posed in West Bengal, albeit from a different political standpoint. It is these same questions that those involved in the formulation of aid policy must take up if they are to develop a more effective strategy for local rural development.

Decentralizing Government and Planning – Some lessons to be learnt

As analyzes of the experiences of West Bengal and of Karnataka have revealed some important lessons concerning local government and development policy,[8] let me state some of these before proceeding to discuss further the role of local NGOs in the development process.

It is clear that the decentralization of government is not simply the shift of government from the centre towards the periphery. Effective democratic decentralization requires a strong state both in order to create the political

7 Estimate from M. K. Bhat of Bangalore Consultancy Office.

8 See Webster 1992a, 1992b; Westergaard 1986; Lieten 1992a, 1992b, 1993, 1994.

space necessary for decentralized government institutions by permitting the devolution of powers and responsibilities etc. In addition, to carry through the types of structural reforms necessary to facilitate the democratic participation of the politically marginalized, for example countering structural biases based upon economic status, gender, ethnic or religious identities.

Furthermore the sustainability of effective and democratic decentralized government remains dependent upon the political will of the central state and, in the case of India, the federal state. If the state's political will changes, then local government may find it hard to survive. However, efficiency, accountability, popular participation, and support from civil society can all serve to strengthen the position of local government with respect to the higher state and serve to maintain a positive relationship between the two levels of institutions.

It is clear from the experiences of West Bengal and Karnataka that the decentralization of political and developmental responsibilities must be matched by the provision of financial resources with which to carry out effective local government. This does not necessarily entail merely transferring the responsibility for the mobilization and utilization of local resources. Central funding is necessary in order to avoid uneven development between the local government regions due to differences in resource bases.

There is also a clear requirement for the central or federal state to intervene strongly in redefining the relationship between hierarchical line administrations and elected councils. The problem with integrating political institutions with administrative departments is invariably one of producing something meaningful out of the horizontal intervention of the former into the vertical organization of the latter. In West Bengal it has resulted in a rapidly expanding number of committees that handle the various aspects of local government and development. These are most significant at the District level where it is estimated that each Zilla Parishad now has more than 70 committees operating under it.

Decentralizing the point of decision-making with respect to the utilization of state allocated development funds, thereby forcing administrative departments to 'look downwards' for their programme budgets, can help strengthen the position of the lowest level panchayat institutions with respect to the administrative departments. It is also important to improve the capacity of local councils by transferring technical staff away from line departments and into the panchayat institutions.

On the electoral side, direct elections based upon political parties may run counter to the popular belief in the village as a 'community', but the reality is that such 'communities' are deeply divided along many lines and so-called 'apolitical' councils tend to preserve existing local political elites. The contest between political parties can introduce a new dimension into the village

arena, and direct elections to higher tiers help to weaken the traditional political patronage systems.

It is clear from both State's experiences that while maintaining a strong state involvement in local development, it is also necessary to generate and to permit a 'room for manoeuvre' for local institutions, both government and non-government. Local development initiatives' attempts, for example, at revitalizing a co-operative movement, need to be able to pursue their objectives without being subjected to excessive bureaucratic demands from the state or being destroyed by local political power struggles. Here the (potential) roles of local NGOs must be assessed for the extent to which they can help to facilitate local development initiatives[9] in a balanced and complementary manner. If local government involvement in 'human capital' programmes is stepped up, taking the onus away from the current administratively-oriented 'target approach', then the actions of local NGOs on behalf of particular target groups within the electorate can fulfil a vital role, that parties needing to be re-elected by the majority of the electorate might be reluctant to undertake.

I would argue that in this way, a social transition at the lowest level can assume its priority in the whole Panchayati Raj programme, in particular the socio-cultural issues of gender, ethnicity, and religion must become a focus for a wider process of socio-economic change in the work of the panchayats as decentralized political institutions. But, it is a fragile affair. Achieving the balance between a strong state, strong democratic panchayat institutions, and producing effective development at the local level in the agrarian economy requires support from outside. It is here that the basis for a constructive involvement of NGOs needs to be identified and built upon and it is to this that I will now turn.

NGOs in local rural development

Why is there a need for NGOs alongside the decentralization of government? Firstly, a government rarely does, or will, fulfil more than a few of the wide range of demands that effective democratic decentralized government requires. Rarely if ever is there an adequate devolution of power, of responsibilities or of resources to decentralized government institutions.

Secondly, the government is rarely willing to implement the types of structural reforms and policies that can bring about a transformation in the abilities of marginalized groups and other disadvantaged social actors to contest more successfully in key markets that determine the economic, social, and political conditions.

9 See Webster 1993.

Thirdly, institutions of local government are rarely willing to bring about the mobilization of disadvantaged groups in order to place demands upon the local or central state. In some Indian states, for example West Bengal, this role of mobilization is carried out by political parties who carry through the demands expressed into the institutions of government. More often than not such party political mobilization is the basis for achieving electoral power and then is left to decline or is deliberately set aside. Otherwise, it is the basis for an opposition political party to challenge the party in power, in which case it is opposed or rejected by the party in government. (Maharashtra has the slightly different example of the sugar growers and the powerful lobbies of the co-operatives.)

Fourthly, the electoral focus of political parties upon the institutions of government at local and national levels tends to mitigate against taking up specific local problems or, given the patrimonial nature of local politics, problems that challenge local political elites.

On the basis of these factors, NGOs have come to occupy a central position in facilitating development at the local level, in particular, development directed at improving the condition of the more marginalized and disadvantaged social groups.

Firstly, among the advantages seen to be possessed by local NGOs are that they are *potentially* more actor-oriented because they represent local interests; they are more flexible in their methods and practices because they tend to be local and relatively small; they are more participatory in their organization not least because they are less hierarchical; they are more focused in their development work as it is their principal goal; they are more independent from local power structures and local political elites; and finally, they are more effective as they can better target their intervention.

Secondly, it is now generally recognized that a part of the requirement of a successful democracy is a strong civil society. Civil society can counterbalance the interests and actions of the state where necessary. Civil society is the arena in which the interests of different groups within the social formation can be presented through a wide variety of means and actions.

Use of the term civil society is a problem, not least because there is considerable disagreement as to where to draw the boundaries of civil society with respect both to the state and to the private domain of the individual. There is also considerable disagreement as to what civil society is composed of and as to what its political role can be. However, there is considerable agreement that NGOs are important organizations within civil society adding to its ability to influence and strengthen the process of development in Third World countries.

NGOs are therefore important not just for the fact that they can 'do' development better, but also because they can influence the perception,

including that of the state, of what constitutes better development. If the former has been one of the principal reasons for a growing interest in supporting the role of such local institutions on the part of states and international donor organizations, it is the latter that is now being taken up in discussions on the role of advocacy to be played by such institutions.

In India, only some 2 – 3 per cent of total international development aid is channelled through NGOs, but the ability of Indian NGOs to mobilize resources within the country and from the government is considerable when compared with other South Asian countries. In particular, the last five years or so in India have seen the profile and perceived potential of NGOs assume a far greater prominence in all forums. However, the danger is that by being elevated to such a central role in the process of political liberalization, NGOs risk being encouraged to assume roles for which they are poorly equipped at the expense of those comparative advantages they do possess in local rural development.[10]

What I wish to argue is that NGOs must resist the tendency to have their role determined for them in this way. That there is a need for NGO donors, advocates, and activists to take an analytical step backwards and to begin with the premise that it is neither realistic nor desirable for NGOs to seek to provide an adequate alternative to the state or to constitute part of an ideological project challenging the state. Instead, they should approach NGO-state relations in terms of a collaborative rather than a competitive relationship. The discussion then changes to one of how to make the state a better developer through the intervention and involvement of other actors, in this case NGOs. The next step is then for NGOs to reconsider their development role and political strategy and to establish how best to intervene at strategic institutional points in the political system in order to adjust policy and shift priorities in the development practice of the state.

NGOs should pursue a twin track approach of, on the one hand building an effective base for influencing government through advocacy, while on the other hand building sustainable organizations of people located around their particular socio-economic needs, but with the political ability to begin to effect the process of government and thereby development, from below.

10 It should be noted that if NGOs fail in the unrealistic task, in the absence of an alternative development path there is a real danger that the growing anger of the marginalized, combined with the fear of the governments and the disillusionment of the policy advisers will lead to the unintended consequence of a return to strong governments and the rejection of democracy, human rights, popular participation, etc. as constituting necessary conditions for successful development to occur.

Local institution – local government relations

Two general approaches can be identified amongst analysts of NGO-State relations. The first approach is primarily concerned with assessing and analyzing the relative comparative advantages of the different organizations when it comes to their carrying out specific development activities, service delivery, etc.

The second approach tends to take a more holistic view of the development process and traces the historical development and the socio-economic natures of the different organizations. The role, nature, and interaction between the different forms of organizations are then seen as reflecting the general process of development in a country and its social formation, and in particular the development of the country's state and of its civil society.

The former of the two approaches is reflected in literature primarily concerned with issues of a policy and management orientation. Here the questions raised tend to focus upon the best organizational form for carrying out a particular function or bringing about a given goal. Initially, the discussion was in the context of improving public sector functioning, generating more efficient and effective development systems within the public sector. Subsequently, the debate has changed towards one of government versus non-governmental organizations with the explicit view that being *non*-governmental was in itself a qualification for doing better development. The discussion of different institutional or organizational comparative advantages has thereby come to focus upon a governmental – non-governmental axis with each side assumed explicitly or implicitly to possess inherent advantages (and disadvantages).

To some extent a similar tendency emerged within the second approach. As states were increasingly seen to be elitist, bureaucratically inflexible, top-down in structure, lacking in wider popular credibility, so local NGOs came to be seen as offering political alternatives to the central and centralizing state. That many of these local organizations had emerged as a direct response from the local level to state activities and policies gave them the popular credibility that the state appeared to lack. In effect, NGOs in the 1980s became the new focus for the populist ideas of the 60's and 70's, embracing a faith in the poor and in their ability to overthrow the cause of their oppression.

Today, the focus has shifted once more. Rather than viewing local government institutions and local non-governmental institutions as competitors either from a perspective based upon the assessment of their organizational efficiency and effectiveness or from a more ideological standpoint, the move is towards talking of their functional complementarity. There is a growing belief that a comparison of the functional strengths and weaknesses

NGOs	Political Parties
Potential strengths: - can mobilise marginal groups based upon specific identities (actor oriented) - flexible in adopting new approaches - more efficient in resource use - better at participatory rural appraisal **Common weaknesses:** - questionable legitimacy; donor dependency - long term role; ability to leave - geographically limited; internal autocracy - reluctant to network/coop. with govt.	**Potential strengths:** - based upon both local and mass mobilisation; - possess both technical and political capacities viz a viz mobilisation, campaigning, etc.; - links to higher levels of party and to the state (both government and administration); **Common weaknesses:** - need for electoral support can lead to party placed before local people - popular participation, but not necessarily popular initiative - tendency towards hierarchy and top-down strategy formulation

Umbrella networks
Potential strengths: - the strengths of individual elements (see above) but with a new ability to engage in lobbying, policy advice, programme coordination, resource sharing, etc. i.e. a development division of labour **Common weaknesses:** - differences between NGOs in development orientation, political philosophy, project approach, leadership, management, and organisational styles, competition for donor funds, etc. make cooperation very difficult - similarly, the tendency for competition between the government and non-government/voluntary sectors both in terms of development, service delivery, terms and conditions of personnel employment, resourcing, etc.

Table 1: Potential strengths and common weaknesses of local organisations and institutions in rural development

Local Government	Ministries (local)
Potential strengths: - state backing with resources (personnel, finance, etc.) - popular participation local input into planning - access and influence over administration - popular legitimacy **Common weaknesses:** - only as good as state permits - problems of integrating horizontal councils with vertical departments - lack of political dynamic; "bureaucratic politics"	**Potential strengths:** - a trained workforce - strong organisational structure - research support - function specific departments - resource backing from the state **Common weaknesses:** - top down structure and accountability - centralising tendencies with little flexibility or room for local initiative - corruption - administrative wastage - inter ministry competition for resources - tendency towards self-justification - poor popular participation - bureaucratic arrogance

Project Organisations
Potential strengths: - purpose built organisational structure, tailored to the specific project activity - well resourced - strong management structure and clear lines of accountability - flexible **Common weaknesses:** - too project oriented, lack of political perception at local or macro level - political, cultural and social factors easily become obstacles or problems to project implementation - lack of participation, of popular accountability, of political legitimacy - easily becomes a competitor to the (local) state/government

of the different organizations can lead to the identification of a complementary approach towards the problems of development.[11]

While the approach in assessing capacities is little changed, the concept of co-operation and complementarity is quite different as it breaks with the dichotomous view of state versus NGO. Going one step further is to begin the process of re-conceptualizing the institutions of the state and organizations of NGOs in terms of the political system as a whole. While the role of the state can be said to be to guide, shape, and set the overall priorities and institutional boundaries from which and within which development takes place, the role of the latter, the NGOs, is seen to facilitate the actions of local level actors within that system. While this entails a considerable simplification of the processes involved, not least the political nature of the state, it permits the complementarity of the different roles to be emphasized as opposed to their competitiveness.

However, I would underline the point that here we are dealing with the state in theoretical terms and in terms of its *potential* development role. In *practice* the majority of states, including India, as described above, have tended to become centralized, undemocratic and quite willing to resort to oppression in order to secure their position. Human rights, minority rights, and the democratic rule of law are often the first to suffer. Democracy, in so far as it has been introduced, remains very fragile. Nevertheless, my point is that the conception of the state must not be obscured by the practice of the state, and that one part of the development process must be to change the state and thereby the type of development pursued and supported by that state. If the poor are to become the object of development, the state has a role to play and it must be encouraged to play it.

In the following table I have tried to indicate the types of strengths and weaknesses that the different organizations have with respect to local development. I have covered 6 types of organizations/institutions which I feel represent the full range that have a potential role to play in shaping and facilitating the nature and pattern of development at the local level. In India, the role of political parties is important, but it must be acknowledged that in many countries their role is at best a distant potential. Umbrella organizations might well have been a sub-section of NGOs, but as these could also include local government institutions, I have listed them as a separate category. Finally, Project Organizations is a category that covers the few instances of organizations that have been established by Northern NGOs specifically to implement a project. Action Aid would be a good example in some of its Indian projects.

11 For discussions on NGO-government relations see Edwards 1993, Farrington and Bebbington 1994.

The strengths and weaknesses identified should also be seen in terms of each institution's potential to facilitate development benefitting the poor and underprivileged at the local level and, to a lesser extent, with respect to their potential to affect the direction and political context of development at the level of the state. Obviously, the lists are far from complete, but I feel they do indicate one line of thinking that a focus upon local development must take if it is to take the poor as its object and seek to directly engage their participation in the design and implementation of development in practice.

Towards a re-assessment of strategy for local rural development

Clearly there is a need to separate between the desirable and the realisable in developing an improved strategy of local development that is both pro-poor and rooted in democratic and participatory local institutions. At the general level, not just in the context of India, but for development generally, I would outline the basis for moving towards a new direction in development with the following points:

(i) The primary object is that of bringing about a development process with a strong pro-poor orientation.

(ii) Such a development would require a change primarily in the structural relations that bring about poverty and thereby a major reduction in the poor's differing vulnerabilities to both natural and socio-economic crises. This will primarily require action to be taken by the state aimed at securing better economic, social, and political rights. The political process is therefore quite central.

(iii) Such a transition, given its social, economic, and political nature will be strongly resisted by those interests affected negatively by the change (i.e. those directly or indirectly benefitting from the poor's condition, exploiting their vulnerabilities, etc.).

(iv) The prevalence of anti-democratic, anti-poor tendencies and practices within the majority of states, including India, would suggest that a democratic involvement of the poor would significantly improve their development possibilities, i.e. we should seek to (democratically) empower the poor. Their empowerment is most likely to be effective when channelled through institutional and organizational forms.

(v) The purpose is not to remove the state from involvement in development, but to improve the state's involvement. The democratic decentralization of government is one important means by which this can be achieved.

(vi) However, the strong tendency towards a centralization and concentration of power in the state has resulted in very weak counter-tendencies

towards effective democratic decentralization of government. Meanwhile 'line' ministries in the state remain extremely hierarchical with little or no room for manoeuvre for individuals or departments at the lower and local levels. Political parties tend also towards a high degree of centralization with local politics rooted in patronage and primordial loyalties rather than any form of collective popular mobilization. Local NGOs therefore represent in many instances the only effective range of possible alternatives to bring about an empowerment of the poor.

(vii) The central responsibility of effective non-governmental organizations is to strengthen the role of the poor in relation to the institutions of the state at both local, meso- and national levels either through direct participation or indirectly through advocacy.

(viii) Therefore, the role of NGOs is not just as an alternative to the state. The greater actor-orientation of NGOs permits them to take up the more specifically local dimensions of poverty and to meet the specific needs of local social groupings of the poor (as adivasi women, as dry land cultivators, as scheduled caste agricultural labourers, etc.).

(ix) At the same time there is a danger that the generation and reinforcement of NGOs etc., i.e. institution-building, in becoming the primary objective of the project activities will result in (a) the poorest of the poor tending to be marginalized in the areas covered by their activities, and neglected and ignored outside these areas, and (b) the wider vision of the political processes of both democracy and of development being lost.

(x) To meet these problems, the decentralization and democratization of local government must remain a goal for both Northern NGOs and donor agencies and for Southern NGOs as a political strategy for improving pro-poor development in the longer term and across a broader territorial space and population.

(xi) At the same time, the project activities carried out by local institutions need to be longer to help secure the processes of change. This applies equally to both government and non-government projects.

(xii) A dual track approach is therefore required of NGOs:

(a) local facilitation of the groups of the rural poor through projects; and

(b) macro-actor action through networks at District, State and National State levels with the aim of creating a better political space for the local institutions and of placing the interests of different marginalized and underprivileged groups on the development agenda of the state at all levels.

Towards a more adaptive strategy for local rural development[12]

On the basis of the above discussion I wish to illustrate further the possible complementarity of roles that can exist between the state, local state institutions and non-state institutions and organizations in the field of poverty alleviation and the mobilization of the poor. In Table 3 I have tried to indicate this complementarity of roles in poverty alleviation. The table is based upon a separation of macro-based policy interventions and micro-based policy interventions. The basic argument is that while local institutions can be agents of centrally launched anti-poverty programmes directed at the large groups of the poor – women, sharecroppers, agricultural labourers, landless, the illiterate, the under-nourished, etc. – they can also be agents for local groups of the poor who not only constitute part of these large groupings, but also face specific localized forms of poverty.

Empowerment of the poor can now be discussed with respect to different strategies from different institutions in pursuit of the alleviation of poverty. Local institutions can be seen as possessing a number of possible roles. These would include:

- as better implementors of macro anti-poverty programmes because of their local status;
- as channels for enabling the local poor to influence the formation and direction of macro anti-poverty programmes;
- as facilitators for generating or supporting local institutions of the local poor with the aim of politically asserting their collective needs and/or economically mobilizing to change their circumstances.

From *Table 1* it is clear that not all local institutions possess the same comparative advantages when seeking to bring or facilitate the entry of the poor into the development process. *Table 2* seeks to indicate the merits of three categories of institutions, these could be subdivided into the six categories of *Table 1* on the basis of local field analyzes in specific countries. The argument is simple enough, however, namely that different forms of poverty are best tackled at different levels of intervention and institutions have comparative advantages with respect to the poor in bringing about the process of intervention.

On this basis it is possible to ground a discussion of empowerment in more specific forms of development practice with respect to the different institutions. According to the types of poverty present and the groups of poor involved, empowerment can take many forms. Some examples would be:

12 With acknowledgement to Rondinelli's arguments for an adaptive approach towards development administration. see Rondinelli 1993.

Basis for anti-poverty intervention	Type and level of institution: Central State	Local State (administrative & elective)	NGO/CO/PO
Macro	Macro intervention - land reform - literacy - health - etc. Macro generation of 'political space' for local institutions	Local implementation of macro programmes Local participation in planning Local lobbying of needs from macro programmes	Local implementation of macro programmes Local interpretations or variations on macro programmes Advocacy
Micro	Primarily in changing individuals' and local groups' abilities to negotiate in key markets	Local input into planning formulation Local problems resolved with the tools of provided from macro interventions	Projects designed to meet local problems identified through Participatory Appraisal, etc. Projects of the local marginalised and under-privileged (e.g. electoral minorities.[11])

Table 2: Institutions and anti-poverty interventions

- organizing to lobby for new state policies or legislation,
- participating in the local implementation of a particular national anti-poverty programme,
- electing and participating in local councils,
- being granted rights such as tenancy rights, rights to organize unions or minority rights,
- forming credit unions or agricultural labour co-operatives.

In many instances empowerment will involve a combination of different interventions by different institutions and call upon a range of different practices from the poor.

It is this holistic approach in conceptualizing development, here in terms of empowerment, that needs to be retained while the immediate requirements of building around one specific set of objectives and a limited set of goals are being pursued within the framework of a particular project.

The combination of a revitalization of local government in India led by the examples of West Bengal and Karnataka with the increase in local NGOs with an increasingly political view of development is beginning to generate a

new discourse at the local level which no longer sees local government and NGOs as competitors in development. This paper has tried to suggest that these organizations and institutions are quite different; that they possess not only different comparative advantages, but that they are quite different political phenomena. The task is to begin to see them as constituent parts within a political system that functions at local, meso- or provincial, national and international levels.

Towards a new direction in aid policy for local development

If it is accepted that different local institutions can perform different, but mutually supporting roles in local development, then the role of aid becomes quite critical. Drawing upon the example of local rural development in the Indian context with the assumption that a Northern NGO or bilateral donor agency wishes to pursue a development strategy that is pro-poor, based upon local institutions, and stresses factors of participation, accountability, effectiveness, and sustainability in giving aid support, then some of the forms of support would include:

A donor should begin by considering the country's primary development needs from the perspective of the poor. These might be land reform, security of tenure, rehabilitation of displaced populations, slum upgrading, etc. Once identified, the possibility of developing a range of different types of project activities around these should be explored in terms of the local institutions present and capable of taking on a role in such an activity, the potential for spreading the activity across a range of different types of institutions, and the 'political space' available to the different local institutions (both present and potential) from the state.

A donor should develop a set of guidelines for the assessment of the nature and (potential) role of local government and administrative institutions to bring about development with a strong pro-poor orientation. Key variables for such an assessment would be participation, accountability, sustainability, effectiveness as well as the political context or space in which these institutions are located.

A similar set of guidelines need to be generated for assessing potential Indian NGO partners. In addition to the above variables, legitimacy i.e. the political relationship to those they seek to represent (this is more than just participation and accountability) should be included.

With respect to its ongoing engagement with local development, the donor agency, Northern NGO, etc. should regularly assess its own capacities to carry out the range and types of activities in project activities with a strong pro-poor orientation and involving local institutions in the different countries.

It should encourage networks of local institutions to develop and maintain a more global vision of the context in the country and to assess the implications of ongoing political and economic reforms. It should seek to assert pressure upon the government via lobbying from international and internal NGO networks to pursue greater decentralization of democratic government where it can be seen to be tactically useful in pursuing a pro-poor development strategy.

The development of a more general 'advocacy' role in support of networks of local NGOs etc, with respect to the Indian state, with respect to bilateral and multi-lateral donor agencies and Northern governments providing aid, in pursuit of both tactical and strategic goals in aid policy. As part of this process forums could be organized around local, mezo- and national seminars to discuss the relationship between local institutional development and the state, perhaps focusing upon particular issues – land reform, minority rights, tenancy reform, the forest environment, etc. This would help towards building an element of trust and respect between the local government and the non-government sector and to break the current 'competitive' tendencies.

With respect to the local level project activities, pre-project appraisals must map out the political context for the proposed project at local, mezo- and national levels. Potential and likely developments during the project's life should be identified and incorporated into the partner's thinking.

Financial inducements could be used to encourage inter-institutional co-operation and co-ordination – for example matching grants, resources to local state institutions, etc. and generally there is a need to identify a range of instruments to shape a better interaction (finance etc.).

In developing project activities, the political legitimacy of local state institutions should be recognized and respected more, even when its popular basis might be extremely weak.

To conclude, in *Table 3* I have sought to summarize a number of points concerning the potential roles of northern states as donor agencies, of Northern NGOs and of Southern states in the generation of a 'better' strategy towards local development. As with Table 1 the purpose is to suggest that we should look for complementarity and mutual support in the generation of policy and aid policy rather than competition. Obviously, such a development must be based upon mutual trust and respect for each other's role rather than to allow the ideologically derived divisions to emerge that tend to characterize much of the present relationships.

The central premise behind the 'new direction' in development and aid policy is the belief that people, and in particular groups of the poor, can bring significant and substantive changes to their own condition while being part of their country's overall development process. Interest and belief in the

DONOR AGENCIES (STATES)	*NORTHERN NGOs*	*STATE*
Potential strengths:- - resources (financial, technical, intellectual, etc.); - bilateral and multi-lateral instruments; - a degree of international legitimacy (state system etc.); - flexibility with respect to new development methodologies; - comparative experiences from other countries and from own governmental role; - political and economic influence; - developed monitoring and evaluation capacities; - access to 'state of the art' research; **Common weaknesses:-** - ideological/philosophical orientation; - commitment is supply driven rather than demand driven; - suffers from bureaucratic procedures and fixed management models; - need to meet own political agenda; - tendency towards a top-down approach; **Possible support to a new direction in aid:** **To southern states:** - Resources (financial, technical, intellectual, ex-pats, etc.) - monitoring and evaluation; - policy advice; - debt relief, market support, - twinning with local authorities, - development of local research capacity; **To southern NGOs:** as for northern NGOs	**Potential strengths:-** - resources (financial, technical, intellectual, etc.); - flexibility with respect to new development methodologies; - comparative experiences from other countries; - influence; - developed monitoring and evaluation capacities; - access to 'state of the art' research; - a degree of autonomy (e.g. in identifying 'rights' priorities); **Common weaknesses:-** - legitimacy in the country of intervention is at best ethical and highly partner dependent; - legitimacy in country of origin is at best ethical and member-based; - ideological/philosophical orientation; - commitment is supply rather than demand driven; - suffers from bureaucratic procedures; fixed management models; a need to seek legitimacy (e.g. accountability) in country of origin, etc.; **Possible support to a new direction in aid:** - advocacy in the north; - provision of resources (financial, technical, intellectual); - an 'aid leverage' on southern states; - local tailoring of capacity building; - pressure to and/or support for networking of southern NGOs; - support for democratic decentralisation of government; - discussion of NGO - local government relations;	**Potential strengths:-** - a recognisable legitimacy (constitution, internal recognition; international recognition; etc.) - structural reform (land reform, tax reform, nationalisation, privatisation, etc.); - institutional capacity for implementation (ministries, etc.); - willingness (to bring about development); **Common weaknesses:-** - weak (local) institutions and weak inter-institutional cooperation; - fixed political processes; - fixed bureaucratic procedures; - weak autonomy w.r.t. international actors & internal vested interests; - entrenched development models; - unreceptive to local needs and bottom-up participation; **Possible support to a new direction in aid:** The generation of political space (including tolerance) for local NGOs engaged in the development process:- (a) institutionally, for example through: democratic decentralisation administrative - local government accountability promoting popular accountability financial support to local institutions (b) structurally, for example through: - land reform - securing of the rule of law and 'rights' - welfare, education (literacy), health programs.

Table 3: Towards a better local development: the potential roles of donors, northern NGOs and southern states

importance of democracy and of local institutions is founded upon this belief. To this end, the generation of greater 'political space' for local institutions and the raising of their capacities to engage in development actions within this space might be seen as the two guiding principles that inform much that is referred to in Table 3 and should inform a better aid policy generally.

Abstracts

Dieser Beitrag versucht die Rolle lokaler Institutionen in der ländlichen Entwicklung neu zu bewerten, wobei die Rolle sowohl die Wirksamkeit ihres Engagements als auch die Entwicklung einer besseren Hilfepolitik externer Organisationen, welche ländliche Entwicklung durch lokale Institutionen zu erreichen sucht, zum Ziel hat. Aus institutioneller Perspektive werden zwei Fragen diskutiert, einmal die nach wirksamerer, verantwortlicherer und partizipativerer lokaler Politik, wobei die Institutionen des Panchayati Raj im Mittelpunkt stehen. Zum anderen steht die Frage des staatlichen Einflusses zur Debatte, das heißt mit anderen Worten, die Frage nach einer stärkeren Rolle des Marktes. Lokale indische NGOs spielen in diesen Argumenten sowohl wegen ihrer Fähigkeit, die kurzfristigen Auswirkungen der neuen Wirtschaftspolitik abzufangen und eine starke zivile Gesellschaft zu schaffen, als auch als Gegengewicht zum Staat durch Einbeziehung einer größeren Zahl seiner Bürger, besonders jener, die bisher ausgeschlossen waren, eine Rolle. Es wird die Entwicklung einer stärkeren ‚Anwaltsrolle' zur Unterstützung von Netzwerken in Bezug zum indischen Staat, den bilateralen und multilateralen Hilfsorganisationen und Regierungen aus dem Norden vorgeschlagen. Solche Maßnahmen müssen auf allen Ebenen, von der lokalen bis zur nationalen, durchgeführt werden, wobei mehr auf Komplementarität und gegenseitige Unterstützung bei der Formulierung von Wirtschafts- und Hilfepolitik geschaut werden sollte, als auf Konkurrenz.

This paper is an attempt to reassess the role of local institutions in rural development with the aim to aiding both the ultimate effectiveness of their involvement as well as the development of better aid policies by external organizations that wish to promote a pro-poor rural development through the local institutions. From the institutional perspective two arguments are discussed, one for more effective, more accountable and more participatory local government focussing on the Panchayati Raj institutions. The other asks for a reduction in the state's involvement in development, in other words, for a greater role to be played by the market. Local Indian NGOs figure in these arguments both for their ability to cushion some of the short-term effects of the new policies and to create a strong civil society that can

counter-balance the state through the political incorporation of a greater number of its citizens, particularly those previously excluded from development. The development of a more general 'advocacy' role in support of networks in relation to the Indian state, to bilateral and multilateral donor agencies and Northern governments providing aid is proposed. Such measures have to be taken on all levels, from the local to the national. It is suggested that one should look more for complementarity and mutual support in the generation of policy and aid policy than for competition.

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Development Strategies: A Case-Study of an Integrated Community-Based Project Magarini Integrated Rural Development Programme, Kenya

MIRDP's history and background

Magarini Settlement Project (MSP)

MIRDP evolved out of MSP, a settlement scheme in Magarini Division, Kilifi District, Coast Province, Kenya. MSP's objective is to settle the people already resident in the area and registered as squatters and give them title deeds. The need for the scheme is caused by the fact that, although the people have been living there for generations, they have no land rights. The land is either government land or it is owned by absentee landlords mostly from Zanzibar.

The implementation of MSP commenced in November 1978 after some feasibility studies had been carried out. The project was jointly financed and implemented by the Australian and Kenyan Governments up to June 1988. The original target of the project was to settle approximately 4,000 families. Each family was to be allocated 12 hectares (30 acres) of land.

The project encountered a number of problems caused amongst others by inadequacy in community involvement, lack of survey personnel in the project area, poor co-ordination between the Australian and Kenyan survey teams, and policy changes in the demarcation of plots from 30 to 15 acre plots and later reversal to 30 acre plots.

The most adverse effects had the lack of community participation and involvement. The project was planned very ambitiously and without any consideration of cultural and traditional values, attitudes of the community and sustainability of its interventions. The result was that the scheme met strong opposition from the people, many families did not take up their allocated plots, and the communities never felt responsible for infrastructural facilities like water supply which in turn resulted in the breakdown of most of them.

Malindi NGO Programme

An appraisal of MSP in 1984 recommended participation of an NGO to strengthen the resources and organization of the settler community and bring the component of community involvement. KFFHC started operating in 1986 as Malindi NGO Programme and brought a new approach to the project. It identified well-respected and capable community members who were employed as field workers and provided the link to the communities. The communities were involved in the planning of the activities, responsibilities were transferred to them, e.g. by introduction of committees to manage water sources, and they were required to contribute to all the activities. The main emphasis in the programme was on water development, preventive health measures, and simple income generating activities. Specifically the water activities were kept much more down-to-earth: shallow wells with hand pumps instead of boreholes and complicated reticulation systems which were absolutely not sustainable.

The reactions of the communities to the new approach were mixed: although they appreciated their increased involvement, they had got used to the previous approach of giving them free hand-outs and expected this to continue.

In 1990 the Australian funding for the project expired. The programme came to a standstill, only a few activities supported by communities continued when there was no donor support. KFFHC developed a new proposal and tried to identify new partners. They were found in the Austrian Government through an Austrian NGO, Austrian Service for Development Co-operation (ÖED). The funding for the new programme under the name Magarini Integrated Rural Development Programme (MIRDP) was verbally approved by the Austrian Chancellery in July 1992, but it was not before the end of the year that the first funds could be availed.

MIRDP

Planning of the programme

Early 1993 a basic programme team was put in place, where possible using staff who had previously been working in the programme. Being aware of the importance to involve the relevant line ministries, we started the planning process with a planning workshop involving KFFHC staff from Nairobi head office, MIRDP staff and representatives from the line ministries. The animators represented their communities.

While planning, we could build on the experiences of MSP and Malindi NGO Programme and try to avoid their pitfalls. A heavy emphasis was put

on sustainability of the activities, and to achieve this, it featured strongly that the activities have to build on the communities. The motto was: *The communities lead, and we follow.*

Original concept

And this is what the resulting programme looks like:

The overall-objective is to uplift the general status of living of the local communities on a sustainable basis.

The major components are:

- Community Mobilization and Training,
- Health and Nutrition,
- Water Development,
- Food Security (FS) and Income Generating Activities (IGA).

Community Mobilization and Training is to be the integrating factor to carry all the other components.

Health and Nutrition has mainly two lines:

- sanitary facilities on homestead-level, emphasizing on Ventilated Improved Pit Latrines (VIPLs) and simple water filters for treatment of drinking water;
- a Community Based Health Care (CBHC) system involving training of Community Health Workers (CHWs) and Traditional Birth Attendants (TBAs) for basic health activities in the villages as well as Village Health Committees (VHCs) to oversee the health activities in each village. We are using the Bamako Initiative (BI) approach, a CBHC programme which facilitates the setting up of Community Pharmacies (CPs). These are village health centres run by the communities where basic drugs are kept, CHWs can do minor treatments and sell the drugs as well as other materials like impregnated mosquito nets. Much importance is given to an information system to let the communities know about their health status. In Kenya, the BI is supported by UNICEF.

Water Development continues very much along the lines of the previous phases with rehabilitation of existing and construction of new pans and wells, additionally roof and ground catchments with ferro cement tanks. All this is to be done with community contributions and community involvement, water committees are to be revived or set up to manage the water sources.

Food Security (FS) and Income Generating Activities (IGA): IGA having been the least successful component of Malindi NGO Programme, we changed the

approach and decided to build it on the traditional lifestyle of the rural communities which is agriculture, combined with a revolving loan scheme. Community loan committees are to oversee and finally take over the credit scheme.

Experiences and new insights during implementation

The team started enthusiastically. The villagers dug pits for the latrines, we trained artisans, mostly students and teachers from the two Youth Polytechnics (YPs) in the area, to produce slabs for the pits, they started producing them in one of the YPs. As many latrines had collapsed in previous phases, we tried to find proper designs especially for the lining of the pits which were suitable for the unstable sandy of black cotton soils in our area. In all these we got good co-operation and a lot of advice from Kilifi Water and Sanitation Programme (KIWASAP), a Government of Kenya-GTZ co-operation in Kilifi. Also for water activities, e.g. construction of ferro cement tanks with roof-catchments, KIWASAP gave us advice and trained our artisans.

But then we hit some snags. Let us use the VIPL construction as an example:

The villagers dug their pits much faster than we could come up with the proper design and deliver the required materials, specifically cement for the lining, or produce the slabs let alone the transport of those heavy things from the YP to where they were needed. Our recommended lining methods were too complicated and labour-intensive, so that they were often not followed properly, resulting in collapsing of latrines during the rainy season.

When we were still struggling to overcome these problems, others took initiative to solve some of them. Animators used a type of lining which is similar to the traditional building methods for houses, much simpler and more stable than our KIWASAP-designs. The YPs adopted a simpler method for slab production than they had learned at KIWASAP which enabled them to produce much faster. Only the transport problem nobody solved for us.

It was quite obvious that our beautiful design was simply not suitable for the area we are working in. As much as GTZ through KIWASAP provided a technically very sound solution to our needs, it was too expensive, too complicated, and required too much logistics like transport to succeed in our area. We clearly had to change the approach: we are now transferring construction of the slabs for the latrines to the villages where they are required so that the problem of transport won't bother us any more. For lining of the pits we will use the traditional methods developed by our animators – we should have asked them in the first place.

Another interesting experience: In our original concept, Community Pharmacies were meant to supplement government services. But when they were implemented, in the absence of functioning government services they turned out to be the only health facilities in the area. Similar aspects apply to water.

Resulting policies

The experiences with these projects and programmes, starting from MSP in the late seventies until MIRDP's current set-up, have lead us to define our development strategies. The scenario we want to introduce has as actors the community (target group) and development agencies which include:

- the government of the developing country,
- a local NGO,
- and a foreign donor – governmental or non-governmental.

Let's now analyze how they co-operate:

The foreign donor looks for an entry point to the community to be assisted. This entry point is usually provided by the government of the developing country. However, experience shows that projects initiated this way are rarely sustainable. In their attempts to address this problem, donors move down in the hierarchy of the local governments to district level as to be closer to the communities. At the same time, they try to enhance sustainability through capacity-building of the implementing government institutions.

But even these efforts usually show little success in sustaining the started activities. Why they cannot succeed can be seen when we look at the scenario from a different angle, namely from the communities' point of view. The community has needs and aspirations, its limitations are:

- lack of forums to discuss their needs,
- lack of confidence in themselves,
- lack of expertise,
- lack of materials/funds.

Our task as development agents is to assist them to overcome the limitations: analyze the communities' structures, find an entry point, enable the communities to interpret their needs and aspirations and find their own solutions. Only after this has been done, expertise and materials or funds from outside can genuinely benefit the community. This is the biggest challenge in development work and requires a closeness to the community which is only possible for NGOs. Governments work along different lines and are service-oriented which is opposed to the above approach.

From the above said it is also evident that only the communities themselves can sustain their development activities. Experiences like the Bamako Initiative described above show that the more an activity relies on the communities, the easier it can be sustained. When we talk of capacity building we must talk of building the capacity of the communities themselves

and not of any outside institution. A tool for this kind of approach can be Participatory Rural Appraisal (PRA), but never ZOPP.

Does this mean that we want to exclude the governments of the developing countries from any development co-operation? Not at all.

Co-operation local NGO – government of the developing country

There is a strong attitude amongst many NGOs of rejecting any co-operation with the government in the developing countries. This is understandable if one knows about the rampant corruption, inefficiency and bureaucracy. However, we don't agree with this opinion. Due to an elaborate structure of the government all over the country it is still desirable to collaborate closely in order to enlist its support as and when needed. Our experience shows that most civil servants are ready to co-operate when they are properly approached, informed and selectively used. The advantages of working with them are obvious.

- You can not operate fruitfully in any country while at the same time working against the government of that country. This does not mean supporting all government policies.
- Using taxpayers' money, the government has set up structures everywhere in the country which are supposed to serve the people. Through careful co-operation, NGOs can fruitfully use these structures and resources to be benefit of the people.
- Co-operation with the government has helped to improve mutual understanding, confidence and to remove suspicion which otherwise easily arises.
- Experience has shown that collaboration with civil servants on specific programmes and approaches has widened their horizon and helped to change their attitude towards the people.
- Due to the permanent nature of government institutions/ministries, they can provide sustainable fall-back positions to community projects while the NGO's stay is always limited.

Therefore our strategy which we also follow in our programme is: The entry point to the community has to be provided by a good local non-governmental institution which is capable of working closely with the community and enabling it to analyze and address its own problems rather than doing these tasks for them. This local institution, however, has to co-operate closely with the country's government on all relevant levels. The funds required for the activities have to be channelled through the NGO – channelling them through the government as well as giving them directly to the communities have adverse effects.

Genuine community participation

Let's now analyze our experiences with community participation as an NGO. Although from the onset of the programme we had been talking about community participation, we eventually found ourselves doing something different. We had set up a time frame and pre-determined their contributions in various activities and expected them to follow. However, our motto was to have the communities lead and we follow. The result was that the time frame could not be met nor were most of the community contributions forthcoming. The lesson learned is that you can not plan effectively on behalf of the people until you start working with them. For meaningful development to occur, the most important actor is the community, yet, it is the one who is least consulted in designing development programmes. This experience calls for:

- Pre-programme phases which are not only used to set up the programme team and the office, but even more importantly to plan and design the activities with full involvement of the community concerned. Only after this pre-programme phase a fairly reliable Plan of Action and budget can be put in place.
- Flexibility during implementation of the programme when and as need for change arises. It is important to see the community as a dynamic society. The positive change is a desired impact of every real development programme. Changing programme designs in the course of implementation is not always a sign of poor planning but can also be a reflection of emerging community aspirations.

The ultimate level of community participation is when they begin to define their own destiny. The only way to achieve sustainable democracy is through participatory development.

We have outlined the importance of community participation in this process. Now, how can community participation be achieved?

- The first important step is to establish a rapport between the community and the development agency which only can come through mutual trust, respect and love. Once this trust is established, the community opens up and communication starts.
- On this basis, needs assessments, ranking of problems and understanding their causes can take place. Intervention activities designed with full participation of the community through this process will genuinely address their felt needs. Participatory Rural Appraisal (PRA) has proved to be a suitable tool to achieve this.
- During implementation, every effort must be made that the centre of activities remains within the community. This is easier said than done: you have set targets to achieve, you have deadlines to meet, and it is much easier and faster to do everything for the communities than through

them – but this would be dangerous and remove the basis for sustainability.

This principle is supported by our experiences in MIRDP: With our VIPL construction we had removed the centre of activities from the community, used imported and therefore unsuitable technology, and were forced to return to the villages and to the communities' own methods. The Bamako Initiative, on the other hand, put the centre of activities from the beginning to the community. It turned out to be much more reliable than the government's health services.

Integrated development

Our approach to development which is human centred and brings development through the people themselves cannot be separated into sectors as opposed to the traditional approach which tried to bring development from outside. Integrated development is more than running many activities at the same time.

Physical structures versus development through change

Our experience shows that the physical structures put in place during a project implementation are often more acknowledged by outsiders than the development through change. Unlike the change in the community, they can be easily shown, seen and photographed. Over-emphasis on physical structures at the expense of development through change has seriously undermined sustainable development. Physical structures are only acceptable as indicators for development if they have been achieved through the communities themselves.

No wonder, everybody is complaining that the structures that have been put in place, be it physical or institutional, are not sustainable: they have been put from outside and not through the communities.

Development and democracy

Development and democracy are inseparable. The same process which leads to sustainable development and which we outlined in this presentation also leads to democracy. In most African countries, there exists a passive silence especially among the rural communities which breeds dictatorship as well as it hinders development. When we started our programme, we only

thought of sustainable development and had no intention to politicize the programme. However, as we proceeded using the methods described, we realized that our meetings with the communities turned out to be highly political. As we assisted them in listing their problems, analysing their causes and seeking solutions, they overcame their passive silence and automatically started challenging their leaders.

In recent times, there has been a big debate whether foreign aid should be linked to good governance and the process of democratization. This attitude is hypocritical: from history it can be seen that Europe and America cannot claim to be masters of democracy. It is well known that even after the end of the colonial period the post-colonial dictatorial regimes in Africa and Latin America were and still are sustained by the Western Powers.

So should development aid be given regardless to the kind of governance? This is not the right way to address the question. The issue is how the funds are channelled and what type of project they support.

If funds are channelled through the central governments, their main impacts is to reinforce the dictatorial system of the regime. Even the small portion that trickles through to the community will contribute to this impact through political strings and the message it conveys.

However, if different channels are used which ensure that the benefits of the funds reach the community directly in a development project of the nature we described and thus strengthen the community itself with proper messages of development, then the process of democratization through development will be triggered.

Abstracts

Da es sich bei der Zielgruppe um eine lokale Gemeinde handelt, besteht eine wesentliche Frage in der Art des Zuganges zu dieser Gemeinde. Die Erfahrungen aus dem Projekt zeigen, daß der geeignetste Zugang über eine gut funktionierende lokale NGO gefunden werden kann, die in der Lage ist, mit der Gemeinde eng zusammenzuarbeiten und diese in die Lage versetzt, ihre eigenen Probleme aufzugreifen und zu untersuchen. Gleichzeitig muß diese Institution mit der Regierung des Landes auf allen Ebenen eng zusammenarbeiten. Es ist empfehlenswert, die Mittel für die Projektaktivitäten über die NGO und nicht über Regierungsstellen einfließen zu lassen, da dies vermutlich nachteilige Auswirkungen auf die Projektziele hätte.

As the target group is the local community a crucial aspect involves the question of how to approach the community. The experience of the project shows that the most suitable point of entry to the community can be found

by a reasonably well functioning local NGO which is capable of working closely with the community and enabling it to analyse and address its own problems. However, this institution has to co-operate closely with the country's government at all relevant levels. It is advisable that the funds required for the projects should be channelled through the NGO and not through government agencies, because that would most likely have adverse effects on the objective of the project.

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CARE Österreich Development Policies

In 1992 the development section of CARE Österreich was founded. Two programme officers who present the staff of this section are actively involved in planning, design and implementation of development projects in the Third World. The section concentrates on two major subject areas: Small Enterprise Development and Natural Resources Management.

I would like to give a brief idea on the contents of three CARE Österreich environmental development projects already in operation and then try to analyze the common features of all the interventions supported by CARE to give a picture on the development policies CARE Österreich tries to pursue.

Bushenyi Agricultural Innovation Project, Uganda

The oldest CARE Österreich project is the Agricultural Innovations Project in Bushenyi District, Uganda. It was actually conceived by Dr. Palme, the organizer of this conference who went to Uganda in 1992 to define useful and feasible ways of intervening through a project in the SW of Uganda, a priority area for Austrian development co-operation. The two year pilot project started in 1993 and seeks to help farmers of Bushenyi District to increase household income and to stop the alarming environmental degradation in this area. It is attempt to achieve this by strengthening the extension service of the Government of Uganda, by direct participation of small farmers, and by the promotion of local initiatives to safeguard the environment. The project has been working in three sub-counties which were chosen to cover the whole range of socio-economic and environmental conditions of the area.

The pilot phase project ends in December 1994 and is now in the process of extension to two districts and a duration of five years. The pilot project served as a start, a way of trying out interventions, finding flaws and being able to change directions if necessary.

In the first phase project participants were more or less unexpectedly confronted with new ideas to be introduced in their management of natural resources. These included banana management, pasture improvement, agroforestry, erosion control and nutrition.

In June this year, after 18 month a participatory planning workshop with representatives of all project participants was held. It was the aim to conceive and create a second phase which tries to learn from the pilot, include as many

wishes as possible and redirect where interventions have not proved efficient or even failed.

Support of the Green Belt Movement, Kenya

In a two year effort, it is tried to give support to the Green Belt Movement, a Kenyan NGO which for 15 years has been involving a network of women's groups in tree planting activities. It has thus contributed for many years to fighting the environmental degradation of the country and additionally raised women's self-esteem and income possibilities. The whole project by no means aims at changing the GBM's way of operation which has been tried and has slowly developed out of the local structures.

CARE's intervention tries to introduce an efficient and decentralized administration which shall lead to an increased effectiveness of the Movement after the finalization of the project. Through the establishment of offices in the districts GBM tries to get into closer and more continuous contact with the actual beneficiaries of the project, the farmers who plant trees and so have an important influence on the conservation of natural resources in the country. Also, increased efficiency in central management and independence from the actually sole co-ordinator is to be achieved through intensive training of staff and creation of some new positions in administration. Exact and punctual internal monitoring due to improved data processing should improve all the local activities.

'TIERRA' Guatemala

Since July 1994 the project 'TIERRA' ('earth, ground') is operational in the lowlands of Guatemala, the Petén. Incorporated into a larger project dealing with environmental education, it seeks to tackle the problem of land-ownership. Land tenure can be regarded as one of the basic problems, faced by the so-called Third World, leading to environmental destruction by subsistence farmers who are seeking to survive on the base of the natural resource. In many countries, these people are under constant threat to be evicted from the land they are settling on. They therefore do not think of investing in the future by applying lasting and sustainable agricultural practices which would help to keep the soil fertile.

The sub-project tries to lend effective legal assistance to settlers who exert ecological pressure on the Biósfera Maya (largest forest conservation area in Guatemala) in order to enable them to acquire land titles. Thus, and by means of extension work about careful and ecologically sustainable but economically profitable cultivation of the existing agricultural area, a stabilization of the agricultural borders is aimed at. Also, it tries to add to efforts preventing the further destruction of forest resources.

Activities comprise the surveillance of land borders, the results of which should in the future be the basis for the acknowledgement of land titles; a survey of the customary law of the Q'eqchi', free legal counselling, training of community members as legal promotors and elaboration of suggestions for an agrarian reform adjusted to the Petén situation are to be carried out.

By giving legal advice to settlers in the Petén which includes bringing into order the papers in principal necessary to acquire land and enlighten them on their rights as found in Guatemaltecan law, the project pursues giving the inhabitants of six villages a basis for and the hope to becoming the lawful owner of the land they settle on one day. With this in mind, the people are more likely to adopt sustainable cultivation practices, which on the one hand conserve and protect the soil and on the other make it unnecessary to expand or shift their agricultural borders.

Small pilot activities

This was a very brief overview on CARE Österreich activities in the natural resources sector. As apparent, CARE Österreich tries to start small, with pilot activities large enough to give a representative picture on what the projects' interventions try to achieve and change to the positive, but small enough to prevent unintentional damage.

Flexible projects adapted to local structures

We hope to learn lessons of these pilots which in the future can be applied in longer and broader term interventions. We are, however, aware that any project has to be flexible during the whole of its duration. It must not be defined and planned too rigidly. It has always to be able to answer the changing needs of its ultimate beneficiaries and in the shorter or longer run be incorporated in their every-day lives. CARE Österreich projects aim at helping the poorest of the poor to improve their lives not only during the project but in the long run. This is only possible if they are adapted to local structures and traditions and if all beneficiaries are able and willing to participate. We try to explore possibilities and find interventions that make it possible for the population concerned to carry on with it even if the project has been terminated. What I have described is generally called sustainability. In my view, it can only be achieved, if from the start a project pays attention to and makes use of the various interrelationship between man and nature, political structures and traditions of the countries they are working in.

Capacity building

CARE Österreich tries to restrict its interventions to supporting already existing initiatives or institutions. In that way CARE Österreich believes to have a guarantee that interest in changing a situation already exists. CARE Österreich tries to hook in and assist with means of technical and institutional support in order to strengthen and widen capacities in all its projects.

Participatory planning, help for self-help

CARE Österreich aims at carrying out the planning of projects with as many of the participants, as possible, 'from farmer to director general'. Only that way it is possible that everyone who is to benefit can utter his/her wishes, ideas, concerns, and doubts. The aim is to offer help for self-help and can only be achieved in a participatory way. CARE Österreich programme staff tries to listen, to structure, and add the necessary technical details in order to make it one piece. Projects should thus assist as many people as possible to improve their living standards and consequently decrease the environmental degradation often connected with the use of natural resources.

Location specific environmental interventions

In Uganda participatory planning is even taken a bit further by taking into consideration that needs vary from location to location and can hardly be defined for, as is the case in this instance, a whole district. It was realized that some interventions introduced during the pilot phase showed higher acceptance than others suggested by the project. It is believed that this was due to the impossibility of researching priority needs in a short preparation phase. In the new phase it is aimed at trying to make use of groups of environmentally interested beneficiaries to define the particular problems and formulate priorities for their area. The project will then step in and decide about interventions from location to location. By involving the farmers in this process, a high acceptance and adoption of interventions can be expected.

Local project staff

CARE Österreich prefers to employ local professionals for the management of projects. It is believed that a crucial part of exercising influence and of having a chance to being listened to by the local population is that the project staff know the local language and courtesies and that they are aware of the traditions and also the administrative labyrinths of the country and region they are working in.

It is CARE Österreich's belief that by making use of local expertise where possible a large step towards the acceptance of project interventions is made

from the start. Neither of the three operational projects in natural resources management mentioned employs expatriates. CARE Österreich, however, does not guarantee for this to be valid for all future projects. CARE Österreich is aware of the difficulties in many countries to find adequate personnel. However, much effort will certainly be put in finding project staff with enough experience and a deep understanding of the local culture in order to avoid unnecessary delays and problems in the implementation.

Improved internal monitoring

Critique was made by a review team that during the pilot phase of the above mentioned agricultural project in Uganda insufficient instruments for monitoring the success of the project had been developed. In reaction to this it is now tried to adjust the next phase in a way that strong emphasis is put on establishing a monitoring system that satisfies the needs of outside parties who want to have a measurable proof of the achievements.

It is, however, believed that more importantly the monitoring of projects can be used as a precious means to evaluate the effectiveness of interventions with respect to its beneficiaries. In the future, monitoring systems will be set up which help to refocus activities during the run of the projects so as to guarantee optimal adjustment to the needs of the ultimate beneficiaries. In order to achieve this, as mentioned before, projects have to, be designed very flexibly, giving space for changes during implementation, avoiding a too rigid definition of project interventions. Baseline surveys at the very start are essential to assess the situation at hour zero. A lot of care has to be given to the definition of verifiable indicators with which the move towards the goals aspired to can be pointed out. They must not be too ambitious and they need to be easily measurable, if possible by the beneficiaries themselves. If, in the course of projects, it is realized that things are not going in the desired direction, monitoring will serve as a guide and help to decide on changes which raise the probability of approximation to goals.

Emphasis on gender aspects

It was found that in some of the interventions – although aware of gender issues – introduced by the project in Uganda, which is the only CARE project running long enough to see trends in one or the other direction, women's workload increased even more. Therefore, the danger of non-acceptance and non-sustainability of the new practices introduced was given. It is the aim to find and define in existing and future CARE Österreich projects ways of achieving and promoting a more just distribution of work on the farm between women and men. In particular, the project in Uganda will focus on

defining interventions that on the one hand improve the farmers' situation, and on the other, by tradition, are exclusively carried out by men. It will also try to promote so-called womens' crops in order to achieve the possibility that of a share of the household income being kept by female parts of the family.

I hope to have been able in this short time to draw a sketch for you on the directions we want to follow in the future in order to achieve maximum impact. It is also an important goal to guarantee a moral justification for the interventions CARE Österreich choose to implement.

Abstracts

Dieser Artikel beschreibt drei umweltorientierte Entwicklungsprojekte in Uganda, Kenya und Guatemala, die von CARE Österreich betrieben werden. Einige der gemeinsamen Merkmale und Erfahrungen dieser Projekte betonen die Notwendigkeit der Aufrechterhaltung einer bestimmten Flexibilität während der gesamten Projektlaufzeit, um in der Lage zu sein, Antworten auf sich ändernde Bedürfnisse der Betroffenen zu finden. Dies verlangt eine Anpassung an lokale Strukturen und Traditionen, was die Bereitschaft und Fähigkeit der Betroffenen zur Teilnahme am Entscheidungsprozeß erfordert. Die Interventionen sind auf lokale Initiativen und Institutionen beschränkt, die auf die Erweiterung der technischen und organisatorischen Fähigkeiten der Betroffenen abzielen. Deshalb zieht es CARE Österreich vor, einheimische Fachleute für die Projektleitung einzusetzen. Die Entscheidungsteilnahme wird so breit wie möglich angelegt, um alle Wünsche, Anliegen und Zweifel der potentiellen Nutznießer während der Planungs- und Designperiode schon zu berücksichtigen.

This article describes three environmental development projects run by CARE Austria in Uganda, Kenya, and Guatemala. Some of the common features and experiences from the projects emphasize the necessity for maintaining flexibility during the entire period of the projects in order to be able to find answers to the changing needs of the beneficiaries. This calls for an adaptation to local structures and traditions which requires the ability and the willingness of them to participate. Interventions are restricted to local initiatives or institutions with the aim of enhancing their technical and organizational capabilities. Therefore, CARE Österreich prefers to employ local professionals for the management of projects. Participation is designed to be as broad as possible in order to incorporate all wishes, concerns, and doubts of the potential beneficiaires during the planning and design process.

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Towards a Strategy of Institutional Reinforcement: A Personal Synthesis[1]

The objective of institution building consists of increasing the capacity of local actors to achieve their development objectives efficiently (that is: effective and at the lowest cost) and autonomously (that is: by their own means). To a certain extent, institution building has always been an objective of the international development co-operation system, as witnessed in the tens of thousands of people sent abroad for training and education, the counterpart-technical assistant system (at least in its theoretical justification), the investments made in local universities and policy units, etc. Yet, this objective has not received the prioirity it deserves: most development aid seeks to solve problems, not to strengthen local capactiy to solve problems. Moreover, the strategies employed to achieve this objective have not been adequate, and their results disappointing. In fact, some experts consider most development aid to be a case of institutional *destruction*. Hence, the need for reflexion on new strategies – the topic of this conference.

It is now generally recognized that in *all* development projects, the strengthening of local institutions, public, private or associative, should be a primary objective. This will increase both effectiveness and sustainability, *i.e.*, the chance of survival of the project's results after withdrawal of external support. This conference dealt with this problematique in the field of rural development.

A first issue confronting the practitioner is the crucial one of the choice of the institutions-to-be-strengthened. Any discussion about this is a highly ideological matter, and this also showed up clearly in the conference. For some, the private and associative sectors are the ones to be strengthened, for it is from them that durable development will emanate. For others, it is only the state that can guarantee equitable and sustainable development, and hence public institutions should be strengthened in priority. For others, the debate is between the role of the state as a providor of services to the population (health, education, security, transport, research and extension, etc.) and the state as an enabler/regulator with the actual services being provided by the private sector. The discussions in this conference reminded us that

1 The main points of this synthesis have been prepared and discussed previously with the two organisators of the conference (Mr. Palme and Mr. Fino).

whole goal of IR seems to be compromized. We have to realize, however, that there are other forms of autonomy besides financial autonomy: conceptual, managerial, technical, and financial. Autonomy is more than self-financing. If local actors can achieve the first three, and make some progress on the fourth one, a lot of progress will have been made. Eventually, development aid can then become merely a process of budgetary support to local initiatives, not unlike the situation of most NGOs in the rich countries, which conceive, manage, and execute their own projects but receive subsidies from governments. This is not to say that financial autonomy is unimportant: approaching it is an important objective of any IR program, but it is not the sole criterion of success.

Abstracts

Obwohl das Ziel des Institutionsaufbaus jetzt allgemein anerkannt ist, wurde deutlich, daß eine neue Strategie nötig ist, die von klassischen Formen der Entwicklungszusammenarbeit beträchtlich abweicht. Diese Strategie, die man Strategie der Institutionserklärung nennen könnte, besteht, auf der Grundlage von Verhandlungen, in der Zuführung ergänzender Ressourcen zum Entwicklungsprogramm, das von lokalen Akteuren entworfen und durchgeführt wird. Diese Strategie ergänzt eher lokale Initiativen und Fähigkeiten, als sie zu ersetzen. Sie trachtet, zugeführte Ressourcen an bestehende Fähigkeiten und Erwartungen anzupassen und sich bei deren Veränderung flexibel zu zeigen. Da eine klar ausverhandelte Trennung der Verantwortlichkeit zwischen Gebern und lokalen Akteuren besteht, sind auch die Konsequenzen für Nicht-Einhaltung und Abweichung gleichfalls klar. Damit wird die Auswahl der Partner zu einem entscheidenden Schritt in der Durchführung des Programms.

Although the objective of institution building is now generally accepted it became clear that a new strategy was needed which would deviate substantially from classical modes of development-co-operation. This strategy, which may be called institutional reinforcement strategy, consists of adding, based on negotiations, complementary resources to the development local initiatives and capacities rather than providing a substitute for them. It seeks to adapt resource inputs to existing capacities and aspirations and show flexibility on these change. As a clear negotiated separation of responsibility exist between donor and local actor consequences of non-performance or deviation are equally clear. This makes the selection of partners a crucial step in implementation.

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