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THEME: ENHANCING PARTICIPATORY GOVERNANCE IN LOCAL DEVELOPMENT

Topic: MONITORING AND EVALUATION IN PARTICIPATORY GOVERNANCE

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1 Introduction

An effective and genuine system of monitoring and evaluation in participatory governance assumes the existence of a system of governance that is indeed participatory. If the citizens do not participate in their own governance, it is difficult for them to participate in any system that seeks to monitor and evaluate how that system operates and whether it is effective or not.

The assumption therefore is that in the governance system to be monitored, the people are involved in policy, planning and execution if indeed any monitoring and evaluation efforts on their part are to be effective. Non-involvement in policy, planning and execution results in lack of knowledge about what is to be done, why it is to be done, and how it is to be done. In that system of governance, monitoring and evaluation becomes dependent on information that is fed to the monitors and evaluators by those responsible for policy, planning and execution, who are very often the very resistors to any system of external monitoring and evaluation.

Within the context of local government monitoring and evaluation therefore, the first question that presents itself is: what is the system of governance at the local level, and is that system participatory?

2. Participatory Governance

A system of true participatory governance combines a system of representative government through forms of elections and direct accessibility to and inputting into the structures of government at the local level. The electoral regime must be such that the elected representative is close enough to the electorate.

The representation ratio must therefore be so calculated that each local representative is within accessible distance of the electorate, both geographically and in terms of audibility. The effectiveness of representation is also affected by factors such as whether the representative is a truly local person (residential requirement), is able to communicate with the people (language requirement) and is able to interact effectively with the people (human relations).

The system must also allow for the citizens' direct involvement in the decision-making process. Thus the legal and regulatory framework must be such as to involve the people in the decision-making process, the planning process, the programme and project design process and the execution process.

When these features exist on the ground, then one can talk about participative governance where "participation" is defined as "the voluntary involvement of a greater proportion of a group or community in situations that affect their well-being" and "governance" is defined as "the involvement of powers outside the formal authorities and institutions of government in the processes of government".

3 Decentralisation, Participation and Development

An appreciation of this prerequisite is essential to an appreciation of participatory governance, because it is not easily appreciated that there is no necessary linkage between decentralisation, participation and development. There can be decentralisation to a chief or to a military despot, in which case there will be decentralisation without participation. There can also be participation without development, where local people elect their own representatives but the important functions of government are performed at the central level and without regard to how it affects development at the local level. There can also be development without decentralization, as where the central government undertakes a lot of development at the local level, but the planning,

implementation monitoring and evaluation of all the programmes and projects are done at the central level.

Participatory governance however is most effective when all three – decentralisation, participation and development take place at the same time. That is also the ideal situation for effective monitoring and evaluation of participatory governance. Such participatory governance systems operate most effectively within the framework of decentralisation. This is because within a decentralised framework based on a system of subsidiarity, functions and powers, skills and competence and means and resources are all transferred to lower levels of government in a coordinated manner where they are utilised to the greatest benefit and good of the greatest number. Participatory governance systems that stress participation only at the national or even regional levels do not often result in community or consumer satisfaction, because they impact very little on the felt needs and requirements of local communities.

Effective democratic decentralisation however emphasises that functions that are best performed at the local level are transferred to that level; that there are officials with the requisite skills at that level to perform those functions, and that the resources with which to perform those functions are also transferred to that level. A system of monitoring and evaluation of such a governance system will therefore be monitoring and evaluating three complementary activities:

- Are the transferred functions being effectively performed? How do you measure this?
- Are there competent and skilled officials present at the local level to perform those functions, and are they in fact performing those functions?
- Have the budgetary allocations for the performance of those functions been transferred to that level; for example, is the budgetary allocation located in the budget of the local authority, or does it still sit in a national or regional agency, to be disbursed at the whims and caprices of those agencies?

To judge whether the outcome of decentralisation is positive or not, performance indicators have to be worked out and monitoring and evaluation mechanisms and institutions established. These should permeate all five components of full and effective decentralisation, to wit, political decentralisation, administrative decentralisation, decentralised planning, fiscal decentralisation and public-private partnerships.

4. Political Decentralisation: Monitoring and Evaluation of Local Governments and Local Representatives

There are expectations of local authorities on the part of the citizens. These relate to the performance of the functions assigned or transferred to the local authorities, which should in turn translate into better living conditions, better standards of living and improved service delivery for the citizens and residents. But this in turn depends on the performance of the individual councillors (Assembly members in Ghana).

Thus in monitoring and evaluating the political decentralisation component of participatory governance, two different performance criteria will have to be developed; one for the local authority as a corporate body, and the other for the individual councillor as the political representative of the electorate.

The first may be set out in terms of an agenda for good governance at the local level and may include the following:

- Electoral systems, of councillors, mayors, etc;
- Respect for human rights;
- Institutions for checking administrative injustice;
- Anti-corruption laws and institutions;
- Gender participation and mainstreaming;
- Participation of disadvantaged groups, viz women, the poor, the illiterate, the disabled etc.
- Civil Society Organisations (CSOs) and Community-Based Organisations (CBOs) participation;
- Avenues for expression of dissent and discontent, viz. peaceful association, demonstrations, picketing, consultations etc.

The second set of performance criteria may be set out in terms of expectations the people have of their representatives. In Ghana, these have been set out in the legislation on local government in terms that are measurable as: “Duties of the Assembly member (Councillor)” (see Box 1).

Box 1

Ghana Local Government Act, 1993, Act 462, Section 16: Duties of Members of Assembly

- 1) A member of a District Assembly shall as appropriate –
 - a) Maintain close contact with his electoral area, consult his people on issues to be discussed in the District Assembly and collate their views, opinions, and proposals;
 - b) Present the views, opinions and proposals to the District Assembly;
 - c) Attend meetings of the District Assembly and meetings of sub-committees of which he is a member;
 - d) Meet his electorate before each meeting of the Assembly;
 - e) Report to his electorate the general decisions of the Assembly and its Executive Committee and the actions he has taken to solve problems raised by residents in his electoral area;
 - f) Draw attention in general debate to national policies which are relevant to the subject under discussion;
 - g) Actively participate in the work of the sub-committees of the Executive Committee;
 - h) Bring to bear on any discussion in the Assembly the benefit of his skill, profession, experience or specialised knowledge;
 - i) Maintain frequent liaison with organised productive economic groupings and other persons in the District; and
 - j) Take part in communal and development activities in the district.
- 2) A member of a District Assembly shall in the discharge of his duties under this Act have due regard to the national interest and the interest of the people in the district.

Once the performance indicators, both qualitative and quantitative, are established, then monitoring mechanisms such as infrastructure improvement surveys and service delivery surveys (for local authority performance) or score cards and time sheets (for councillor performance) can be introduced.

5. Monitoring and Evaluation of Local Authority Staff and the Efficiency of Administrative Decentralisation

There is no doubt that CBOs and CSOs should not only be interested in the effectiveness of the political representatives of the people. Of even greater interest should be the efficiency and effectiveness of the staff of the local authorities, who after all are the actual hands-on operators of the system. They oversee the actual building of the schools and health facilities, the construction of the roads and drains, the management of the waste, both solid and liquid, and the running of urban transportation. They are also responsible for the planning, both spatial and physical, as well as the mobilisation of revenue.

The important issue here is whether monitoring and evaluation of the staff should be left to the councillors as the political supervisors of the technical and administrative staff, or whether this is a legitimate area of interest to CBOs, CSOs and the general community so as to engage their monitoring and evaluation attention as well.

Whilst the staffs of the local authorities work for their pay and the councillors work in order to retain the trust of the people in them, the people themselves are the direct beneficiaries of the system if it works, and the losers if it does not work. So the people have a legitimate interest in monitoring and evaluating the performance of the bureaucrats and technocrats of the local authorities.

If CBOs, CSOs and the general community are to be able to do this, however, then communication is crucial. The people must know what functions have been assigned or transferred to the local authorities. They must know what resources, both material and financial, are supposed to be made or have been made available for the performance of those functions. And not only must the people monitor and evaluate the performance of those functions by the staff; they must also play the role of advocates and pressure groups to ensure that the staff gets what they need to enable them perform the assigned and transferred functions.

How is participatory monitoring of staff performance to be done, and how can the people effectively play the role of advocates and pressure groups?

Of course it is not permissible for citizens to walk up to bureaucrats and demand information and accountability from them. It would not be a bad thing though, but it will disturb the work environment and will create an atmosphere not conducive to optimum performance on the part of the staff.

So the elected representatives of the people must ask the right questions. The central government that assigns or transfers the functions and the resources must put that information in the public domain, and within the locality itself, the people must know who is responsible for what. Above all, a functioning and effective “Freedom of Information Act” that enables citizens and residents to access information from local officialdom, easily and promptly, will be an added bonus to enabling participatory monitoring of administrative decentralisation become effective.

Such participatory monitoring is of benefit to the bureaucracy itself, as it enables the officials to let the public know about their needs and their requirements and therefore puts the public in a position to play the advocacy role for the officials.

- Have they got the vehicle they need to perform their functions?
- Have the needed official forms been supplied to enable them collect the statistics?

- Are the community registers needed for the registration of births, marriages and deaths available for the purpose?

Public-community collaboration in this area of governance always puts pressure on regional and national authorities, where it is their responsibility, to deliver.

6. Decentralised and Participatory Planning: How to monitor and evaluate

Though not all decentralisation programmes manifest it, decentralised planning with the participation of the people is nevertheless a critical component if a decentralisation programme is to be successful and effective. Decentralised planning requires an appropriate legislative framework for implementation. That framework must provide for both technical as well as participatory planning and must specify whether it covers spatial, physical, economic or fiscal planning or all four. A relationship must be established between the technical planning structure and the political local authority body at the level of decentralised planning in order to allow for both horizontal supervision and monitoring and evaluation.

The structure must also provide for the participation of the people in the planning process as well as the implementation, monitoring and evaluation of the planning decisions. Ghana's National Development Planning (System) Act, 1994, Act 480, offers a good example of how this integrated planning system can be achieved (see Box 2).

Box 2

Ghana's National Development Planning (System) Act, 1994, Act 480, Sections 3 & 5

- 3 (1) A District Planning Authority shall conduct a public hearing on any proposed district development plan and shall consider the views expressed at the hearing before the adoption of the proposed district development plan.
- (2) A local community in a district authorised by the District Planning Authority to prepare a sub-district or local action plan under section 5 of this Act shall conduct a public hearing before the adoption of the proposed sub-district or local action plan.
- (3) The [National Development Planning Commission] shall by guidelines prescribe the manner in which the public hearing shall be conducted.
- (1) A District Planning Authority may with the prior written approval of the Commission make modifications to an approved district development plan.
- 5(1). A District Planning Authority shall prepare or direct the preparation of such local action plans, sub-district plans as may be required for the implementation of the approved district development plan unless the Commission otherwise determines.
- (2) A local community in a district authorised by the District Planning Authority may prepare a sub-district or local action plan in accordance with –
- a) The approved district development plan;
 - b) The development guidelines of the District Planning Authority;
 - c) The guidelines which may be prescribed by the Commission.
- (3) A sub-district or local action plan prepared under sub-section (2) of this section shall be subject to the approval of the District Planning Authority.
- (4) Notwithstanding sub-section (3) of this section, the Commission may call for the plans made under sub-sections (1) and (2) of this section for its consideration and may modify the plans as it considers appropriate.

Here also, it is necessary to set out performance indicators and consciously organise CBOs and CSOs that will measure the indicators against the actual performance.

The indicators could include:

- Which bodies or organisations were involved in the planning process?
- In how many communities?
- Which local authority officials were involved in the consultation process – planning officers, community development officers, road and drainage planners, works superintendents, education officers, health officials, social welfare officers, etc?
- How many times were the consultations held?
- What were some of the subjects discussed?
- Were priorities decided at the meetings?
- If so, which of the priorities were included in the final decentralised community/district/regional plan?
- Which of the community priorities were included in the final approved plan for implementation?

7. Fiscal Decentralization and Financial Accountability

- What are the sources of revenue set aside for the decentralised centres of authority to collect by themselves?
- Which ones are collected by central government revenue agencies but set aside for the exclusive benefit of the decentralised authorities?
- What revenues are transferred from central government sources and by what means are such transfers effected?
- How independent, if at all, are decentralised authorities in the utilization of these resources?

These are the critical questions that ought to be asked in any endeavours to monitor and evaluate the area of finances and fiscal decentralization. In the first question, we are talking about locally mobilised revenue. These essentially take the form of local duties, local taxes and levies, property rates, rates on possessions and fees and licences. One system of monitoring and evaluation is required for this. It involves the monitoring and evaluation of the revenue collectors, their supervisors as well as the Treasury staff.

The second revenue source refers to what is called “ceded revenue” in Ghana under which revenues are collected by central government revenue agencies from specified sources but are ceded or set aside for the exclusive use of local authorities (see Box 3).

Box 3

Ghana Local Government Act, 1993, Act 462, section 86 (3) (5) (6) and Schedule 6 paragraphs. 1, 2, 3, 4, 5, 9

86 (3) Notwithstanding the provisions of any enactment to the contrary, all income from the sources listed in the Sixth Schedule to this Act and all revenue from levies, fees and licences charged in respect of the activities listed in the Sixth Schedule shall be taxed or collected exclusively by or for the District Assembly.

(5) The Minister may, subject to such terms and conditions as may be agreed upon with the appropriate public body, authorise the body to collect on behalf of District Assemblies any revenue specified in the Sixth Schedule to this Act.

(6) Amounts collected under sub-section (5) of this section shall be shared among the District Assemblies in the proportions or upon a formula that the President may, on the recommendation of the Minister, determine.

SIXTH SCHEDULE: REVENUE OF LOCAL GOVERNMENT BODIES (Section 86)

1. Entertainments Duty under the Entertainments Duty Act, 1962 (Act 150);
2. Casino Revenue under the Casino Revenue Tax Decree, 1973 (N.R.C.D. 200);
3. Betting Tax under the Betting Tax Act, 1965 (Act 268);
4. Income Tax (Registration of Trade, Business, Profession or Vocation) Law, 1986 (P.N.D.C.L. 156);
5. Gambling Tax under Gambling Machines Decree, 1973 (N.R.C.D.174);

Taxes chargeable on the income of the following categories of self-employed persons-

- a) Spare parts dealers;
- b) Chemical sellers;
- c) Tailors and dressmakers;
- d) Sandcrete blocks manufacturers;
- e) Musical spinners;
- f) Radio and television repairers
- g) Gold and silver smiths;
- h) Drinking bar operators;
- i) Professional photographers;
- j) Chop bar keepers and cooked food sellers;
- k) Butchers;
- l) Refrigeration and air conditioning workshop owners;
- m) Hairdressers;
- n) Garage owners;
- o) Video operators;
- p) Cornmill owners;
- q) Co-operative distillers;
- r) Scrap dealers;
- s) Livestock breeders and traders;
- t) Traders; and
- u) Liquor sellers.

A different monitoring mechanism is required for tracking these transfers as well. That will require the articulation of performance indicators such as the following:

- How much did the appointed central government revenue agency collect from the identified revenue sources?
- Were the moneys set aside for local authorities as required by law?

- What was the formula used for the allocation of the revenue?
- Was the formula equitable?
- Were the monies actually disbursed to the local authorities and when?
- What were the monies used for?

The third revenue source and potentially the most significant is what is generally referred to as central government transfers, by whatever name called, such as the District Assemblies' Common Fund (DACF) in Ghana (See Box 4) or the Local Authorities Transfer Fund (LATF) in Kenya (See Box 5).

Box 4

Ghana 1992 Constitution, Article 252: District Assemblies Common Fund

- 1) There shall be a fund to be known as the District Assemblies Common Fund.
- 2) (2) Subject to the provisions of this Constitution, Parliament shall annually make provision for the allocation of not less than five per cent of the total revenues of Ghana to the District Assemblies for development; and the amount shall be paid into the District Assemblies Common Fund in quarterly instalments.
- 3) The moneys accruing to the District Assemblies in the Common Fund shall be distributed among all the District Assemblies on the basis of a formula approved by Parliament.
- 4) There shall be appointed by the President with the approval of Parliament, a District Assemblies Common Fund Administrator.
- 5) Parliament shall by law prescribe the functions and tenure of office of the Administrator in such a manner as will ensure the effective and equitable administration of the District Assemblies Common Fund.
- 6) Nothing in this Chapter or any other law shall be taken to prohibit the State or other bodies from making grants-in-aid to any District Assembly.

Box 5

Kenya Local Government Act (Cap 265) of 1977, section 9

The Local Authorities Transfer Fund (LATF) was introduced in 1999 to replace the Local Authorities Service Charge (LASC). It provides for the transfer of five per cent of national personal income tax to local authorities to improve local service delivery, financing management and accountability, and eliminate all outstanding local debts. LATF allocations are formula-based, providing:

- A basic minimum lump sum for all local authorities
- A fixed percentage (60-70 per cent) allocated on a population basis
- A fixed percentage based on relative urban population.

Transfers are by block grant. The allocation to each local authority has two components, a 60 per cent service delivery component and a 40 per cent performance component. Transfers are contingent on the local authority providing different sets of financial information and plans for each component.

An independent advisory committee, chaired by a private sector appointee, advises the government on the operation of LATF. Other private sector interests, the Ministry of Local Government and the Ministry of Finance and Planning are represented, together with the Association of Local Authorities in Kenya (ALGAK).

Yet another different monitoring mechanism is required to track the utilisation of central government transfers. The relevant questions to ask include:

- Was the percentage of central government transfer due to local governments accurately calculated (This involves an analysis of the national budget presented by the Minister of Finance).
- Were the allocations actually made?
- If yes, were they as stipulated by the Constitution or the law and were they timely?
- What programmes and projects were the Central government transfers used on at the level of the local authorities?

A final set of questions will relate to the independence of the local authorities in the use of the resources mobilised by them or allocated to them. If the resources are transferred essentially as “tied grants”, then fiscal decentralization is not effective since it will amount to central authorities taking decisions for and imposing projects on the local authorities.

Effective fiscal decentralisation leaves the local authority with a large measure of discretion and flexibility in deciding what to do with their resources. But it is precisely this form of discretion and flexibility that lends itself to abuse by local officials, hence the need for local accountability as well as local monitoring and evaluation mechanisms.

These, and several other issues, form the core of the subject of fiscal decentralisation. By whatever means resources reach the decentralised centres of authorities, therefore, participatory monitoring and evaluation provides an essential safeguard for the effective utilisation of those resources.

Traditional local government theory and accounting have relied on the traditional accountability mechanisms of inspection and internal and external auditing to try to get local governments to be accountable. But the traditional method of accountability is to the rules only. For as long as the rules have been complied with, traditional accountability requirements are satisfied.

Participatory monitoring and evaluation go beyond traditional accountability. It seeks answers to questions such as the following:

- What were the resources due to local authorities?
- Were they sufficient to perform the functions assigned and transferred to the local authorities?
- Were the resources actually transferred?
- If not, why not?
- If the resources were transferred, were they used for the programmes and projects planned for?
- What was the ratio of local government expenditure as between capital/development expenditure and recurrent/operational expenses?
- What were the tangible outcomes of the application of the resources in terms of infrastructure provision, service delivery, social welfare facilities, recreational opportunities, etc.

In seeking to ensure fiscal accountability, one is looking at issues of accountability at different levels, transparency and checks and balances as exercised both by appointed and elected officials and by citizens and residents.

Accountability by officials takes place within the system. Accountability to citizens and residents is however external to the system, and this is what is often missing from systems of fiscal decentralisation and fiscal accountability.

Effective accountability to citizens and residents takes the form of assigning definite roles to the citizens and residents in the system of checks and balances through CBOs and CSOs and also through an aggressive media that asks the right questions and demands the right answers.

An anti-corruption agenda must be vigorously pursued at the local level, and effective anti-corruption agencies must exist or be created at the local levels to investigate and possibly prosecute cases of evidenced corruption.

Vocal decentralists sometimes create the impression that centralisation is bad because it allows the national level actors to be corrupt. But the truth is that in terms of opportunities to be corrupt, there are more opportunities to be corrupt in a decentralised system than in a centralised system. If one person is responsible for appointments in a centralised system, there is only one opportunity to be corrupt. If that function is decentralised to 100 local authorities, 100 more opportunities to be corrupt are immediately opened up. It is therefore crucial that even as we decentralise, we design effective systems of checks and balances at the local level to check not only corruption but misuse and abuse of power and administrative injustice which are all associated with the exercise of power and the performance of functions at the national level under centralised systems of administration.

Participative budget tracking can be effectively pursued by CBOs and CSOs and these are particularly effective if they had previously participated in the planning, budgeting and execution of the policies and programmes.

The existence of pro-active consumer-protection and interest-promotion associations at the local level is also critical to effective participatory monitoring and evaluation. The noises that such associations make very often act as the trigger for other agencies to take effective action, because they are the alarm bells that signal danger in the non-use, misuse or abuse of resources.

8. Monitoring and Evaluation of Public –Private Partnerships

Where an area of local authority responsibility is carved out exclusively for the private sector or as a joint public-private partnership, the need for effective monitoring and evaluation is even more imperative. Here programmes and projects are executed not exclusively or directly by the local authorities but either by a joint local authority-private sector partnership or exclusively by private sector companies.

This is where issues of tender procedures, tender competitiveness and “value for work” enter into the picture. The tender procedures themselves must be decentralised, in that the tender awarding authority must be horizontally responsible to the political local authority and not vertically responsible to a higher body at the regional or national level.

The tender legislation must provide for competitiveness, transparency, cost-effectiveness and accountability. The monitoring and evaluation mechanism will then use these in working out their performance indicators such as the suitability and capability of the contractor, whether the best bidder won, the quality of work, the quality of supervision and the quality of the final product.

9. Conclusion

In this presentation, the following points have been made:

- A system of monitoring and evaluation in participatory governance assumes that the governance system itself is participatory.
- Participatory governance involves the involvement of the people, local communities, CBOs, and CSOs in policy-making, planning and execution of programmes and projects and in taking decisions that affect their lives.
- For this reason, participation must be an essential component of any decentralisation programme if sustainable development is to be achieved.
- Within the context of democratic decentralisation, the principle of subsidiarity requires that decisions that directly affect local people must be taken at the local level and for that purpose, functions and powers, skills and competence and means and resources must all be transferred to the local level in a coordinated manner.
- The essential components of democratic decentralisation are political decentralisation, administrative decentralisation, decentralised planning, fiscal decentralisation and public-private partnerships.
- Each component of democratic decentralisation requires different systems of monitoring and evaluation, and therefore requires the establishment of different performance indicators to form the basis of the monitoring and evaluation.
- The bodies and institutions for monitoring and evaluation will also differ depending on which component of the programme is being monitored and evaluated, but the primary role of CBOs and CSOs in all of them is highlighted.
- Monitoring and evaluation of local authority finances presents special challenges and different mechanisms for monitoring and evaluation have to be devised for locally mobilised revenues, ceded revenues and central government transfers.
- Traditional local government theory and accounting have relied on the traditional accountability mechanisms of inspection and internal and external auditing, which have proved ineffective.
- Participatory monitoring and evaluation seeks answers to questions that are not raised by the traditional methods of accountability. These relate to issues of transparency and checks and balances as exercised both by elected and appointed officials and programmes and projects as executed by the local authorities and private contractors.
- Monitoring and evaluation of participatory governance cannot therefore be left to the officials of the system themselves or even to inspectors and internal and external auditors who are all internal to the system of public administration of which the local governments are a part.
- For effective monitoring and evaluation of participatory governance, one is looking at the role of citizens and residents, CBOs and CSOs and other good governance agencies such as the media and consumer-protection and consumer-promotion associations.