DEMOGRAPHIC GOVERNANCE - THE KEY TO DEVELOPMENT
<table>
<thead>
<tr>
<th>Content</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>2</td>
</tr>
<tr>
<td>Democratic governance: a means of fighting poverty</td>
<td>4</td>
</tr>
<tr>
<td>Justice in Rwanda</td>
<td>7</td>
</tr>
<tr>
<td>Administration and reform of the civil service in Congo</td>
<td>10</td>
</tr>
<tr>
<td>Security in Burundi</td>
<td>14</td>
</tr>
<tr>
<td>Decentralisation in Mali</td>
<td>17</td>
</tr>
<tr>
<td>Public Finance in Mozambique</td>
<td>21</td>
</tr>
<tr>
<td>The role of women in Vietnam</td>
<td>24</td>
</tr>
<tr>
<td>Aid governance</td>
<td>27</td>
</tr>
<tr>
<td>BTC Governance Projects</td>
<td>29</td>
</tr>
</tbody>
</table>
Good governance is becoming more and more commonplace as a key element of development. In fact, the success of development is dependent on good governance. As a result, Belgium’s international cooperation must be guided by this requirement, not only at the bilateral level but also via its contribution to multilateral organisations.

In this vein, institution building incorporates into a broad approach the concept of community building. In fact, the structural stability of a country or a region is only effective when a number of linked objectives are combined and are a source of mutual support, such as social peace, respect for the rule-of-law state and human rights, social and economic development and ecological sustainability. These processes have a far greater chance of success if they are supported by legitimate and representative (political) institutions which are able to channel changes and conflicts without resorting to violence.

International cooperation is now focused on improving the economic, social and political climate in partner countries by working to stimulate both the legitimacy and the effectiveness of the state and the vitality of civil society.

It is not a question, in this context, of “exporting specific models” but rather of helping to shore up societies in which the principle of ownership is of central importance. Consequently, there is no question either of an “administrative management technique” but of an overall vision. In this context, Belgium’s contribution is certainly a modest one, but it is no less important given our position and expertise.

Jos Geysels
Special Ambassador for Institution Building
Federal Public Service Foreign Affairs
I am particularly pleased to see that Belgian Technical Cooperation has dedicated this brochure to the subject of democratic governance.

Good governance or democratic governance is, in effect, a concept, or rather a practice, the implementation of which is fundamental in allowing countries receiving international aid to take control of their political, economic and social development effectively. Good governance will also ensure that the various support and assistance programmes from which they benefit from partner countries and international organisations operate as efficiently as possible.

All donor countries and the vast majority of developing countries appreciate that implementing good governance is vital in ensuring that development programmes run smoothly.

This practice should not be restricted to specific areas of action – such as economic or social, for example – since this is good management practice which applies to public affairs in all sectors of human activity and democratic transparency. The various sections of this publication also illustrate the interest in democratic governance both in areas of the public administration and those of security, public finances and justice. Naturally, good governance also applies in the private sector, since it is the expression of integrated and effective management. There is certainly no single model for good governance but it is often based on decentralisation and always, although to varying degrees, on involvement of citizens, either grouped together in associations or individually. The national parliaments, courts of audit, and other institutions of democratic control clearly have their role to play too. Although good governance is first and foremost a state of mind and a fresh culture in the way the state operates, assistance programmes are put in place, particularly by Belgian Cooperation, to strengthen the management capabilities of our partner countries in all sectors of development.

Clearly, good governance is not restricted solely to developing countries and also applies to donor countries and to international organisations, not only in relation to budgets and the programmes which they run in the context of development cooperation but also to their day-to-day practices.

Belgian Cooperation offers unstinting support in implementing democratic governance which constitutes a real social contract between citizens and the state. It is a measure of the new partnership between North and South which is growing stronger day by day.

Armand De Decker
Minister for Development Cooperation
Democratic governance is one of the keys to development. It is now acknowledged that political processes, regulations and institutions play a major role in economic growth and human development. The fight against poverty is not simply a social, economic and technical objective but also a political and institutional goal. In the Millennium Declaration, the international community reached an agreement on the importance of good governance for development. This goes hand in hand with the theory that development problems are linked to a failure in governance. The recent campaigns for achieving the Millennium Development Goals have not simply highlighted the need for larger financial commitments from donor countries but have also focused on the way in which these funds are managed and spent. This relates to the efficiency of governance and public management systems in the recipient countries and also to aid schemes. The efficiency of governance and public institutions are therefore increasingly the focus of thought and work on human development. If the institutions do not work properly, the vulnerable and poor members of society are the first to suffer. The case of the Democratic Republic of Congo is an example of this: given the unprecedented level of decay of the public sphere, the State is no longer capable of fulfilling its basic functions and hence leaves the people to fend for themselves.

Democracy is directly linked to the concept of governance. In fact, it is governance that has to meet individuals’ needs and not the other way around. The principle of elections, and therefore enforceable accountability, is a cornerstone of democratic governance. However, elections are not enough; democratic governance also requires a legislature which represents the people. It requires an independent judiciary that is able to uphold the rule of law in a non-discriminatory way for all citizens. It requires professional and politically neutral security forces that act in the interests of the common good. It requires accessible media which are free, independent and unbiased and, last but not least, it relies on an active civil society that is able to question the public authorities and suggest different methods of political participation.

More than a vote

However, in the same way as democracy is not confined to holding elections, good governance is not restricted to more efficient public institutions. The prerequisites for good governance are also respect for human rights and freedoms, the rejection of all forms of discrimination based on race, ethnicity or gender and gender equality in both the public and private spheres.

Although governments have a crucial role to play in achieving the Millennium Development Goals and reducing poverty, knowing how to obtain “good” governments and “better” policies is not as clear-cut. How is it possible to explain that a government in one country can promote economic prosperity and equality whilst others are at best weak and at worst involved in plundering the country’s resources? Democracy seems to provide part of the answer since the worst examples of development are usually not democracies.

Although development cooperation highlights governance and institutional development as core and priority areas for cooperation, what is missing, however, are guidelines and a shared methodical and political approach which can be used as a basis for cooperation activities. Everyone agrees on the guiding principles for governance (equality, transparency, participation, responsiveness, the presentation of accounts, the rule of law and so forth), however, how to deal with these aspects in cooperation is by no means as clear.

“The Nobel Prize winner, Amartya Sen, demonstrated that in democratic societies, elections and the freedom of the press are factors that strongly encourage politicians to prevent famines.”

Ousmane Sy, Mali
Winner of the 2004-2005 King Baudouin International Development Prize
There is, therefore, an even greater risk since the concept of government refers to a whole range of fields and areas of action (the political system and the principles attached to it, human rights, the rule of law and the issue of justice, parliamentary powers, public administration, civil society and non-state actors, decentralisation and the role of the State).

Common values, individual processes

Governance is an area for which there is no rulebook or defined method. Apart from the major universal principles, each country is involved in a unique process, which is both the product of its specific history and a range of balances, challenges and power relationships between players that are constantly changing. According to Ousmane Sy, one of the causes of the crisis of public action, and therefore of governance in Africa, is the structural breakdown of post-colonial nation states (and therefore the acceptance of a model and a lack of vision and aspirations for the continent). “The construction of a democratic society, the fight against corruption and the production of wealth that can be shared in the interest of the common good cannot be achieved without values, standards and systems of reference that are well known, understood and accepted by the African people”.

Given its role in the spheres of power and public administration, cooperation does not become political by any means, nor does it become a tool for meddling with the affairs of states in the south. Cooperation seeks to remain primarily technical, not political. A democracy or functioning public administration which empowers its citizens must develop in its own way, it cannot simply be imported. The type of democracy and form of governance that a state will develop depend on its history and local circumstances. Actual democratic practices will therefore vary. Democratic values and cultures need to be firmly rooted throughout society if a democracy is to develop. The role of development cooperation is to accompany this process, providing financial and technical support to help develop democratic forms of governance.

2 “The Broad Lines of a Strategy to Change Africa”, Ousmane Sy

BTC regularly organises study visits to bring participants in partner countries together with their Belgian counterparts and to promote the sharing of experiences.

Recently, various such study visits have been organised:

Morocco (May 2004)
In the context of implementing compulsory sickness insurance in Morocco, a delegation of high-level Moroccan civil servants met in Belgium with various representatives from the Ministry of Social Affairs and Public Health, the Belgian National Institute for Health and Invalidity Insurance (INAMI/RIZIV) and several mutual insurance associations.

Côte d’Ivoire (September 2004)
Delegations from the Ministry of the Economy and Finance and the Chamber of Accounts (Chambre des comptes) within the Côte d’Ivoire Supreme Court visited their Belgian and Luxembourg counterparts from the FPS Finance and the Court of Audit and the European Antifraud Office (OLAF)

South Africa (May 2005)
A delegation from the South-African police received training in various bodies within the Belgian police force with a view to gradually changing from a repressive force into one which has close links with citizens and is there to serve them.

Laos (May 2005)
As part of the introduction in Laos of the future social security system, a 15-strong delegation took part in a European tour (visiting Belgium, Germany and Luxembourg) gaining an insight into the various sickness insurance systems in place in those countries.
It supports the creation of frameworks and situations that will, on the one hand, allow partner governments to take on their mandates in a responsible and effective manner and, on the other hand, allow populations to participate.

Although the cooperation process is neither partisan nor political, it is not entirely neutral. In fact, if a large proportion of a state’s budget is funded by development aid, there is less pressure to be accountable to the population than if the budget is funded by taxes. Stakeholders providing development aid must ensure that they do not distort democratic procedures by ensuring that the way in which aid is administered complies with and guarantees systems of governance and procedures for rendering of accounts that have been instituted (such as parliaments, courts of audit, legal systems or local authorities).

Development cooperation must also pay particular attention to countries and states where no political and institutional framework exists. In these fragile states, characterised by insecurity or by institutions that are weak or barely involved in the combat against poverty, cooperation plays a fundamental role in helping to reconstruct this political and institutional framework. In view of the close links between Belgium and central Africa, consideration of the effectiveness of aid in fragile states is of particular interest to Belgian cooperation.

Alignment and aid harmonisation
Since 2000, the sector for community building has expanded and now represents 15% of direct bilateral cooperation actions and this share will continue to grow. BTC currently manages around 30 projects in this sector in almost 15 countries. The main areas for intervention, which are presented in more detail in this brochure, include justice, public sector reform (strengthening states), local governance and decentralisation, security, public finances and participation by women. In a bid to carry these projects through to a successful conclusion and to provide support to strengthen institutions in partner countries, BTC calls on the expertise of public institutions in Belgium ever more frequently. Partnerships have been developed with departments such as the Federal Public Service Personnel and Organisation, the Belgian Federal Police and Federal Public Service Justice.

Improving governance and public administration in partner countries also requires adaptation of the aid provided and the instruments used. The quest for ever greater efficiency means that stakeholders and aid agencies need to transfer responsibilities to partners when it comes to managing and executing aid and to making a contribution to boosting capacities for taking on this responsibility. This means, among other things, that a growing proportion of aid activities are aimed at boosting public administration capacities in partner countries and also that aid actions are better integrated into policies, procedures and mechanisms in partner countries with which Belgian cooperation is working. To this end, during a Forum on Aid Effectiveness in February 2005 in Paris, development partners agreed that support should, on the one hand, focus on priorities and the recipients’ administration systems and, on the other hand, that the stakeholders’ actions should be better harmonised, more transparent and collectively effective. Belgium and BTC are not only party to this development but BTC is already working hard to ensure that this approach is applied in practical terms on a daily basis.

These various types and forms of support should not only allow recipient countries to escape impoverishment but also contribute to the construction or strengthening of the rule of law. If combating poverty is the ‘heart’ of cooperation work, governance could be seen as its ‘lungs’.

Jean-Christophe Charlier BTC Community Building Expert

“Responsibility is crucial in governance. However, these poor countries sometimes feel more indebted to the IMF and the World Bank than to their own populations!”
The separation of powers and the independence of the judicial system form part of the pillars of any democracy. The judicial system should not only guarantee fair access to services but should also contribute, in the form of impartial and neutral justice, to creating a climate of trust which is conducive to political, economic, cultural and social openness. Supporting reform of the judicial sector, implementing an effective legislative framework, enhancing the skills of judicial personnel and putting in place tools which are key to judicial tasks are just some of the areas in which stakeholders in this sector can play a part.

The Gacaca

1994 – Almost 1 million people lost their lives in the Rwandan genocide.

Although in the long term, Rwanda is looking to restore social cohesion under the same flag, the country has no choice other than to reject impunity and to launch a long legal process, which will culminate in judgments on 600,000 individuals suspected of having attacked hundreds of thousands of others. The entire population are being called as witnesses.

In order to meet this massive challenge while lacking real human and financial resources, Rwanda is developing traditional Gacaca law or “justice on the grass”. Previously responsible for ruling on matters to do with land, the Gacaca judges (juges intègres) now find themselves ruling on criminals, rapists and looters.

Close to 200,000 people are to be trained to become judges. Ruling on each individual implicated in the genocide is an enormous challenge. For these popular courts to prove successful, the population must be kept informed so as to avoid as far as possible fear, retaliation and lies.

Although the Gacaca system is far from perfect, it is absolutely key to addressing the practical problem of trying as many people as possible in a devastated and resource-starved country. By establishing a dialogue between all parties involved, by recognising victims, the aim is to remove the contentious aspects of the genocide and to create an environment that is conducive to reconciliation. Naturally, the risks that the system will falter are numerous: survivors prevented from testifying through fear, the risks associated with having non-professional and unpaid judges ruling on such serious crimes, the return of some prisoners to local communities before a verdict is passed1 or indeed the very simple difficulty of “telling the truth”. As such, Gacacas can provide nothing more than loose procedures from the point of view of international standards. Mindful of these dangers, Belgian cooperation is also supporting structures, which monitor the process, such as Penal Reform International.

1 Some categories of prisoners (those who are sick or elderly, etc.) have been freed following a presidential ruling.
Can a Gacaca court provide restorative justice? Going beyond repression, can it restore the link between victims and perpetrators within a rule-of-law state? The political authorities in Rwanda have always insisted, quite rightly, on the need for truth to be linked to the need for justice. Passing judgement, in this sense, then, means identifying a perpetrator, a victim, a past and a future. Justice and truth which are seen as the culmination of any process will only ever be judicial and criminal. The truth of the Gacaca courts will, no doubt, be of no worth other than that of putting an end, in the act of passing sentence, to the discussion on what has occurred in the particular story of each protagonist. It seeks first and foremost condemnation of the perpetrator to a penalty, the virtues of which are improbable, it vaguely recognises the victim but does not put an end to their suffering and it makes official a reading of events which is different to that of historians since it can no longer be brought into question. The memory itself will continue to cause pain in the court, where the actual violence suffered gives way to a war of words. The memory will be without contemplation, it will provide no peace. The judicial memory will then be that of the condemnation rather than the pain. This approximate form of justice, this limited truth, this non-celebratory memory are the only things which institutional justice can offer, including the Gacaca courts. The best thing we can do is recognise that fact.

In the reconciliation process itself, in the search for a peace which is more than simple appeasement, politics, institutions, law and courts – in whatever form – have barely any place at all. Mercy is an interpersonal link which forms no part of either the legal or moral order. It may legitimately be refused by someone who has seen their own tortured and killed, or who has experienced it themselves, and even by victims of less serious acts. Real mercy includes, by definition, the risk that it may not be asked for or, if it is asked for, that it may not be granted. Mercy is never owed. No law can require it without distorting it.

Jacques Fierens
Professor at the Facultés Universitaires Notre-Dame de la Paix à Namur

“Traditional” law

Although the popular judgments are clearly an urgent priority, Rwanda must nevertheless couple this challenge with that of strengthening the rule-of-law State which will, of course, require an independent and effective justice system – and one which inspires the confidence of the population.

In the aftermath of the genocide, most legal tools were weak. Too few magistrates were qualified in law, legislative texts had become obsolete and what little legal information there was was not being circulated. Staff lacked training and experience. In addition, there was little faith in the judicial system and a glaring lack of operational resources.

Destroyed by four years of war and genocide, the justice system has got back on its feet and has made significant progress in 10 years’ time.

The new constitution in 2003 is testament to a desire to make the sector more professional and to break away from its negative image. The reforms brought about endeavour to plug the recurrent lack of resources, logistical solutions and competent staff. They are also aimed at harmonising and coordinating the various judicial institutions, which have now acquired greater administrative and financial independence. Implementing a joint sectoral approach by guaranteeing the independent nature of all players involved is precisely the role of the newly established Justice Sector Coordination Group (JSCG).

Structural reform also presupposes a fresh recruitment policy. Although the majority of new staff are young graduates, the lack of experienced management figures is keenly felt and training needs are not being met by the courses currently available. Another challenge in the framework of human resources is actually being able to offer new recruits the salaries and working conditions promised at the outset.

The lack and poor quality of infrastructure are also preventing the justice system from operating effectively: there is a shortage of operational provincial and district law courts. Renovation of existing buildings and new building projects need to be planned as quickly as possible.
Finally, the justice system does not have a positive image in the minds of the population, due particularly to ignorance of the law and of the role of the various players involved. In this context, the introduction of mediation committees (abunzi) is acknowledged as a key innovation, which will ease the burden on the courts and will raise awareness among the population.

**Action by Belgian Cooperation**

In a bid to shore up the rule-of-law State and the justice system in Rwanda, Belgian Cooperation has pledged to establish and support key players in the sector: the magistracy, the Ministry of Justice, the Public Prosecutor’s office and the National Service for Gacaca Courts (NSGC). Its action falls squarely within the new Rwandan strategies.

**Support for the magistracy**

The strategic plan for the magistracy sets out several priority actions, which Belgian Cooperation has decided to support in the initial phase of the project. To facilitate access to the justice system, legislative texts and procedures have been popularised and the reception services within courts made more professional. One important aspect has also sought to improve the quality of the justice system: How can the justice system be made effective within a reasonable time period? The skills of judicial staff have been enhanced via training courses (organised by the National Centre for Judicial Training and Development (NCJTD), which is also supported by Belgian cooperation) and the provision of documentation and legal works in libraries.

**Support for the Ministry of Justice**

Since 1996, Belgium has been providing tangible support to the overall operation of the Ministry of Justice. Nevertheless, its action also falls within the Ministry’s new strategic plan. In the same way as for the magistracy, the focus is on enhancing staff skills, improving working conditions and making the general functioning of the Ministry more efficient. In order, too, for the NCJTD to become a national centre of reference, it will be set up in an extension to the Ministry to be built in the near future, trainers themselves will be trained and training modules drawn up. Finally, special emphasis will be placed on raising the awareness of the population as to works of general interest (Travaux d’Intérêt Général or TIG) and social reintegration of those found guilty.

**Support for the Public Prosecutor’s Office (PPO)**

Activities by Belgium are concentrated on the fundamental needs of the PPO. In material terms, the former is responsible for infrastructure, operating costs and equipment. In terms of human resources, recruiting experts and training support staff are improving the administrative and financial management of the PPO. By supporting the drafting and dissemination of documents setting out the rights of defendants, witnesses and victims, all communication between the PPO and the population will be enhanced.

**Support for the National Service for Gacaca Courts (NSGC)**

Dovetailing directly with the strategic plan of this Service, Belgian activities are focusing first and foremost on training Gacaca judges and in the current, second phase, are seeking to encourage them. Although their role is crucial in the Gacaca process, they work on a voluntary basis and dedicate much of their time to the process. They take on a grave responsibility and hearings are extremely demanding. Moreover, they follow training courses without receiving any compensation for loss of earnings. As an incentive, there are plans next year to pay them a bonus.
Belgian Technical Cooperation, which is aware how important a public administration that is efficient, responsible and open to dialogue is for development and the fight against poverty, supports the modernisation of Congolese public institutions. Recruiting professional civil servants on the basis of objective criteria, bringing systems and legislation for fighting corruption up to date and training civil servants in best practices to ensure that the public services perform effectively are just some of the areas in this sector in which Belgian Technical Cooperation is involved.

Public administration in Congo

Years of war and poor governance have reduced the Congolese public administration to nothing. Although corruption is one aspect, which can explain the poor quality of the public services, it cannot justify everything. The lack of resources, training, control, a legal framework and an overall strategy as well, of course, as dictatorship and war were also, if not more to blame for speeding up the paralysis of the public services, whose roles were soon taken over by NGOs and churches.

In this region of the world, which has very low human development indices, the arrival of a rule-of-law state in Congo will not substitute the need for a strong state that carries out its duties and assumes its responsibilities towards its citizens.

Overhaul the public service

Congolese citizens have to cope with the major shortcomings in their country’s public administration on a daily basis.

Although the Department of Public Administration is meant to bear the responsibility for managing staff, the failure in this area is striking. Follow-up of the creation of official statuses, selection of staff, standardisation of working procedures, career management and remuneration, continuous assessment and so forth are not incorporated in the coaching provided to employees working in public administration. Instead of these frameworks, other values linked to parentage or ethnicity come into play. We are virtually witnessing the privatisation of the civil service on the basis of personal contacts.

In defence of the civil servants, the low salaries paid by the public service encourage poor practice. The highest ranking civil servants earn €30 per month, which is seven times less than... a lorry driver. Social upheaval further disrupts the chaotic way in which the administration functions. In October 2005, the government and the unions therefore tried to reach agreement on a new wage scale for state civil servants and officials. However, since the civil service is caught between budgetary orthodoxy on the one hand and social pressure on the other, it has very little room for manoeuvre.
Moreover, public service officials are forced to accept basic working conditions: there is no functional management, little or no office equipment, little or no operating costs or investment, a lack of computer equipment and the system is centralised and has complex structures. All these aspects result in a lack of transparency of the way the system operates.

The situation in general is not much better: the World Bank attributes the failings of the State to the public administration, whilst denouncing its difficulty in drawing up policies, plans and programmes and highlighting the fact that the culture of the state under the rule of law is virtually non-existent.

The victim of the dilapidated state is the Congolese citizen. Requesting even a simple official document can turn out to be a long and costly experience. Given the lack of valid state representatives and services, the citizens turn to the private sector, non-governmental organisations or, worse, the new ‘churches’. What remains of sectors as important as the health sector is left to players that are difficult to control, evolve independently, and for which there is no normative framework, no prior consultation and no means of control.

In the case of the NGOs, controlling donors or domestic democratic institutions may be an indication of reliability but it is neither a long-term solution nor an alternative to the state.

The Federal Public Service Personnel and Organisation (FPS P&O) forms part of an overall action programme with BTC. The Democratic Republic of Congo (DRC) is keen to create real, efficient public services. And for any Belgian public service, cooperating with developing countries is a very worthwhile experience. We are convinced that such cooperation is extremely useful for both parties.

First of all we listen to our Congolese colleagues: we try to respond to their priorities. Next, and depending on their needs, we offer assistance in various different selected fields. In view of our experience in reform of public administration in Belgium, we are able, in the medium term, to support the Congolese public administration in all aspects of getting back on track.

At the same time, we support our colleagues by creating multiple networks emanating from a starting point within the Civil Service. Our aim is to try to act as a catalyst with respect to intervention from other key ministries (finance, budget, agriculture and so forth). The specialists we send provide expertise in their particular area of skill. This provides an excellent supplementary resource in relation to international cooperation specialists already active in the field.

The complementarity between BTC and the FPS P&O works well: on the one hand, BTC manages Belgian cooperation with DRC, while on the other, the FPS P&O offers its skills in the field of public management. For us, it is important to send into the field competent individuals from the Civil Service who can work as a team and with modesty. It is crucial that we do not simply impose our viewpoint. This is the first time that the administration has become involved in such a direct fashion. There is now a real interest ensuring that cooperation involves all expertise available in Belgium, at all levels.

Georges Monard
Chairman of the FPS P&O Management Committee

**Key project data featured**

**Support programme for the public administration reform**

- **Start-up:** 2003
- **Duration:** 3 years
- **Budget:** 3,000,000 €
- **Objective:** Provide the Congolese Government with an Administration that is able to carry out the public service tasks of a modern State
"Separating politics and administration"

The concept of public administration assumes acceptance of the principle of separation between the public authority and administration. A state cannot be re-established on the basis of the principle of good governance whilst also continuing to allow politicians total freedom to act as they wish.

The main problem that needs to be resolved is that of delegating powers in such a way as to avoid politics interfering in administrative decisions.

As regards the Democratic Republic of Congo, my experience leads me to believe that in a system where resources are precarious, corruption is widespread and no separation between public and private interests is evident, training programmes are an essential requirement. How can an administration that is confronted with illegal requests be protected from pressure if those making the request try to by-pass the system? How resistant is the administration? Obviously some form of official status is called for. However, this is not the only response required; an official status cannot replace a hierarchy of functions. An evaluation procedure must also be implemented to ensure that employees are always aware that they risk serious penalties if they break the rules. It is imperative that responsibilities are outlined in clear contracts, working methods are sufficiently transparent (system of checks), accounts are rendered and that employees are aware that their actions and attitude can have either a positive or negative impact on their career.

Structures also need to be set out to meet the needs of the actual situation while the framework needs to be overhauled on the basis of public service missions and the volume of activity. Consequently, the chain of command must be clearly outlined, recruitment objectified, wages linked to assessment and tensions that bring the principles of universality (which inspire public governance) and cultural practices into conflict resolved.

Finally, training, coaching, assessment, formalised objectives and public commitment will be the essential tools and reference points for changing civil servants’ attitudes.

Alain Eraly  
Professor at the Free University of Brussels (ULB),  
Head of the Centre for Sociology of Organisations (CSO)

The picture being painted of the Congolese public services may appear rather gloomy. However, there are positive aspects, which brighten up the picture.

First and foremost, the transition government has made reform of the public administration its priority. Its will to restore good governance and democratic values sends out a strong signal to the international partners but also, and most importantly, to the Congolese people. In an extremely difficult context, they are asked to adopt a responsible, ethical and civil attitude. Each level of the public administration must oust former practices; impunity will no longer be a valid excuse.

Another reason to believe in the reform of the Congolese administration is that it is made up of highly-qualified men and women. If they are provided with training and their motivation is boosted, these officials can stimulate the revival of the Congolese State.

Finally, and despite what has been said above, the complementary nature of the administration and civil society is currently an important asset for the reform of the civil service.

Action by Belgian Cooperation

The Congolese authorities set out several reform priorities for Belgian Cooperation: creating transitional institutional frameworks for the entire public administration, setting up a body and procedures for selecting employees and drawing up a redundancy programme and a general human resources approach. Communication and sharing information between Departments will also be key factors, which will determine the success of the project.

The Congolese Department of Public Administration is piloting the project being conducted for and by the administration. The Department has to support other departments in their adaptation processes. It acts as a trial, an example and a coordinator for the whole project.

The first specific activity was to foreshadow the institutional frameworks that needed to be set up in all the public structures. The frameworks represent the structure of the administration and will be improved rapidly as the project progresses. They will specify the number of officials and the profiles required to take on key roles that have been identified in advance. A basic audit was therefore carried out in the priority departments to identify quickly the key roles that needed to be filled. Each of the departments has a reform committee, which is supported by a civil service project group (supervised by the Department of Public Administration). The role of the project group is to ensure that the measures implemented are coherent and are standard across the board. The project group also conducts technical work on matters that relate to all the departments, such as the census, official status and recruitment. A BTC consultant pro-
The Defensoría del Pueblo (DDP), the ombudsman department answerable to the legislative authority and reporting directly to the parliament, appears to be a key instrument in the recent transformation of Peru into a citizens’ republic. The Defensoría del Pueblo seeks to defend the fundamental rights of individuals and communities, ensures that the provisions and obligations of the public administration are fulfilled and makes sure that citizens receive quality public services.

Since 2001, Belgium has been supporting the institutions of the Defensoría del Pueblo to enable it to fulfill its mission as effectively as possible. The first phase entailed meeting the objective of improving the quality of services by advising the population and public servants of their rights and duties. With the support of BTC, the Defensoría del Pueblo has devised a series of management tools to enable it to manage its resources efficiently, in a fluid fashion and at a local level.

Since 2003 and with a fresh Belgian contribution, the DDP has been trying to meet several challenges: first of all, it has endeavoured to supplement the piecemeal regional implementation achieved during the first phase following the introduction of decentralisation. It must also meet the many demands from local governments facing difficulties in transferring power and resources and must take on the legacy of the Truth and Reconciliation Commission.

At present, the project financed by Belgian Cooperation has enabled the Defensoría del Pueblo to support either in whole or in part 22 decentralised offices, 10 support offices, and three special programmes drawn up within the framework of a five-year institutional development plan. Supervision of state reform, dissemination of good practices in terms of democratic governance and encouraging citizens to become vigilant vis-à-vis the public administration all place the emphasis on access to information.

In terms of the acceptance and trust expressed by the population of and in public and private institutions, the Defensoría del Pueblo comes second only to the Catholic Church. This success has resulted in an ongoing increase in applications, complaints, inquiries and consultations at all levels of state. The downside of this is that the DDP has had real problems in coping with demand.

1 Federal Administration Selection Office
Respect for human rights and, more specifically, national laws is a condition sine qua non of a rule-of-law state. All citizens must feel safe within society. If intimidation, threats and a culture of impunity are eliminated, every citizen will be better able to fulfil their civil and democratic role. Organising security via an effective and upright police force is therefore not simply a question of public order but of a vital stage in establishing effective democracy. It will guarantee peace and compliance with laws.

The situation in Burundi

Following the assassination in 1993 of Melchior Ndadaye, the country’s first democratically elected president, Burundi’s history was turbulent, oscillating between chaos and sustainable democratic development. At that time, several militant factions were disputing leadership of this small country in central Africa. Pierre Buyoya took power in a putsch in 1996 and oversaw negotiations between the rebels. In 2000, these negotiations culminated in the signature of the Arusha Peace Agreements between the government, the opposition and certain rebel movements. Transition institutions were set up with the dual, short-term, objective of establishing peace and holding democratic elections. Still within the framework of these agreements, the presidency of the Republic was passed around between the signatories of the Agreement, without incident, until 2003 and this has been an extremely promising development in looking to the prospect of establishing democracy in Burundi.

A little earlier, in December 2002, the main armed opposition force the CNDD-FDD had signed a ceasefire agreement with the government. This decision was enshrined in the Pretoria Protocol (November 2003) which endorsed the entry of the CNDD-FDD into the government. The latter won a decisive victory in both the municipal elections held in June 2005 and the legislative elections the following month. Nevertheless, these democratic advances remain fragile. A rebel group – the National Liberation Front (NLF) – continues to use arms despite the conflict having already been estimated to have claimed over 300,000 victims since 1993.

A police force serving the people

With a view to establishing a democratic state, setting up the National Police of Burundi (NPB) to serve the population is one of the primary challenges to be met.

Today, the disparity, the profile and the lack of training of this force which is estimated at some 20,000 men, all represent obstacles to overcome in providing the citizens of Burundi with a police force that maintains close links with citizens, is effective and is upright.

The origins of these 20,000 men are diverse. Coming from former police forces, some from the ex-armed forces (FAB) (primarily the Gendarmerie) and some from former rebel groups (known as the Armed Parties and Political Movements or APPM), these men now have to live side by side under the same command despite have warred against each other for many years.

In addition, their profile and their training are not adequate to the fresh challenges facing the Burundi police. Members of the force
Support for the training of the National Police Force of Burundi

Start-up: 2006
Duration: 3 years
Budget: 3,375,000 €
Objective: Support the new National Police Force of Burundi to ensure it becomes a civilian force, which maintains close links with and serves citizens

Previously played a primarily authoritarian policing role. Training in ethics was scarce if non-existent. A first major step was made in restricting by law police prerogatives and the scope of police action. Previously there was confusion between the tasks of the army, the gendarmerie and the police. But the skills, capabilities and training of future police officers are extremely diverse. Members of the gendarmerie have received military training, those in the former police force traditional training, while those from the APPM have received no training at all. Moreover, the vast majority of these men have only practised as police officers in wartime, a factor which radically altered their approach to their profession (greater focus on keeping order, regardless of human rights, than on protecting the population). According to the Burundi Human Rights League (ITEKA), many human rights abuses were committed and are still committed by police officers themselves.

Finally, the widespread poverty in the country is encouraging corruption and an increase in criminality, challenges which the police are having to tackle without the appropriate equipment or infrastructure. Accordingly, the National Police College training centre (ENAPO) has fallen into terrible decay, the trainers lack any depth of knowledge and educational material and the provincial training centres have only the bare minimum (tables and chairs) required to provide training.

A police force at the end of the tunnel

“The main difficulty in creating a ‘new’ police force involves staffing. The police force originally consisted of several units reporting to different Ministries, such as the security police linked to the Ministry of the Interior or the prison police linked to the Ministry of Justice – not to mention the former armed groups. A lot of internal moves were therefore required to combine these different groups and transform them into a single police force. Although the force is still not fully integrated, we currently have 210 instructors across Burundi working towards this objective. We are currently trying to create the National Police of Burundi during a very difficult social and economic period. We have just come through 10 years of war and lack the necessary logistical and financial resources. Belgium’s support is therefore much appreciated and helps us to provide basic training. We are now able to provide on-the-job training for senior officers and to support training courses for instructors. In three years time, I hope to have met all the project’s targets and have a democratic police force serving our nation. This is what we all expect to see at the end of the tunnel.”

Mr Guillaume Bunyoni
Director General of the National Police of Burundi

Action by Belgian Cooperation

The principle of a civil police force to serve citizens is based on the Arusha Agreement. Intervention by BTC seeks to support the new National Police of Burundi (NPB) to ensure that it becomes a civilian force, which maintains close links with and serves citizens. Putting in place structures and training programmes is one of the ways in which efforts are being made to reach this objective. The activities conducted are therefore implementing a training programme which is currently being used for the entire body of the National Police Force of Burundi.
GOOD GOVERNANCE IN THE SECURITY SECTOR

By becoming involved in more structural reform of the security sector in Burundi, Belgium and other stakeholders are considering in particular the differentiation between the tasks and missions entrusted respectively to the army and the police. Are they proportional to domestic and foreign threats? Do they correspond to the needs expressed in terms of security, protection of institutions and safety of citizens? Is political power capable of guaranteeing transparent planning and demonstrating good governance in this sector? In other words, is there the prospect that human capital and resources will be better managed than in the past? And moreover, is the country fulfilling a democratic purpose and accepting democratic control and responsibility?

Today, despite the fact that certain questions remain unanswered, Belgium has already decided to take responsibility for a proportion of this reform, namely training the police force. The DGDC/BTC partnership has drafted plans in this regard: the national police force of Burundi, whose ranks have swelled considerably from 3,500 to 21,000 (of whom virtually half are former rebels) will receive training over a three-year period. Peacekeeping missions by the United Nations and other NGOs as well as certain donors, including Belgium, are encouraging the government of Burundi to incorporate this type of sector-wide approach (SWAp) to internal and external security into Burundi’s development frameworks such as the Poverty Reduction Strategy Papers (PRSP).

Jan Van Heukelom
Security Advisor UNOB, Burundi

This programme run by the NPB with financial and technical support from BTC requires the expertise of the Belgian federal police in ensuring that training is devised for instructors themselves and, where appropriate, is made available to higher hierarchical levels. The project will be conducted in coordination with other stakeholders in the field of security, in particular with the Netherlands which is providing funding for material, equipment and above all the necessary infrastructure for training.

First and foremost, the project has drawn up a plan by which to implement training and setting out the training content. Educational material will be available and awareness raising will take place throughout the police force in an attempt to attract all officers to the project. In order to ensure that personal awareness is raised of the project, there will be “support staff” within police units who will be responsible for presenting and following up the project.

Training the instructors themselves will take approximately one month. Their work will be intensive and it is likely that some of them will have to be replaced after more or less a year. Test-lessons and modifications to the content will facilitate a final version for the 18 teaching modules. The core syllabus is based on concepts of a civil police force serving all citizens. It contains overall themes such as ethics, behaviour towards the population, humanitarian rights and standards, civil education and more specific subjects such as shooting techniques, administrative drafting and control of a vehicle. This core syllabus will be supplemented by eight specialist modules. Teaching via a modular system was considered the best approach since it is necessary to train all members of the new force while at the same time providing policing services during the training period. This modular system, with “students” returning to their units at the end of each module, is very flexible. Several modules may be taught at the same time or linked up on a rapid timetable. Flexibility is important in a context in which many external parameters may derail the process.

A coordination department will ensure that the various instructors are distributed fairly between training centres. Follow-ups and assessments will be conducted to perfect the modules used. In the long term, a database will be needed to incorporate all the information required to manage the training. And specifically, it will record which officers have followed which modules, while today no information at all is collected on the level of officers’ skills. This structural tool will be crucial in further developing an ongoing training strategy, which will meet the visions and values held by the NPB. Even if it is not one of the project’s key objectives, such information will also, where appropriate, be vital tools for developing an overall security strategy in Burundi.

In the medium term, the Burundian police will have access to a training strategy and will homogenise its various components while at the same time mitigating the concept of ethnicity within the body of the police by making the job a professional one. This will be quite some achievement.
Administrative decentralisation which involves allowing populations to freely manage their affairs, refers back clearly to the idea of local democracy. It entails a radical revolution in the method of regional administration. Acknowledging new regional institutions with a legal personality and financial autonomy and run by elected bodies means a new division of powers, responsibilities and resources among the central administration and the new local communities. Decentralisation therefore represents one of the pillars of the process of democratisation by creating an area in which account can be taken locally of the principles of participation, transparency, pluralism, separation of powers, fair and transparent management of resources and of the rule-of-law state.

A real dynamic for institutional development

Mali is, without doubt, the best example among the countries of West Africa of a reform of governance undertaken resolutely both to further develop and enhance the political process of democratisation and to generate the framework for a new dynamic of local development.

Following the example of countries in the sub-region, a weary population of a State, which no longer appeared able to meet its basic social needs or to manage resources transparently and fairly, were crying out for the institutional and political reforms undertaken in the 1990s. On the other hand, the peace agreement signed with the rebel populations in the North clearly stipulated a degree of autonomy and freedom for populations in managing their affairs.

Decentralisation was therefore proposed by President Alpha Oumar Konare as one of the country’s key focus areas. Following the national conference and in accordance with the new Constitution subsequently adopted by referendum, it was considered a crucial reform in instigating democracy at local level. It provided the opportunity to focus on a new development dynamic based on making populations themselves responsible for managing local affairs. Administrative decentralisation also proved itself to be a key strategic lever in reforming the State, both in terms of the substance and the design of its role and of its form and organisation.

In line with this strong political approach and contrary to an administrative approach, a Decentralisation Mission drew up and implemented an overall nationwide reform strategy. It concentrated primarily on the principles of populations taking responsibility and becoming involved. In this way, in the context of a broad campaign to explain and communicate the plans, populations came to play a direct role in preparing for and implementing reform. Dialogue throughout the country enabled villages to decide on their groupings and the regional configuration of future municipalities. Legislative provisions were finalised in the context of national discussions. The country’s entire lifeblood was mobilised to take part in launching the reform. These were the premises of a real governance-based approach since the government had turned to concerted public action in which all players in society (central administration, devolved state departments, non-state players, political parties, etc.) were working together to define and implement public policies.
In line with a Malian approach adopted by the players involved and in a harmonised fashion throughout the territory, Mali very rapidly offered partners and donors the national tools to manage and support the process. A Fonds national d’Investissement des Collectivités Territoriales (FICT) and the Agence Nationale d’Investissement des Collectivités Territoriales (ANICT) were set up to manage the process together with a national provision for technical support for the launch of municipalities with municipal advice centres. In addition to supporting and invigorating the process, these tools have made it possible to coherently federate and articulate external aid.

Following the launch of the process which centred primarily on a municipal level, the government and the local communities then entered a second stage of reform based on two main axes: enhancing supra-municipal levels (circles and regions) which constitute the framework of the new approach based on territorial development and linking decentralisation to a strategy of institutional development which comprises reforms of central administration, devolution and methods for managing public resources.

**Action by Belgian cooperation**

In this process, decentralisation plays the role of strategic lever in putting in place participative and democratic governance. In this vein and in line with the Poverty Reduction Strategy Paper, the project in support of decentralisation in the circles of Banamba, Kolokani and Nara in the Koulikoro region is anchored in the institutional framework of reform in Mali. It seeks to support the new institutional players (the municipalities) in their role at the local level, and at the national level the Fonds d’Investissement des Collectivités Territoriales and the technical support provision.

The project entails organising institutional support and providing municipal institutions with the tools to enhance their capabilities and to promote their management role. Consequently, it facilitates their access to financial resources in order to invest. These tools are both financial resources made available to the FICT at national level and advisory support and training at the level of municipal players. In compliance with a governance-based approach, the project is also designed to enhance the collaboration of municipal institutions with local players, in particular structures within civil society involved either directly or indirectly in supporting the municipalities.

In this way, the project has supported the process of drafting municipal development plans, relevant action plans and budgets, methods for mobilising local resources, local policies to promote the private sector, implementing a public service and many more – all by supporting in their action the institutional players and individuals directly concerned. A training fund in respect of which local communities have a “drawing right” has also enabled municipalities to use training and related support for their specific purposes. This is more a support-based approach rather than one based on substitution.

This approach based on institutional development is a pilot approach. In fact, it is setting up a measure to provide resources and to respond to the needs of many players who, from the national level right down to municipal and even local level, are now directly involved in regional administration and development planning.

Many results are expected to be achieved via this approach of shoring up the various players involved. Enhancing the capabilities of said players to work together (direct result) should make it possible to promote local development and should more effectively meet the needs of populations (indirect results). The renewed trust of citizens in the state should reinforce their participation and give meaning to the process of raising awareness of responsibility which decentralisation presupposes. To mark this new approach, the government of Mali has taken up social indicators such as changes in the number of girls attending school, the use of health centres, improvement in access to drinking water and so forth.
Participative management in the municipality of Ibarra, Ecuador

While Ecuador has a fragile central administration, as reflected in its eight successive presidents in the last decade, decentralisation is a key strategy making it possible, via division of competences at the national and local levels, to enhance the administration while at the same time reducing poverty. BTC is one of the few organisations to provide effective support for a programme, at the local level, which has placed the emphasis on decentralisation.

Its aim is to shore up the municipality’s capabilities in order to ensure quality implementation of decentralised competences in the areas of health, the environment and tourism.

It is specifically alliances with other municipalities, with the association of Ecuadorian municipalities and with ministries, which have proved useful in sustaining the debate on good governance. Every year, the programme organises a congress, focusing on these four components, in which both national and international players are involved in analysing experiences in the field of decentralisation.

Thanks to the results achieved at the local level in Ecuador, it is possible to influence the necessary changes at the national, institutional and political levels. The programme being run with the municipality of Ibarra hopes to contribute to this and since its inception in May 2005, it has received the full collaboration of the (local) authorities. In due course, this process – in a context such as that of Ecuador – will prove crucial in reducing poverty.

It is clear that these are long and complex processes because they require an overall approach involving many different players and which take account of several different dimensions at all levels of regional administration. Moreover, they require that the central administration, beyond serving populations, also takes accurate account of its new roles in managing a framework which supports the various players’ initiatives and in defining strategies. The trend here should be away from a command administration and towards one which supports and assists. This constitutes both part of the stakes in terms of the reform already completed and a challenge still to be overcome.

Belgian cooperation, which is accustomed to a highly pragmatic field-based approach, has many assets, which make it useful in taking part in and supporting such reforms. Historically linked to tangible action at local level, its approach has adapted to the new context of regional development. Keenly geared towards visible and accessible end results, it has now developed broad experience in supporting local players and their initiatives. In this way, it can fully complement cooperation linked to drafting national public policies and administrative reforms. Its locally based action can be seen in this sense as a pilot experience in favour of a process of a policy of institutional reform undertaken by the country as a whole.

2 Lessons learned on donor support to decentralisation and local governance, OECD, 2004.
3 Faust, J., e.a., State reform and development cooperation: the political economy of decentralization in Ecuador, Deutsches Institut für Entwicklungspolitik, 2005.
Decentralisation has brought the country back together

The impression people often have of Africa is a continent characterised by a series of conflicts; where does this vision come from? In Europe, there is often talk of Afro pessimism since what can be seen in Africa today are crises. However, these crises must be regarded as reactions. The majority of the African population is young, has not experienced colonisation and is calling for strategies to change the governance of their countries. All the experiences of decentralisation represent the search for the legitimisation of the state. At the same time, questions are being asked as to whether the state structures in Africa are adequate. Any kind of grouping strategy is useful for creating internal trade and the work carried out by the African Union which devises strategies at continental level makes a contribution in this respect. These aspects are two sides of the same coin, two strategies for exiting from the crisis: decentralisation on the one hand coupled with grouping together on the other.

Can the decentralisation begun in Mali over 10 years ago be used as an example for other African countries?

What is referred to as the “Mali governance model” is characterised by a certain number of things:

- Decentralisation is primarily a political rather than technical or administrative reform. This is something that people simply have to accept. In Mali, it is a matter of culture.
- Decentralisation is a very deeply rooted tradition. In 1960, decentralisation was already laid down in our first constitution. By engaging in discussion with the people, we quickly understood that the origins of administrative culture corresponded to decentralised governance, there was consistency between the culture and this way of running the system. So, it was just the methods that needed to change.

Decentralisation in Mali was a response to a deep-seated political crisis: the revolt in the North of the country. Since the country’s independence, the people have not been involved in decision-making and have been powerless to influence their fate. Contrary to what one might think, decentralisation does not have a centrifugal effect. Quite the opposite, it has brought the country back together. In Mali, all players have been involved in the discussion to create towns, suggest names for them, propose a leader and so forth. It was a slow process, which lasted a year, but it was a unique opportunity for the people.

These are the aspects unique to Mali and they explain why it is sometimes difficult to implement this model in other countries, as is the case in particular in Chad. People first have to accept that decentralisation is primarily a political reform. It must be regarded as a strategy that enables democracy to be better established at local level. Today in Mali, there are approximately 11,000 local elected representatives, which is a considerable increase in the political base. Before this, there were only a few dozen ministers and members of parliament. This is really what democracy is all about and it is here that Mali can be used as inspiration for other models. There is not one decentralisation but many.

Is decentralisation a solution for managing diversity?

In Africa, stability is dependent on two things: the respect for diversity and the place accorded to minority groups. The major crises in Africa can be put down to these two things. Africa has a wealth of diversity but after the end of colonisation, the main concern was to preserve national unity. People even fought against the federal state like in Cameroon. The problem of achieving the most adequate institutional framework for managing diversity is one that is experienced in all countries. This is a fundamental problem that will shape the country’s future. We need to have the courage to ask ourselves: Why are we together? What are we here to do?

Everyone agrees on the fight against corruption but they have to be able to reach an agreement on their own societies and on the concepts they need to share with their allies and with their community. However, fundamental questions are often not addressed.

What role would cooperation play in this “decentralised” Africa?

Cooperation has to prepare itself for a change if the move from a mono-player to a multi-player partnership is to be made. Structural approaches, local strategies, territorial policies and new instruments that do not exist at present should be set up. Currently in Mali, projects are being negotiated with administrations which are unaware of the local problems. This is what has to change. The young, local elected representatives are questioned on a daily basis by the people and this makes them think. In the next 10, 15 or 20 years, we will witness the emergence of local political figures who are better prepared and who will make up the new leadership of an Africa that is a creator of wealth.

Interview of Ousmane Sy,

Winner of the 2004–2005 King Baudouin International Development Prize

Bamako, 21 October 2005
No country in the world can establish a credible public authority without putting in place a high-quality and effective system of public finance. Good management of public funds forms an integral part of responsible and democratic governance. Ideally, the public action of a government should take the form of strategic plans and should then be reflected in the budget. Preparing a budget, implementing it and monitoring it are therefore important activities in ensuring the quality of public management. A government owes itself to have a comprehensive vision of its income in order to allocate resources appropriately, provide efficient management of its cash flow and to improve monitoring and auditing systems. A more efficient system of public finances is also a key criterion for increased aid from donor countries. In addition, it also allows this aid to be more efficiently integrated into government systems rather than via parallel systems.

Re-building the country

After 17 years of civil war, in 1994 Mozambique found itself faced with a catastrophic situation. Although arms have been laid down between the government and the opposition (the Mozambique National Resistance – RENAMO), half of the schools in the country and one third of health centres had been damaged or destroyed. Ten years later, although the situation has improved, the challenges remain considerable: life expectancy in Mozambique has fallen to below 40 years, a direct consequence of the AIDS epidemic. One of the poorest countries in the world, littered with anti-personnel mines, Mozambique also has to re-build state structures and integrate efficient management of international aid. Such aid still accounts for over 25% of the overall public budget. Faced with these colossal challenges, appropriate allocation of money will be one of the conditions of the country’s recovery. The process will also shore up this young democracy which is already on the rails. Elected in 1994 and 1999, Joachim Chissano (who could have stood for a third term) stepped aside to ensure democratic transition and to further establish a rule-of-law state in the former Portuguese colony.

As is the case in many developing countries, several studies have highlighted relatively poor management of public finances in Mozambique. This weakness can be divided into different aspects. Firstly, the government is finding it difficult to draw up a budget, to link it to the strategic objectives and to allocate it in accordance with the funds available.

The main reason for this is lack of information. Incomplete management information is due to ex post re-allocation of budgetary funds, disparate accounting systems and inconsistency with regard to databases. Circulating money is difficult, causing delays in implementing the budget for organisation providing essential services such as schools and hospitals. Moreover, the multitude of bank accounts makes effective management of cash flow impossible. Accordingly, in the absence of information on allocation and available financial resources, loans are contracted when funds are in fact available elsewhere.
Public Finance Management (PFM) & good governance

“Among the aspects of good governance, improving the efficiency and accountability of the public sector are assumed to be essential elements of a framework within which economies can prosper. From the mid-1990s increasing attention has been paid to the role of public expenditure management systems as tools of governance. Today, good governance is assessed primarily in terms of the degree of transparency of decision-making and policy implementation and through disclosure and the adequate functioning of mechanisms of public accountability.”

The government budget

“Since the budget determines the origin and application of public financial resources, it plays a central role in the process of government. The budget process ensures that the people’s representatives scrutinize and approve the raising of taxes, the contracting of debts and the application of public funds (including budget support of donors) by government.”

Mick Foster
Consultant

Finally, shortcomings in internal checks and audits increase the risk of improper use and misappropriation of funds. This risk also entails loss of the trust placed both in the state and in the service provider. Approximations and poor management of available public funds also impact, to a large extent, on the attitude of external partners. Confused management of finances does not encourage them to increase the volume of aid provided or the methods of providing it. Donor countries also put in place a parallel accounting system for the financial aid they provide. This decision prompts additional administrative costs and prevents any transfer of knowledge to Mozambique employees responsible for managing the state budget.

Deficient management of public finances therefore undermines all social projects receiving support. Among them, the aim of reducing the poverty and, in a broader context, the Millennium Development Goals, suffer as a result of this type of improvised management...

Developing satisfactory management of public funds is therefore a vital condition at many levels for achieving a prosperous and democratic state.

Action by Belgian Cooperation

In the context of SISTAFE

Established in 2002, the integrated financial management system SISTAFE (Sistema Integrada de Administração das Finanças do Estado) is an overall, long-term reform project designed to improve the system of management of public funds in Mozambique. Involving Sweden, Norway, Denmark, the United Kingdom, the European Commission, the World Bank and, since 2003, Belgium, the project will run until 2008 at the earliest.

This overall reform encompasses all the essential aspects of a reform of Public Finances: compiling and implementing the budget, management of salaries, assets, public contracts, revenue (but not collection of taxes), debt and setting up an internal audit system.
At the end of the process, the Mozambique budget should be more efficiently managed with transparency, stricter monitoring and faster circulation of funds.

Several actions are vital to achieving these ambitious objectives. It is therefore necessary to create a framework governing a system of public finances which meets international standards (adapting rules, internal procedures, amending budgetary classifications and so forth).

Another important component – setting up a computer application (e-SISTAFE) enabling integrated financial management – was brought into operation in 2003 under the watchful eye of UTRAFE, a unit responsible for coordinating the reform programme. SISTAFE’s other recent developments include the digital conversion of financial transactions, implementation of a single-account system and the circulation and immediate classification of tax revenue.

Belgium

The support given to Mozambique by Belgium is budgetary aid, i.e. resources provided to the beneficiary state which then develops mechanisms by which to manage allocation of these funds.

Belgium has also supported SISTAFE by making a financial contribution to these funds of €5 million for 2004 and 2005.

Belgium also monitors and assesses the reform project, and oversees Mozambique’s general budgetary aid. This supervision is conducted by an economist based in Maputo and made available to Mozambique by BTC.

The expert is responsible for monitoring achievement of objectives highlighted by the government and complying with the underlying conditions governing the granting of budgetary aid. Complying with the division of tasks between donors and beneficiary country, it focuses its efforts on monitoring the management of public finances, a field to which Belgium is linked via SISTAFE. In this way, it analyses the budget itself, the way it is implemented, reforms of public finances and related audits.

Another mission, that of the BTC technical assistant, involved playing an active role in measures to harmonise the aid provided by various donors and to ensure that this support and the relevant action – even that of the government – are more appropriately matched. This harmonisation, specifically in terms of budget submission, is vital to coherent coordination of all actions undertaken in Mozambique. In this vein, the expert works in partnership to align Belgian procedures with those in place in Mozambique.

It goes without saying that the expert is Belgium’s special representative in the project. He follows the progress of SISTAFE, sits on its Steering Committee and ensures continual exchanges between Belgium and Mozambique regarding the project.

In Rwanda, BTC provides technical assistance in the field of Public Finances. Its activities focus specifically on enhancing the planning capabilities of the Ministry of Finance and Economic Planning (MINECOFIN) and of sectoral agencies and local government.

The main tasks of the MINECOFIN are both planning and budgeting. Planning is directly linked to public finances since it establishes a link between policy and budgeting in the policy-planning-budget-spending chain which itself is vital in assessing how effectively a government is operating.

Since the project began in 2003, the results achieved by technical assistance have centred on the introduction and improvement of planning methods. In particular, the focus has been on the need to integrate strategic planning into the budget-implementation-monitoring and evaluation cycle. Support has also been provided for ministries and local authorities. Planning staff have received training at central, sectoral and local levels. Despite this, the quality of plans drawn up remains patchy with general weaknesses in terms of costing, budget links and monitoring and evaluation. The quality of the interaction with local government in particular has improved, especially in education, while other sectors have made limited progress.

But there are still challenges. In the near future, the project will further develop planning in two chosen sectors by establishing close cooperation with the Ministry of Local Government, Community Development and Social Affairs (MINALOC), working with officials from the Strategic Planning Unit (SPU) and finalising a guide to planning and budgeting together with training modules.

Institution building in the process of strategic planning in Rwanda
No effective system of democratic governance can do without half the population of the planet. The principle of equality between men and women is anchored in every international legislative text setting out human rights. Yet despite this, access to different institutional, economic and political levers remains more difficult for women than for men. They are more exposed to poverty and to violations of their rights and are affected by discrimination in education, at work and in social relationships which undermines the democratic principles on which a rule-of-law state should be based. However, their contribution is vital for development and democracy.

Women in Vietnam

Since the 1990s, Vietnam has gradually moved towards liberalisation of its economy and international integration (a process of reform known as “Doi Moi”). Despite the financial crisis in Asia in 1997, the Vietnamese authorities have consolidated this change of direction by applying structural reforms to modernise the economy and to enable more competitive production. In 2001, the country became a member of the ASEAN Free Trade Area (AFTA). In the same context of opening up the market, Vietnam is currently knocking on the door of the WTO. The country has taken the appropriate legal measures required to comply with international commitments, in particular rules currently in force within the WTO.

In parallel with this opening up, the situation of women has gradually improved and their role in society is starting to be recognised. The composition of the National Assembly, 27% of whom are women, is testament to this. However, there is still progress to be made. The rate of literacy among women, particularly in urban areas, has made up considerable ground on men but has yet to reach the same level. Women remain under-educated and are required to leave school earlier. And in terms of the levels of university and secondary and tertiary education, far more men are to be seen in university lecture halls. But here too, progress towards greater equality appears to have been made.

Moreover, in the working environment, women are few and far between in the hierarchy. And for performing the same job, they receive a lower salary. Nevertheless, their presence among the active paid population is slightly higher (53%) than that of men; this figure exceeds 80% for women between the ages of 20 and 30! In addition, women also account for 70% of informal work.

Despite this numerical domination on the labour market, access to traditional loans is difficult for women in rural areas, for institutional, cultural, social and, of course, financial reasons. Sometimes, such women turn to exorbitant loans frequently offered by people in their immediate environment (family, wealthy individuals in their village and so forth).

Today, women represent a life force for Vietnam. Tomorrow, they will play a leading role in society, in particular by making their mark in the economic sector.

Action by Belgian Cooperation

Via a micro-credit project, BTC is involved in shoring up gender equality in Vietnam. Belgian cooperation provides support to a recognised structure. This enhances the position of women in Vietnamese society. The support itself is seen as a reduction factor: strengthening the structure itself helps to ensure that it can provide greater support to the Vietnamese people.
Enhancing the management capability of the Vietnam Women’s Union

The Vietnam Women’s Union (VWU) boasts 11 million members via 10,331 local groups. It is the largest mass association in the country. Structured and with a management hierarchy, its mission lies in six key action programmes which are seeking, among other things, during the period 2002-2007, to boost women’s qualifications and skills, to help them in economic development and to enhance the wellbeing of women and their families.

The VWU is a vital player in the emancipation of women and in encouraging their participation in Vietnamese society. With this in mind, the organisation runs activities to help women improve their political, social and cultural knowledge, their level of education and their professional standards. For 45 years, a Women’s Management School (Ecole de Cadres Femmes) has helped 20,000 women in various training courses for positions of responsibility.

Mindful of the need to value, too, the role of women via the population, the VWU is working in partnership with the media and is conducting awareness campaigns. Moreover, in 2005 it launched the first issue of its own publication the Women of Vietnam Review.

At the political level, the association is taking action to ensure that the issue of gender is incorporated into the process of drafting laws and into policies directly concerning women. It chairs, in particular, the National Committee for the Advancement of Women in Vietnam whose members are political officials. This structure monitors the application of the National Strategy for the Advancement of Women.

Within the framework of the project run by BTC, the majority of the support for the VWU is in the form of a computerised accounting system. A great deal has been invested in financial and training terms to enhance the institutional capacity of the VWU in large-scale management of loans and savings programmes.

A management structure has been set up via a strong and hierarchical network. Provincial centres have been fitted out with the necessary computer equipment. A total of 15,000 members of the VWU have received training via BTC in implementing standardised savings schemes and a credit model.

Boosting women’s income in Niger

The project Increasing the monetary income of women in the Dosso region forms part of the Dosso multisectoral programme. It constitutes the Social Development wing of the project and works in close cooperation with the Health and Hydraulics wings in the same region. It is focused more specifically on women and seeks to enhance their socio-economic position by boosting their financial resources.

Funding small infrastructure projects and purchasing equipment means daily tasks for women become less arduous and enables them to spend their time on other lucrative activities such as a trade. The project also enables them to access financial resources via mutual savings and credit services. Above all, though, by collaborating with civil society to establish women’s groups, it enhances their organisational abilities and contributes directly to more efficient management of communities’ human, economic and environmental.

Considered an exemplary project in promoting women, the project receives political support characterised by the desire to harmonise the efforts of the various financial backers in the five districts of the Dosso region.
Breaking the “no-hope culture”

Micro-credits have always been a key element in developing the national Vietnamese strategy. The role of the Vietnam Women’s Union (VWU), founded in 1930, is to promote women’s inner strength, to legitimise their rights and gender equality and to help them in economic terms in enhancing families’ wellbeing. The VWU was therefore a pioneer organisation in putting in place micro-credit mechanisms for poor women in rural areas.

In a bid to reduce poverty by boosting income for women and their families, in 1997 the VWU launched the Vietnamese-Belgian Credit Project (VBCP) with the support of the Vietnamese and Belgian governments. This project aimed to shore up the capacity of the VWU in managing credit and savings programmes. Experience has shown that the project has been able to break the “no-hope culture” for families living in extreme poverty. The increased income of families thanks to mothers being able to work has, in general, had a substantial impact on the general wellbeing of the family in terms of housing, clothing, nutrition and education.

The project focused its institutional support on areas such as organisational structure, personnel management, system and policies, financial management of the portfolio and cost control.

Within the framework of the VBCP’s Microfinance Programme, experience has shown that women can improve their basic business knowledge and can develop their entrepreneurial skills.

Being able to integrate the project via small homogenous groups of ten has opened up new social and economic perspectives for poor women.

Through training, the group dynamic and the activity-based approach, poor women in rural areas have demonstrated their skill and creativity. Enhancing these qualities, awakening their consciousness and managing a flourishing business has boosted these women’s feeling of self-worth, their confidence in themselves and has helped them to succeed and to get past the idea that poverty is inevitable.

Ms. Khue
Vice President of the Vietnam Women’s Union and President of the VBCP Steering Committee.

Shore up the institutional capacity of the Vietnam Women’s Union (VWU)

Start-up: 2001
Duration: 4 years
Budget: 4,000,000 €
Objective: Improve the living conditions of poor women and their family in rural areas

When the project is completed, the institutional capacity of the VWU to manage micro-finance programmes will be considerably enhanced.

Micro-credits for poor women in rural areas

“Via globalisation, institutions can play an increasingly decisive role when it comes to promoting or hindering the progress of women,” says Ms. Heyzer, Executive Director of UNIFEM (the United Nations body working specifically on the issue of gender) […] “Furthermore”, she explains, “we need to boost women’s skills to enable them to take on new risks and to derive profit from fresh possibilities. It is important to establish financial institutions which are positive towards women, based on increased participation and a greater degree of responsibility.”

In the light of Ms. Heyzer’s suggestions, the support of BTC (micro-credits aimed at women) complements the political action of the VWU. In fact, by helping to eradicate poverty among women in the areas in which it is active, BTC is enhancing the place of women in the various structures within Vietnamese society. Firstly within the family unit, then in a broader circle which may extend from their particular area to their village.

This rise, albeit modest, at the economic level should enable women to free themselves from all economic dependency. Moreover, the savings generated by women are used as a priority to fund education and healthcare for their families, particularly their children – two key sectors for the wellbeing of a population.

1 “Vietnam, une affaire de femmes” [Vietnam: women’s matters], Oxfam-Québec 2005
Admittedly, in order to guarantee an optimal allocation of the granted aid, the beneficiary countries must have reliable mechanisms and democratic structures to manage these financial supports. Still, this requirement is valid for all the supporting actors, i.e., the donor countries, too. By harmonizing their practices, by aligning them to the local strategies, they take part in the good democratic governance of development aid.

**Harmonisation**

Over the last decade, efforts have been made to improve aid effectiveness in ways that better meet the needs of developing countries. At the same time donors have pledged to considerably increase the amount of aid in future years. A number of good practices and guidelines have been drawn up based on partnership and dialogue between partner countries and donors. New instruments have been introduced such as sector and general budget support.

This evolution has been highlighted at different international summits. Most recently, in March 2005, over 100 countries committed in Paris to a practical blueprint to provide aid according to these new principles of good practice. Participants acknowledged that these aims could only be reached if both partner countries and donors take the necessary steps in a spirit of partnership and mutual accountability. In doing so, they agreed for the first time to measure their success at making aid more effective, with a set of 12 indicators and targets and within a timeframe.

The Paris declaration is based on 5 principles

- **Ownership** by the partner countries of their development policies and strategies
- **Alignment** is the commitment made by donors to base development assistance on national strategies, institutions and procedures. When the systems and procedures are considered too weak to rely on, the donors should take the necessary steps to strengthen them rather than undermine them by creating parallel structures. The partner countries accept that capacity development with the support of donors is an essential part of their development.
- **Harmonisation** is the commitment by donors to rationalise their activities between them in ways that maximise the collective effectiveness of the development aid. This implies principles of transparency, collaboration, complementarity and a more effective division of labour between them.
- **Managing for results**
- **Mutual accountability**
The long-term vision is to build legitimate, effective and resilient country institutions that allow development in a coherent way. Even in the so-called fragile states, it is recognised that the basic principles of alignment and harmonisation should not be abandoned. Instead the strategies should be adapted to an environment of weak ownership and capacity and to immediate needs for service delivery.

Although these principles appear logical and straightforward, implementing the harmonisation and alignment agenda may prove a major challenge. Developing countries, with systems and institutions that respond to the quality standards of the donors, are rare. Absorption capacity of many partner countries for an increase in aid flow is questionable.

Therefore capacity development and interventions that aim to plug the gaps are essential to create the appropriate environment in which to apply these principles in practice. It is expected that donors will increase their support for interventions that promote good governance.

However, the systems and procedures of the donor countries themselves will also often require major modifications to enable the use of partner country rules and regulations to disburse ODA money.

Belgium is following the abovementioned trend. It has pledged to apply the conclusions of all recent international fora on development aid, including the Paris declaration. It is increasingly supporting good governance intervention including in a number of fragile states and is seeking to further enhance its expertise in this field. However in order to apply its commitments, a number of decisions should be taken and investments made. Improving the flexibility of the decision-making process and the predictability of aid are two major challenges for Belgium.

BTC will take into account the principles of good practice when defining the methods by which to implement its interventions. It should take care to avoid parallel programme management units, in charge of the daily management of aid and ensure that local authorities take the lead. In recent years BTC experts have increasingly illustrated that high-level experts can play a role in policy dialogue, based on their technical qualities. BTC has also invested in upgrading its expertise in capacity assessment. This is an essential element in being able to define the most appropriate implementation methods, to analyse the capacity shortfalls and to propose measures to strengthen the weaknesses. Expertise in budget support and public administration management (including public finance management) has increased significantly.

However, in order to fulfil its commitments in terms of the harmonisation and alignment agenda, Belgium will have to introduce these principles into multilateral and indirect bilateral cooperation. It should ensure also that BTC’s monitoring bodies take these principles into account.

BTC has committed to offer existing structures and systems a chance to prove themselves. However, while the principles of good practice are obvious, the systems and procedures in Belgium’s partner countries are not risk-free. Therefore, the application of the harmonisation and alignment agenda will have to be adapted to the specific situation of each partner country.