

Introduction

Types of decentralisation

Decentralisation is a broad term, which is frequently used to refer to very different forms of government. Decentralisation can be described as the transfer of power from central government to lower levels of government. This can include responsibility for planning and management of various government functions, as well as resource-raising and resource allocation.

There are three main types of decentralisation:

1. **Administrative** decentralisation refers to the transferring of authority, resources and responsibilities from central government to field offices and agencies. These lower levels of government remain wholly accountable to the delegating body, although there may be some scope for local citizen participation.

Deconcentration is the main form of administrative decentralisation and refers to the transfer of power to central government officials who are dispersed and relocated across the country, for example Provincial Governors or District Officers, and local offices of central ministries. Hierarchical accountability is maintained between the local units and the central government. It is often seen as the first step for countries wanting to pursue decentralisation.

Delegation is another form of administrative decentralisation which refers to the transfer of authority and responsibility from central government to specialised agencies at the local level, such as a hospital board or local project implementation unit. These units are mainly still accountable to the delegating central ministry.

2. **Political** decentralisation is the transfer of power to lower levels of government, which are elected by local citizens (in various ways) and which have some degree of local autonomy. Such local governments are therefore downwardly accountable to citizens rather than to central government. It is sometimes referred to as democratic decentralisation. Political decentralisation requires a constitutional, legal and regulatory framework to ensure accountability and transparency.

Devolution is the main form of political decentralisation and refers to the transfer of substantial responsibility, decision-making, resource and revenue generation to a local government that has a significant degree of local autonomy. These

devolved units are normally independent legal entities and fully elected. It is generally seen as the most comprehensive form of decentralisation.

3. **Fiscal** decentralisation is not really a separate form of decentralisation – instead it is more accurately described as the financing mechanisms that underpin all forms of decentralisation. It refers to the transfer of funds, and sometimes revenue-raising powers, from central government to lower levels of government. Resource allocations are often negotiated between the central and local units based on various factors, for example interregional equity, availability of resources and local financial management capacity. Adequate financial resources are necessary for local government to fulfil its responsibilities, therefore effective fiscal decentralisation is vital for the success of any form of decentralisation.

In any particular country there are likely to be both deconcentrated and devolved systems, operating in parallel, e.g. centrally appointed district officers and elected local governments within the same locality. There may also be agencies with delegated powers, for example local offices of national social action programmes. These parallel structures can and often do lead to conflicts and uncertain lines of accountability. The situation becomes even more complex in countries that have multiple tiers of subnational government.

Donor evaluations

The following donor multi-country evaluations provide an overview of decentralisation reforms globally and offer some broad lessons learned.

- World Bank, 2008, 'Decentralization in Client Countries: An Evaluation of World Bank Support, 1990–2007', World Bank, Washington DC.
http://www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2008/09/16/000333037_20080916044226/Rendered/PDF/454080PUB0Box311PUBLIC10Aug07102008.pdf
- European Commission, 2007, 'Supporting Decentralisation and Local Governance in Third Countries', EC-Europa, Brussels.
http://ec.europa.eu/europeaid/what/governancedemocracy/documents/decentralisation_local_governance_refdoc_final_en.pdf
- OECD DAC, 2004, 'Lessons Learned on Donor Support to Decentralisation and Local Governance', OECD, Paris.
<http://www.oecd.org/dataoecd/46/60/30395116.pdf>

Other resources

Please see the final chapter on ‘Relevant Organisations and Resources’ for further suggestions.

- The Commonwealth Secretariat has several publications that relate to the topic of decentralisation and local governance. These can be purchased or downloaded at: <http://publications.thecommonwealth.org/local-government-145-c.aspx>
- The GSDRC Gateway Guide on Decentralisation and Local Governance highlights the most useful, credible and up-to-date online resources and organisations working on decentralisation and local governance in a development context. <http://www.gsdr.org/go/gateway-guides/decentralisation-and-localgovernance>
- McLoughlin, C., 2008, ‘Reviews of Decentralisation and/or Subnational Government Support Programmes’, GSDRC Helpdesk Research Report, Governance and Social Development Resource Centre (GSDRC), Birmingham, UK: <http://www.gsdr.org/docs/open/HD561.pdf>
- Center for International Earth Science Information Network (CIESIN): The Online Sourcebook on Decentralization and Local Development
The CIESIN Online Sourcebook on Decentralization and Local Development is a collaboration between the Food and Agriculture Organisation (FAO), World Bank, United Nations Development Programme (UNDP) and three European donors. It contains an overview of key themes relating to decentralisation and a number of country case studies. It also explores issues in programme design and offers guidance on the RED-IFO model on decentralisation designed to support decentralisation policy-making and evaluation.

