



## **Decentralisatie**

Decentralization and Local  
Government Strengthening  
Program (DLGP)

# **Current State of advance of DLGP Overall**

**Bas Ahmadali**

**Managing Director**

Presenting the status of The Program  
to IDB-Mission in Februari 2008

# CONTENT

- CURRENT STATE OF ADVANCE (2003-2008)
- ACCOMPLISHMENT
- LESSONS LEARNED
- INPUT FOR 2<sup>ND</sup> PHASE

# 1.1. Core legal reforms are adopted and long term strategy for sector is formulated

## Legal Frame Work

- **Interim Law Financial Decentralization**
  - **Legislative bills, amendments and state decrees drafted and presented to the Government**
- **Package of 34 Interim Regulations in place**  
1 Law, 3 State Decrees, 7 Presidential Resolutions, 18 minister and 5 District Ordinances  
> **Package of final drafts Legislative bills**
  - **1. Amendment of Constitution, 2. Amendment of Law on Regional Bodies, 3. Law on District Taxes, 4. Law on inter-governmental financial relation between the State and the Districts, 5. District Ordinance for Betterment Tax and 6. Ordinance for Rental Value Tax**

# Draft legislative bills presented to the Government at highest level



**L to R: Min Labor, Min Regional Development, President of the Rep Sur , Min of Finance**

# 1.2 Studies

- **Governance study for Paramaribo**
- **Governance study for Sipaliwini**
- **Long term decentralization strategy**
- **Model personnel policy for Districts**

- **Pre-Study done by ADEK University**
- **Pre-Study done by Dr. Kambel**
- **In Procees LAP-Institute**
- **Partially incorporated in the draft bill amendment of Law on Regional Bodies**

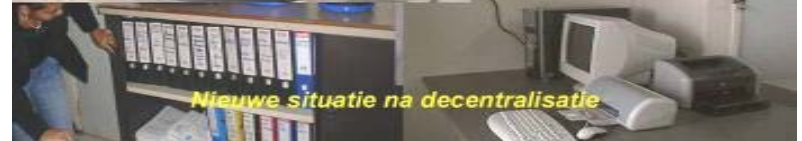
## 2.1, 2.2 Core administration, planning, budget and financial mechanisms put in place for self financial management

- Office Rehab
  - Fully Loaded new division “DISTRICT FINANCE & PLANNING” (DFP), headed by a technocrat
- 4 districts done
  - 1 district in proces
  - Implemented in 5 pilot districts and 1 non-pilot district

# Office Rehab Districts



# Fully Loaded District Finance and Planning Division





## 2.3 Capacity to raise and manage own-source

- **Computerized tax administration system (TAS) for Districts designed and tested**
- **TAS installed and operating in three pilot Districts**
- **Three pilot Districts collecting own-source revenues and assisting OTA in collection of RVT**
- **Pilot districts collecting more RVT, PET and devolved fees than amounts previously collected by GOS in their territory before DLGSP**
- **TAS installed and operating in all pilot Districts and two non pilots**

- **TAS Designed**
- **Planning and implementation postponed to the period of “special extension”, because of:**

- (i) **Lack of budget**
- (ii) **Lack of District Cadastre**

### **Rescheduled:**

- (i) **Budget available from remaining resources for TAS, WAN and Inter-District Exchange Foundation**
- (ii) **DLGP-MD and GLIS MD signed Agreement to implement in each pilot district their own cadastre (last week)**

- **[See Contract](#)**

## 2.4 Citizen participation mechanisms implemented

- Democratic Structures at local / district level
  - (i) Citizen Participation Commissions
  - (ii) Platforms for citizen participation and district development
  - (iii) Citizen Information Centre
  - (iv) Public Hearings
  - (v) And other technocratic structures

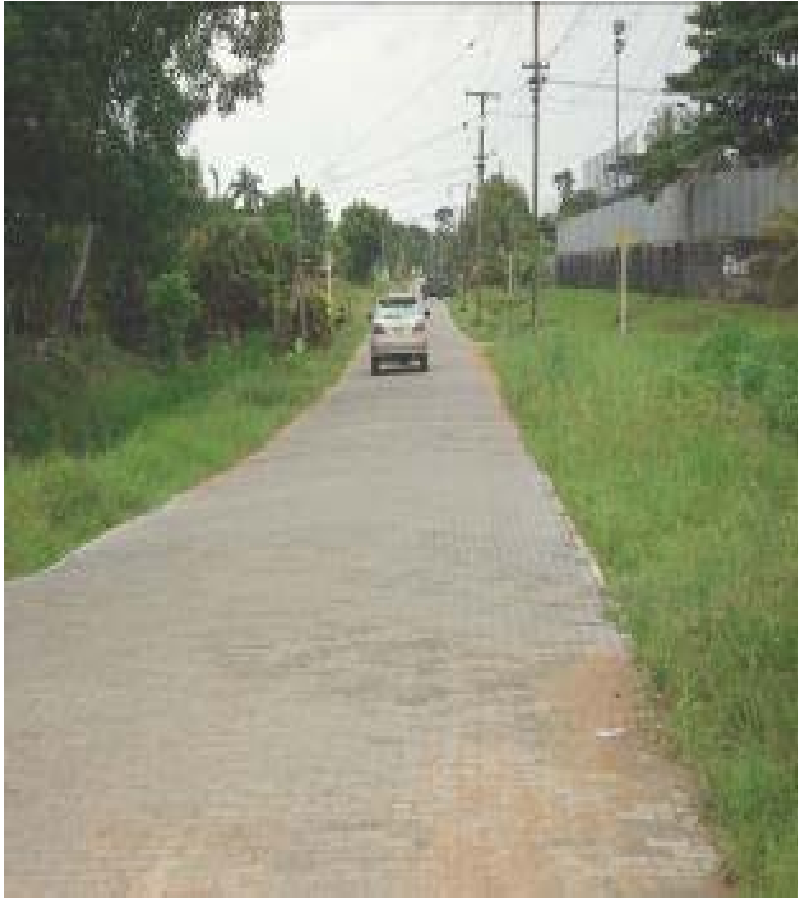
- Incorporated in the District Organization Structure:
  - DMT
  - DFP
  - CP-COMMISSION
  - CIC-CENTRE
  - Public Hearings
  - CIVIL WORK UNITS

## 2.5 Preliminary capital works systems in place and training projects implemented

- Management mechanisms and tools
  - (i) Civil Work Units
  - (ii) Manuals
  - (iii) Training
  - (iv) Local Service Providers
  - (v) Donation Systems
  - (vi) Training Projects

- Implemented and are in operation
  - Fully Loaded
  - In place
  - Done
  - Recruitment, selection and training to be done
  - State Decree approved by Cab of Ministers
  - First round implemented  
Second Round in execution

# Trial Projects



## 3.1 Institutional strengthening of MRD

- MRD organizational study approved by GOS - [See Org.](#)
- [Rehabilitation](#) office rooms in the head office, furniture and equipment

# 3.1 Institutional strengthening of MRD

- *10 local trainers certified by program*
- *50% of recommendation from MRD study implemented -- with particular emphasis on those related to LGDD, BAFA and CTA*
- *new staff of LGDD, BAFA and CTA hired*
- *Information exchange network defines bylaws and fee structure*
- **COMPREHENSIVE CLUSTER NETWORK MRD-STAF WELTRAINED PERSONNEL (MIRROR TEAM) PINCHLINKED WITH CLUSTER STAF MEMEBERS OF THE DISTRICTS AND MINISTRIES (250 P)**
- **IMPLEMENTATION PLAN OF THE CLUSTERS**

## 3.1 Institutional strengthening of MRD

- Information exchange network for local governments created
- > Project Proposal Inter-Distr. Found
- > Draft Regulations
- > Draft Floor Plan
- > Inter-Govt TAS – Project Plan
- > WAN

## 3.2 Institutional strengthening of MOF

- Task Force of Ministry of Finance Financial Decentralization (TMOF)
- OTA

- [Approved by Cabinet of Ministers and installed by Decree of Minister of Finance](#)
- Program support for RVT promotion, Road Map, Tax Collection
- Agreement signed between Director of OTA and District Commissioner



# 4.1, 4.2 Second Stage

- **Key elements of a second stage, follow up program are formulated**
- **Design of demand driven project system completed**
- **Needs assessment inventory for capacity building and physical investment projects completed**
- **Feasibility studies and prelim designs of project pipeline completed**
- **Draft operating regulations completed**

- **Incorporated in DLGP-II –SECOND PHASE PROGRAM**
- **CAP BUILDING REMAINING DISTRICTS US\$ 4 MILJ**
- **CAP INV PROGRAM PILOT DISTRICTS US\$ 26 MILJ**

## 5. Key elements of Program Support activities successfully implemented

- Program Advisory Board set up
- PIU fully staffed
- 80% of DLGP implemented
- 50% approval rating of DLGP by general public
- DLGP Program mgt fully in hands of PIU

- [After approval of Cab of Ministers by Decree of MRD Minister](#) > NOT IN OPERATION
- PIU fully staffed and fully loaded in operation except FA
- Done
- More through intensive campaign and promotion
- No doubt

# Financial Statement

- IDB-Loan US\$ 4.9 milj – [Statement from Annual Report 2007](#)
- Balance on 11-11-2007 US\$ 1,661,323
- [BREAKDOWN OF AMOUNT COMMITED CHARCHEBLE US\\$ 2,502,178,75](#)
- The saved amount expressed in column 7 US\$ 1.661.323 has been processed – with approval of Minister of Regional Development and the Representative of the IDB – for the investment in extra capacity in the districts on board of DLGP-I and in a second round trial projects for paving of sand roads in the certified pilot districts (Wanica, Nickerie, Para, Commewijne and Marowijne), because of the success of the first round trial projects. The Bank cooperates on request of the Government with a 'special extension' for one year to execute the ongoing projects.
- The implementation of DLGP I started from the date of the first disbursement on 2002-11-27. The closing date is 2007-11-11. The Program was developed for three years of implementation; delays caused a budget neutral extension twice. The goals of the Program were achieved in 5 years; nevertheless **US\$ 1,661,323** was saved. International consultants and the international firm for program support have been phased out timely for the benefit of the districts (our clients).
- The counterpart budget of US\$ 2,100,000 (30% of the project costs) and the IDB loan of US\$ 4,900,000) are used finally for full 100%.

# Conclusions

- Legal Frame Work (interim) in place
- [Project Cycle](#) completed in 5 districts (Level 1, Level 2 and Trial projects)
- 2 non-pilots are on board, one includes Level 1 certification
- DLGP-1 formally closed on 11-11-2008
- **SECOND PHASE = ELIGIBLE TO BE CONTINUED**
- > Cap Building Program for remaining districts
- > Cap Investment Program for the pilot districts

# Level 1 certification pilot districts



# Level 1 certification pilot districts



# Level 1 certification pilot districts



# Level 1 certification pilot districts





# LESSONS LEARNED

- *Political support > at highest level*
- *Comprehensive, complex, political most sensitive and risk full program*
- *Overall weaknesses: within central government, within local government, within private sector (35 international and 35 local consultants involved);*
- *The start with un-experienced young professionals*
- *Consensus building without budget*
- *The replacement of ICMA with VNG*
- *The support of international firm for Program Management failed (Resident Advisor, Intern Mgt Advisor)*
- *Promote and implement DLGP als peoples project*
- *Ownership of People*
- *The attitude of civil servants, after having built the right capacity*
- *Invest more in the best MIX of Public and Private sector = sustainable*
- *Human development must be high. Extra investments needed in de pilot districts*

# LESSONS LEARNED

**The LESSON now learned:**

- **We know where we are**
- **We know how to do**
- **We know where to go**

## *Challenges*

- *To get the central authorities in the right position and role to control and supervise the districts and to support and assist in best functioning of the local government*
- *Explain links between governments*
- *to get the bills through the Parliament in 2008*
- *To implement DLGP-II and CIP for the best quality of life for the citizen*
- *Don't shock the confidence in the Program through "discontinuation"*