



STUDY OF LOCAL
AUTHORITIES
ASSOCIATIONS OF
EUROPEAN UNION
PARTNER COUNTRIES –
ASPAC – REGIONAL
REPORT

Dialogue and capacity building of
local and regional authorities
in EU partner countries
in the fields of development
and local governance

2015



PLATFORMA

The European voice of **Local** and
Regional authorities for development



**Study of Local Authorities Associations of European Union
Partner Countries – ASPAC – Regional Report**

**PLATFORMA – 2015
UCLG – 2015**

**PLATFORMA Partners in the Project: Dialogue and capacity building of local and regional authorities
in EU partner countries in the fields of development and local governance**

**Council of European Municipalities and Regions (CEMR)
United Cities and Local Governments (UCLG)
French Association of CEMR (AFCCRE)**

**International Cooperation Agency of the Association of Netherlands Municipalities (VNG International)
Swedish Association of Local Authorities and Regions (SKL)
Spanish Federation of Municipalities and Provinces (FEMP)
Cités Unies France (CUF)**

**Conference of Peripheral Maritime Regions (CPMR)
Association of European Border Regions (AEBR)
International Association of Francophone Mayors (AIMF)
Commonwealth Local Government Forum (CLGF)**

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Régions Unies – FOGAR**

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Design: acapella.be – Printing: Daddy Kate – Photo: EuropeAid Photo Library

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INTRODUCTION

Background

- * The European Commission has defined Local Government Associations in partner countries as political actors and therefore as important targets for development cooperation.
- * In this framework, the EU is supporting PLATFORMA, an alliance of European local and regional governments and associations, along with three global networks (UCLG, CLGF and AIMF), to develop a “dialogue” between local governments from Europe and partner countries that includes regional seminars and research on the situation of local governments in partner countries.
- * With regard to the local government associations, the objective of the project, taking into account its limited resources, was to conduct an initial evaluation of the state of play based on self- assessment by the associations.
- * To achieve this objective, the project supported the regional networks and local staff in the associations in answering a questionnaire with key information on local government associations and provided supporting documentation needed for the survey.
- * The ASPAC regional expert played a facilitating role, helping the associations to fill out the questionnaires, collecting the back-up evidence, preparing a profile for each association and writing up the conclusions.

Objectives

The study was to provide an assessment of the state of play of the local government associations in Asia and Pacific countries, through the collection and quality control of data on national and regional local authorities associations and the submission of a profile of each association (both based on the proposed survey and on complementary documentation).

Research Questions

Key research questions for local governments associations:

- * What was the level of representation that local government associations have?
- * What was the capacity of influence on national policies that local government associations have?
- * What was the capacity building expertise that the association has to help its members?
- * What was the capacity of communication that local government associations have?
- * What was the administrative, legal, staff and resources situation of the association?

The questions were developed in a questionnaire that was accessible through the Survey Monkey platform that each local government associations had to answer, with support of the regional expert.





POLITICAL SYSTEMS IN ASIA

Asia is one of the most diverse regions with regards to local government systems, ranging from constitutionally empowered structures, legally protected and with clearly delineated areas of responsibilities. The systems range from devolved and democratic ones right through to centrist control either through political ideology or often through military coup-de-tats.

Many countries are also in transition from centralized to democratic systems and may be seen as not one or the other but placed along a continuum from one extreme to another. It must be seen, therefore that the process is dynamic and therefore the existence of the Asia-Pacific regional section of United Cities and Local Governments (UCLG) or UCLG ASPAC has an important role as a clearing house of ideas, knowledge hub and an active platform for the exchange and critical evaluation of ideas as well as lessons learnt and know-how.

This project on “Study on Local Authorities Associations of EU Partner Countries” promoted by Platforma was concerned with countries and their local governments and associations in South-West Asia and South-East Asia. The South West countries are domiciled within the SAARC (South Asian Association for Regional Cooperation) sub-regional area and those within South-East Asia are contained within ASEAN (Association of South-East Asian Nations). Just as a general overview has been given in the first paragraph relating to the Asia-Pacific area as a whole to consider context, likewise it is important to consider the context of the sub-regional cohorts.

South-East Asia

There were five (5) South-East Asian countries that joined this Study, namely, Indonesia, Thailand, Cambodia, Vietnam and the Philippines.

Indonesia embraced democracy over ten years ago following many years of military dictatorship. Within local government, there has been a steady programme of reforms and the development of local government associations. There is not one association but rather several covering the different types of entities representing the executives and legislatives at sub-national governments.

Thailand has been committed to democracy since many years ago and has many thousands of local government units. The main association covers the larger entities. Unfortunately, stability is not obvious and has not been secured, and democratic central government has recently been replaced by the military. Consequently, local government as an institution has been weakened by this divisive activity, including its ability to raise membership finances.

Cambodia has emerged from years of war and desolation but has made a clear decision to embrace democracy and to positively exercise devolution. Local government reforms have been initiated and attention continues on sub-national government organizations.

Vietnam has rapidly transformed its governance after years of defending their country from foreign invaders and the end of a civil war both of which destroyed much of the country’s infrastructure. As a country of strong communist traditions, many of the structures allow for people participation in the decision making process.

Philippines has had many years to develop their sub-national government structures at the provincial, city, municipal and village level. Much progress has been made following years of a military dictatorship which virtually destroyed democracy as an institution. There is a proliferation of associations (Leagues) representing different areas of governance.



South-West Asia

South-West Asian countries include Pakistan, Nepal, Bangladesh, India and Sri Lanka.

Pakistan has had a varied history in its local government organization. They have been periods of great national instability and military rule with occasional periods of democratic local government. It was ironical that during the last period of military rule, local government was strong and had many devolved powers.

Nepal was a longstanding monarchy that tested democracy but this was overthrown and a republic was established. Now, despite much time and the writing of a new Constitution, no democratic local government has been re-instituted and much needed social action and infrastructure programmes have been neglected.

Bangladesh has had a long history of local government back to the colonial times before Bangladeshi independence. A municipal association (MAB) was established a decade ago and is making steady progress but national government of the country is basically dysfunctional at the present time and this has caused great disillusionment of the people.

India had a longstanding system of local government established under the British and this has continued post-independence. The constitutional control is under the States who also appoint Commissioners as they key officials of the local government and answerable to the state government. Local government associations are not apparent.

Sri Lanka has emerged from a 30 year civil war and is in the process of re-building its infrastructure and institutions. A national local government association is struggling to raise the resources to re-structure and cater for a system of local government that was established under the colonial period.





PERFORMANCE INDICATORS OF LOCAL GOVERNMENT ASSOCIATIONS

Local Government Associations (LGA) has an essential role to strengthen capacity of local governments and to represent as well as to bring local governments' voice and interest to national government. They stand to improve the image and reputation of local authorities and serve as a critical source of information for their members, central government and outside partners. Given their functions to promote better local governments, LGA needs to develop a strong governance and management in their internal organization.

VNG International, the international cooperation agency of the Association of Netherlands Municipalities developed a practical approach to assess LGA performance. The assessment is based on the comprehensive elements including governance, management, programme and services delivery, communication and networking, human resources, and also strategy development. Each of the elements has indicators to measure the development stages of LGA starting from basic until excellent. Detailed information of the development's stages from each factor/element can be found in annex.

This study then tried to apply the approach in the analysis of the survey. However, not all indicators and elements can be used considering the characteristic of the questions in the questionnaire. Simplification therefore was done by grouping the indicators to avoid overlapping as well as to deliver deeper analysis of the content.

Table 1. Elements of Analysis

Factors/Elements from the VNG's toolkits	Questions from the online survey
Factor 1: Strategy development	
1.1 Strategic planning	Q52(1), Q52(2), Q52(8), Q55, 62
1.2 Strategic monitoring and evaluation systems	Q56
1.3 Strategic management	Q12, Q19, Q52(2), Q52(7), Q52(8), 62
Factor 2: Governance structures	
2.1 Legal status and level of independence	Q7, Q8, Q57
2.2 Tasks and responsibilities of board and staff	Q58
2.3 General assembly	Q52(7), Q59
Factor 3: Board and Secretariat Management	
3.1 Board awareness	Q53(2), Q53(3), Q53(4)
3.2 Election of Board members	Q53(1)
3.3 Board meetings	Q60
3.4 Leadership	Q19, Q52(2), Q52(4), Q52(5), Q52(6), Q52(7), Q52(13), Q52(14), Q53(2), Q53(3), Q53(4), Q55, Q58, Q60, Q65, Q70
3.5 Operational management	Q11, Q12, Q54(1), Q54(2), Q54(3), Q54(4), Q56, Q63, Q65



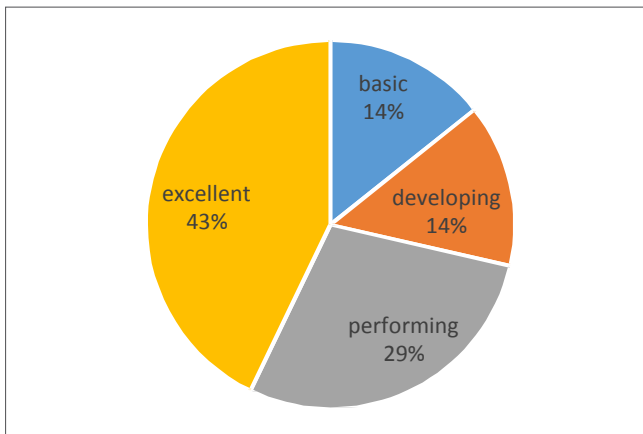
Factor 4: Financial management	
4.1 Revenue from membership fees	Q11, Q61
4.2 Other sources of revenue and financial sustainability	Q12, 52(8), 62
4.3 Financial administration and management	Q11, Q54(1), Q54(2), Q54(3), Q54(4), Q63, Q65
Factor 5: Service delivery	
5.1 Quality of services	Q52(1), Q52(5), Q66, Q74
5.2 Service satisfaction	Q52(5), Q56
5.3 Capacity building	Q51(8), Q51(9), Q67
5.4 Strategy	Q52(3), Q68
5.5 Type and character of issues	Q52(3)
5.6 Quality of positions taken	Q52(12), Q69
5.7 Interaction with member local authorities	Q32, Q33, Q34, Q35, Q36, Q37, Q38, Q39, Q40, Q41, Q52(5)
5.8 Interaction with government	Q52(5), Q52(9), Q52(10), Q52(11), Q52(12)
Factor 6: Outreach and communications	
6.1 Strategy for communication	Q52(4), Q52(7), Q52(13), Q70
6.2 Choice of mechanism	Q44, Q45, Q46, Q47, Q48, Q49, Q50, Q52(4), Q52(6)
6.3 Type and character of information disseminated	Q49, Q50
6.4 Direct contact with membership	Q52(5)
6.5 Visibility	Q51(2), Q51(3), Q51(54), Q51(10), Q52(5), Q52(6), Q52(9), Q52(11), Q52(13), Q52(14)
6.6 Character of networking	Q52(7), Q71
6.7 Types of exchange and learning	Q51(1), Q51(2), Q51(3), Q51(4), Q51(5), Q51(6), Q51(7), Q51(8), Q51(9), Q51(10)
Factor 7: Human resource management	
7.1 Staff roles, job descriptions and responsibilities	Q64, Q72
7.2 Staff policies and procedures	Q13, Q14, Q15, Q16, Q17, Q18, Q19, Q20, Q21, Q22, Q23, Q24
7.3 Staff recruitment, motivation and development	Q20, Q21, Q22, Q23, Q24, Q28, Q29, Q30, Q31, Q73
7.4 Performance appraisal	Q25, Q26, Q27, Q64



BUILDING STRONG LGAs IN ASIA

The assessment was conducted in ten (10) countries in Asia involving fourteen (14) local government associations in the region. Analysis of the survey result is described based on the above factors and criteria and grouped into the sub-regional levels which are South-East Asia and South-West Asia.

South-West Asia



The sub-region South-West Asia comprises of 5 countries which are India, Bangladesh, Nepal, Sri Lanka and Pakistan. There are seven (7) Local Government Associations (LGAs) or organizations dealing with local governments participating in this survey.

Based on the assessment, 43% of the associations are at the performance level of excellent. They are the All India Institute of Local Self Government (AIILSG), Municipal Association of Nepal (MuAN), and Municipal Association of Bangladesh (MAB).

They have been developing effective strategic plan and business plan as well as inclusive policy, strategy and procedures for the secretariat to run the operation. The governance of the organizations is also considered robust already, providing a guideline and framework of the LGAs' structure and system. This can improve professionalism – resulting to the enhanced quality of services delivery to their members. Another strength of these organizations lies at the communication and networking element. They have various platforms for communication such as a website, Facebook, Twitter and other publications which can be a useful mechanism to disseminate the information as well as to raise the visibility of LGAs.

Beside the above 3 LGAs, there are four (4) other LGAs which have different level of performance varying from basic into performing stage of development. This performance gap is generally caused by factors both from external and internal of LGAs. The internal factors are in-house challenges such as awareness and sense belonging of the board and members, inadequate internal management procedure and policy, vague leadership, and also limited resources and capacity of the LGAs. Meanwhile, the external factor is usually coming from political circumstances of the country as well as legitimization of the LGAs. Detailed assessment from each LGAs and countries in the sub-region is given below.

1. India

Despite the political condition in the country, All India Institute of Local Self Government (AIILSG) stands for building local governments' capacity in India. The institute aims to articulate local government needs and expectations to the national government, to provide a national platform, networking and services for local authorities, and to negotiate the on-going decentralization of functions and resources. With these objectives, the institute has clear mandate and vision which is elaborated in their strategic and business plan. The availability of written strategic plan addressing vision/mission, mid-term and long-term objectives, strategies, programmes and financial plan has brought AIILSG at the excellent level of stage development. The plan is thus applied to direct the organization activities resulting to improved services for the local governments in India. The organization also attempts to improve their financial circumstances by

becoming more sustainable through the establishment of a financial sustainability strategy. In addition to the strategic plan, a set of monitoring and evaluation tools is available for continuous reviews, feedback or monitoring and evaluation for the on-going activities of AILSG.

The governance element of AILSG is determined as robust and can be seen from the legal status, constitution and clear division of board and staff. The institute is legally constituted in private Law referring to its status as a non-governmental body. They also have received recognition as an independent membership organization with well-defined structure of committee and constitution resulting to balance of power. Recognition of AILSG however is not as a local government association, although the members of the organization are local governments.

Having a distinct governance element, the responsibility of board and secretariat is divided properly. Board of AILSG is aware of their function to oversee the organization. They also understand their responsibility and act in accordance with the statute. They are elected based on the organization statutes and meet regularly to monitor the management. The director of the secretariat has shown good leadership which can be seen from the well-documented policy applied in the Secretariat such as communication policy, financial procedures, monitoring and evaluation system, media strategy, business plan, and etc. These policies result to the effective operations of the Secretariat leading to enhance the quality of services as well as visibility of AILSG.

Furthermore, financial aspect is determined very crucial for the sustainability of the organization. AILSG managed to have a balance of revenue between the self-financed program and donor funded project. This has brought the organization more independence in terms of financial management by having other sources of revenue. Additionally, the financial management and administration in AILSG is handled with comprehensive written procedures including accounting and internal audit for the assurance of financial transparency.

Other elements to be assessed are the human resources management and communication. Human resources can influence the performance of services thus their capacity needs to be always developed. In AILSG, staff is well-informed of their responsibilities and authorities. The recruitment was done purely on merit, professional expertise and experience. Both technical and administrative personnel including finance have requisite professional skills to perform their duties. However, the number of staffs are considered limited particularly for the technical people. More recruitment were attempted to be conducted yet the budget constraint still becomes an issue to hire qualified person.

Meanwhile, the communication element in AILSG has been at the level of excellent. Written communication strategy is on place with diverse choice of mechanism such as website, printed and electronic newsletter. The communication strategy of AILSG also provides for an approach to engage with governments and other stakeholders in order to raise the visibility of the organization. It can be seen that AILSG has good relation with stakeholders as well as international standing.

Lastly, all the above internal elements can shape the performance of AILSG in delivering their services. They have been providing various capacity building programmes as well as advocacy activities for their members. The institute has a working committee on priority themes to enrich the issues for advocacy and other programmes. Specifically for lobbying, AILSG is active to provide a credible and coherent suggestion including new legislation for improvement of the government in India. Active participation of AILSG has brought much closer interaction of the organization with national government.





2. Bangladesh

Decentralization in Bangladesh has been implemented resulting to the establishment of Municipal Association of Bangladesh (MAB). Registered as non-governmental organization in the Bangladesh Law, the association is categorized in the membership organization which provides opportunity to encourage local governments to join them as members. The association has an excellent stage of development which is similar with AILSG in India for the element of governance, strategic plan, board and secretariat management, financial and administration, human resources and communication.

MAB has developed a strategic plan and business plan to guide the organization in performing their services delivery. The planning is prepared in participative way involving the board and the secretariat members. The vision for sustainability of financial management has been explored leading to the development of financial sustainability strategy. Monitoring and evaluation system is also established, presented and discussed openly by membership and used for decision making.

Governance structure of the organization highlights the division of tasks between board and secretariat. It is written in the constitution including the general structure of committee and board meeting which takes place regularly with adequate preparation. Board members have functions to monitor and supervise the director of the Secretariat, to provide guidance, advisory role, setting policies and decision-making on key policy issues. On the other hand, director of Secretariat leads day- to-day management of the Secretariat and responsible for implementing the strategic plan. This comprehensive constitution and governance structure can stimulate accurate functions of each stakeholder in the organization.

The awareness of board to engage in the on-going issues and activities in MAB is essential to giving more commitment for the association to grow. In the case of MAB, the board has extensive understanding and is actively involved in supervising the implementation of the programmes and activities. Subsequently, the leadership of the director is determined visible and accountable. This visionary leadership is supported with the adequate and qualified human resources in the secretariat, leading to improve the operational management systems and performance of the secretariat. This can be seen from the financial management which has a good balance of revenue from the membership fee and donors. Having other source of revenues, the association can reduce its reliance to membership to cover all operations and programmes. This vision of financial sustainability is supported by the development of financial sustainability strategy and policy including accounting, internal audit, and financial control rules.

Furthermore, communication strategy to increase the visibility of the organization is also available with the diverse choice of mechanism and type of information. Several communication tools such as the website, Facebook, Twitter, newsletter, and electronic newsletter are accessible creating the excellent level of development stage for MAB. LGA then can further utilize its network to improve more opportunities to achieve its goals and objectives.

With this characteristic of operational system and communication, MAB attempts to deliver a qualified services to its members including trainings, seminars, lobbying, and other programmes or activities in the major of local government fields. In particular for advocacy, the association is supported by a working committee on priority themes. This committee works under MAB to enrich the substantive issues for the improved or proposed legislations or regulations. Although the committee has been contributing to the lobbying activities, MAB has remained passive to participate in task force meetings to advocate the legislation. Similarly, the capacity building programmes are conducted in *ad hoc* basis depending on the donors funding. These main challenges have weakened the services of the organization albeit the high quality of LGA resources and proper monitoring and evaluation scheme. Hence, the development stage for services is only at the level of performing.

3. Sri Lanka

Attempts to enhance the decentralization in the country have been conducted through the establishment of Federation of Sri Lanka Local Government Association (FSLGA). The main mandate of the association is to strengthen the functioning and capacity of Local Government Bodies in Sri Lanka. Based on these vision, the strategic plan is developed to direct the activities of the association. However, the strategic plan is not followed with evaluation and monitoring systems thus periodic reviews of the activities cannot be undertaken. Written financial strategy also does not exist resulting to the challenges for the financial sustainability vision of the organization. This has brought the strategy development element of FSLGA at the level of performing only.

The structure of the organization is determined weak due to the confusion of responsibilities between board and secretariat. The minimum involvement of board has contributed to aggravate the governance of the association. Although FSLGA has been recognized as an independent membership association and obtained legal status based on Law as non-governmental organization, the performance of the organization is remained threatened putting the organization at the level of developing in their stage of development.

Board of association has essential functions to decide on the key policy issue affecting the organization. They need to be actively involved to ensure political stability and to direct the strategic planning of the association. In the case of FSLGA, the board passively participates and has less understanding of their responsibilities to oversee the consistency of the programmes' implementation. They do not act in accordance with the statues and do not monitor the work of the organization. This issue of less awareness from board members brings the implication to decrease the performance level of FSLGA into the basic stage of development which is the lowest category in this indicator.

As the functions of the board are not well executed, this negatively affects the leadership of the secretariat. It is noted that FSLGA does not have an appropriate regional structure nor a good media strategy. Instead, it has confusion of responsibilities between board and secretariat and also the *ad-hoc* basis of communication activities. With this weak leadership, the operational management turns vague ensuing absence of some procedures and policies including internal monitoring and evaluation system.

In terms of financial management, FSLGA has a proper procedure and policy to handle the administration and accounting including the internal audit system. It has shown efforts to improve the work of association through accountability and transparency. Unfortunately, this administration of the financial aspect has not resulted in income generation for the secretariat. FSLGA has found challenges to collect membership fees, thereby it causes difficulties to manage the overhead cost of the organization. Alternative source of revenue shall be explored to cover the operational management of FSLGA.

Despite the issues of membership fee collection, FSLGA managed to deliver good services to its members. Particularly for the capacity building and training, the association has conducted a regular training targeting local authorities in various thematic areas. This is in line with the vision of the organization to build local capacity for strong and reliable local governments. Meanwhile, the advocacy work of the organization still needs to be improved in order to strengthen the quality of positions taken. The lobbying is mainly undertaken on *ad-hoc* basis without adequate policy research due to the resources limitation. FSLGA also does not have working committee to deal with the substantive enrichment as well as good media strategy to support the advocacy. Strategy of communication is only done in some occasions without continuous and comprehensive framework. The current communication mechanism available is through website, Facebook, Twitter, newsletter and virtual library. Further improvement by optimizing the use of communication mechanism can be carried out to increase the visibility of the organization.





4. Pakistan

Local Council Association of Khyber Pakhtunkhwa (LCA KPK) and Local Council Association of the Punjab (LCAP) were two (2) associations which participated in the survey. These LGAs represent different provinces with different characteristic in the country yet the objectives of the associations are the same. Both of the associations are legally constituted based on public Law and recognized as an independent membership organization. With this strong support of the legislation, the LGAs are expected to deliver excellent services contributing to the local development of Pakistan. However, there are some limitations weakening the performance of the organizations as follows:

Strategic planning

LCAP has not developed an effective long-term strategic plan and business plan. The planning is done annually by *ad-hoc* department based on the previous workplan. On the contrary, LCA KPK has the strategic plan and it highlights the vision/mission, mid/long-term objectives, strategies, programmes and financial plan. This different circumstance of planning in both associations has differentiated the stage of development between them. LCAP is determined at the level of basic while LCA KPK is at developing level.

Regarding the vision for financial sustainability, both LGAs have not been put it as priority therefore the financial strategy is still limited. Similarly, monitoring and evaluation system is done internally without clear definition of indicators and procedures.

Governance structure

The organization structure in both LGAs are different which can be seen from their regional structure. LCAP has no appropriate regional structure while LCA KPK has developed their regional structure and it is appropriate to support the work of association. Moreover, LCAP mentioned that their institutional structure is not appropriate but LCA KPK addressed the structure fits with their needs.

The structure of LCA KPK including the procedure of general assembly meeting is explained in the constitution providing rigid guidance and division of roles between board and secretariat. Unlike LCA KPK, LCAP's constitution is still unclear particularly the arrangement of general assembly meeting. The division of task between board and secretariat has been identified yet it has not been fully adhered to.

Board and Secretariat management

As the consequences of the poor constitution and structure, the awareness of board in LCAP is not as high as the board members of LCA KPK. From the survey, it can be learned that LCAP's board does not act in accordance with the constitution thus the role of monitoring and supervision cannot be undertaken. This lesser awareness of board members can be caused by their other commitments as councilors in the country. More engagement with board members then shall be conducted to increase understanding of their critical functions in the association.

In line with the board management, the characteristic leadership of LCAP is weaker than the LCA KPK. It can be seen from the lack of procedures such as media strategy, mechanism of internal audit, financial management, and indicators for internal monitoring and evaluation. This can affect the professionalism of association performance in delivering services to their members. LCA KPK is considered more advance in terms of management reflecting to their proper procedure of administration, finance and monitoring and evaluation.

Although both associations have different levels of performance in management, all of them are having difficulties to collect membership fee. From their internal record, less than 10% of revenue is derived from membership fees which is less than the operational cost including personnel and programmes. The political condition of the country has served as the main reason of these challenges since local governments have not been recognized as independent body. Having this financial problem, LGAs are not able to provide competitive wage for their staffs. It thus becomes another challenge particularly to recruit qualified persons. In response to this challenge, LCAP attempted to obtain alternative revenue from consultancy fee yet the amount is less to cover overhead cost.

Services delivery

Due to the inadequate resources, these LGAs are only able to provide limited services to their members. LCA KPK even mentioned that they do not have services or programmes while LCAP tries to deliver certain trainings and sporadic seminars targeting to selected local governments funded by external donors. Moreover, both LGAs also cannot optimize their advocacy work as the result of this lack of resources. LGAs have developed lobbying strategy as well as working committee on priority themes to enrich the content, nonetheless, the policy influence is still small.

Communication and networking

Communication is related with the dissemination of information and also the visibility of the associations. Effective communication tools are therefore needed to enhance the network of LGAs. According to the survey, written communication strategy in both LGAs is not available because of the inadequate resources and capacity in communication. The current communication platforms used by the organizations are website, Facebook, Twitter, and printed newsletter. Nevertheless, none of visitors visited these media tools. More improvement shall be done to attract people to read the information from these available platforms.

Although none of visitor was found in the communication tools, the LGAs managed to keep their visibility in the country through engagement with critical stakeholders such as national government. Both organizations have good relationship with governments as well as other stakeholders. It can be seen from the frequent and strong dialogue with governments, parliaments, NGOs and other development actors.



5. Nepal

Municipal Associations of Nepal (MuAN) and Association of District Development Committees of Nepal (ADDCN) are two local government associations in Nepal which joined the study. Both LGAs are legally constituted based on the Nepali's public Law and obtain recognition as independent membership organization. They have been contributing to foster decentralization thus they were seen as the key actors in the local development. This significant contribution from the LGAs should be followed with adequate capacity and performance to accelerate the realization of the association vision and mandate. The assessment result of their performance is described as follows:

Strategic planning

Strategic planning is reviewed from the establishment of strategic documents, monitoring and evaluation systems as well as strategic management. From these three (3) indicators, MuAN has shown advance performance reflecting to the availability of strategic plan, financial sustainability vision and strategy, periodic monitoring and evaluation to be taken into account in strategic operational organization. ADDCN has also developed written strategic plan contributing to strategic development of the organization. Nevertheless, the plan does not include vision and strategy for financial sustainability. This weakness of ADDCN's plan is aggravated with the improper monitoring and evaluation scheme. At this moment, the association conducts monitoring and evaluation as internal exercise by staff only without involvement of board and members. The result of the assessment are not disseminated and used for future planning and decision-making. This makes the performance of ADDCN at the level of performing, while MuAN is at the excellent level.



Governance structure

The governance structure of the associations is well-defined in their constitution addressing the division of tasks between board, committee and the secretariat. The linkage of each actors as well as the schedule of meeting are explained illuminating the setting policy and flow of power in the organization. Based on this finding, the performance level of development both LGAs is at the same level of excellent.

Board and secretariat management

Following the governance structure, the board management of these LGAs has an excellent level of performance which can be inferred from the awareness to involve in the implementation of programmes. The board has good understanding of on-going activities and they also actively monitor the whole functions of the organization. Similarly, the leadership style of LGAs' secretariat is considered good and proper reflecting to the establishment of documents and policies such as communication policy, media strategy, administration and financial procedures, internal audit system, and also monitoring and evaluation scheme. Combination of effective board and leadership management has led to high performance level of the associations.

Another indicator of the management is the ability to collect income from several sources. Based on the survey result, MuAN is able to collect 80% of their membership fees and enough to cover the operational cost of the organization. On the other hand, ADDCN can only collect 50% of the fees to be used for the operational of association. The funding for activities and programmes of ADDCN most likely comes from donors agencies. Given this condition, the development stage of ADDCN is at performing level while MuAN is on excellent level.

Lastly, the assessment of human resources shows that both LGAs have sufficient staffs except technical staff in ADDCN. The staffs in the associations are paid with competitive wage giving motivation for them to work. Staffs also understand their responsibilities and tasks with clear procedure and policies applied. However, the recruitment process and staff development in MuAN and ADDCN is slightly different resulting to the different performance level between them. MuAN does the recruitment of staff on merit while ADDCN only recruits some of the staffs based on merit.


Services delivery

Given the excellent performance of management, MuAN succeeded to deliver qualified services to its members in the forms of capacity building and advocacy. Regular training programmes were conducted for various level of local authorities in the country. Additionally, the lobbying activities have been executed based on written advocacy strategy and presented in credible, coherent, defensible, and persuasive manner. The content enrichment has supported by working committee which has been established by the organization.

Meanwhile, ADDCN is only able to develop a number of services targeted for selected local governments due to the limited resources that the organization has. Capacity building activities are implemented in *ad-hoc* basis and largely depending on external donors. Moreover, the lobbying and advocacy are conducted through passive participation in dialogues and task force meetings without significant impact to the legislation. Hence, the performance level of ADDCN is at the level of performing which is one level lower than MuAN.

Communication and networking

In the aspect of communication and networking, MuAN and ADDCN are concluded to have the same level of performance. Both of them have good communication policy and diverse choice of communication mechanisms yet lack of communication strategy. Their communication strategy is unwritten and it is difficult to implement due to limited resources allocated for communication function. Capacity to enhance communication is needed to support the current policy of the associations. Nevertheless, the LGAs managed to keep their visibility through the various communication tools available including website, Facebook, Twitter, virtual library, newsletter, and electronic newsletter. In particular, MuAN which is noted to have 300 visitors in the website in a month and more than 500 page likes in the Facebook. Additionally, they also have strong and frequent dialogues with government, parliament, NGOs and business actors which can contribute to the realization of LGA's objectives and goals.

 **South-East Asia**

The region has diverse characteristics of politic, social and economy which results to the different level of capacity of associations in the region.

Seven (7) local government associations from five (5) countries joined the survey including Association of Indonesia Municipalities, National League of Commune Councils/Sangkats and National Association of Capital and Provincial Councils from Cambodia, League of Cities of Philippines and League of Municipalities of Philippines, Association of Cities of Vietnam, and National Municipal League of Thailand.

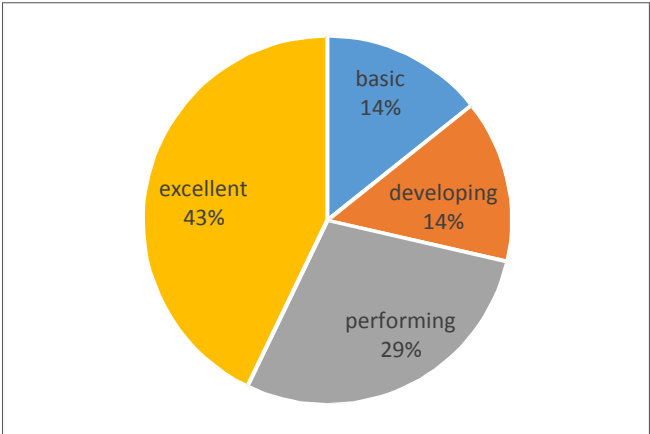


Diagram 2. Quality of Services

Based on the survey, it can learned that 43% of LGAs in the South East Asia has excellent performance for the strategic planning. They have developed strategic and business plan as well as had vision for financial sustainability. Furthermore, 71% has established monitoring and evaluation scheme which will be applied to review the progress of the association. These two indicators shows efforts from LGAs to improve their organizations through well-defined planning.

On the other hand, the quality of services from the LGAs ranges from the level of basic into excellent. Associations from Cambodia have lower performance in terms of quality of services compared to other LGAs. It can be caused by the stage development of the country. In addition, human resource and financial capacity become other reasons contributing to the weakening of the performance of LGAs. Detailed analysis of the LGAs per country can be seen below.

1. Indonesia

The Association of Indonesia Municipalities (or also called APEKSI) is one of the seven national associations which actively contributes to strengthen decentralization in the country. The LGA is legally constituted based on the Indonesian Law and recognized as an independent membership organization. The organization strategy development is measured as advance having compliance for some indicators such as strategic planning, management and monitoring and evaluation systems.



In strategic planning for instance, the association has clear vision and a demand-driven mandate. The vision and mission of the association is clearly stated in the constitution which is translated into the strategic and business plan. Within the plan, the strategy to obtain financial sustainability is discussed since it becomes one focus of the organization. The planned activities in the strategic documents are then periodically reviewed and evaluated to ensure that the progress and deliverable of the activities are remained on-track. This clear arrangement of planning is followed by well-structure of governance in the organization. Division of task between board and secretariat is also clear optimizing the functions and roles of each body and/or committee in the LGA.

The management of APEKSI has shown a synergy between the board and the secretariat. Both of board and the secretariat perform their function efficiently and understand to positioning themselves. The role to oversee the organization is executed by the board while the secretariat leads the operational association including day-to-day implementation of programmes and activities. All of them act in accordance with the constitution ensuring the organization running.

Leadership in APEKSI is also determined well. The association has established appropriate procedures and policies such as communication and media, administration, internal audit, accounting and financial management. All of them have been conducted in proper process and supported by sufficient documentation following the guideline available. However, there are some weaknesses which might potentially decline the performance of management. First, the LGA has not institutionalized the financial control procedures although the practices have been implemented transparently. Second, the policies of human resources needs to be regularly updated reflecting to the changes particularly for the organizational chart. Third, the recruitment of staffs also does not always do in merit which shall be changed in order to improve the association.

In terms of revenue, APEKSI has a good balance of sources from the membership fees and external donors. Nevertheless, the total amount of revenue is still considered too small to cover the cost of programmes and activities. With this current amount of revenue, it can only cover the operational cost while mostly the programmes which were delivered are mainly funded by donor. Alternative income generation shall therefore be explored to provide opportunities for sustainability in financing the LGAs.

Although the association has challenges in looking for funding to support the programmes, APEKSI managed to deliver regular trainings and advocacy. These limited trainings were prepared for selected local governments in the specific issues. Moreover, the advocacy works have been continuously carried out through the support of working committee. This committee has actively reviewed the current legislation in order to develop proposal for the new one.

To assist the on-going activities and programmes including advocacy, several communication platforms were set up. It aims to disseminate all information to members as well as partners. At this moment, APEKSI has website, facebook, twitter and newsletter. Among these communication tools, website is determined the best media to broadcast the updates of the association since it was visited more than 1000 in February 2015. It thus increases the visibility of the organization not only in Indonesia but also in the international level. The association also attempts to expanding its network with partners and participating in national committee in order to build partnership with stakeholders.

2. Cambodia

Decentralization is currently on-going in Cambodia resulting to the establishment of two (2) LGAs which are National League of Commune Councils/Sangkats (NLC/S) and National Association of Capital Province in Cambodia (NACPC). These LGAs have almost similar characteristic and performance due to the corresponding person involved in both associations.

Strategic planning

Both NACPC and NLC/S have developed strategic plan and business plan comprising the vision, mission, mid-term and long-term objectives, strategies, programmes and financial plan. It will be applied to guide the associations in defining a more detailed annual workplan. This strategic plan however is still lacking in financial sustainability vision and strategy. Additionally, the organizational structure of both LGAs is not appropriate for the institutional purposes. It thus can result to less effectiveness hindering the realization of their main objectives.

Governance structure

Having implemented decentralization, the associations are legally recognized by national government. Their establishment were supported by Law and registered as non-governmental organization. NLC/S which has been established earlier has more independent position compared to NACPC. They have been recognized as an independent membership organization and have developed their own constitution. The operational of NLC/S including programmes and activities of NLC/S are also autonomous without any intervention from other institutions. On the contrary, NACPC is still largely dependent on central government particularly for its operational and activities. The constitution of NACPC is available yet it has not been fully implemented.

On the other hand, division of task between board and secretariat in both LGAs is defined but it is not fully implemented. This procedure is written in the constitution including the coordination line of board, secretariat and general assembly. In particular for general assembly, NLC/S has more robust structure reflecting to their recognized position.

Board and secretariat management

Despite the inappropriateness of organizational structure, the function of all bodies in the LGAs is working efficiently. The board of NLC/S and NACP has high awareness which can be seen from their willingness to involve in the programmes and activities. They are also aware of their responsibility to oversee the organizations and to act in accordance with the constitutions. This demonstrates commitment of the board leader to provide a good leadership for the LGAs.

The leadership of secretariat for both associations is not yet at the level of excellent considering the absence of several policies and procedures. NACPC has not developed communication policy and media strategy thus communication is mostly done in *ad hoc* basis. Furthermore, the financial control policy has not been institutionalized although the current practices are conducted transparently already.

Similarly, NLC/S has some missing procedures in their management such as financial administration control and management as well as media strategy. The association also has weakness in their internal audit system since the internal audit does not report to the highest level of association. They mentioned that there is no such requirement for the association to accept formal internal audit report. This practice can lead to ambiguity which does not reflect the spirit of good leadership.

Furthermore, NLC/S has challenges to collect membership fees therefore only 10% of their revenue is derived from the membership. This small amount of revenue is claimed too small to cover the operational and programmes cost. On the other hand, NACPC managed to obtain 90% of membership fees. This good revenue collection can therefore be enough to cover all the organization expenses.





Services delivery

Services delivery of associations can be varied depending on the needs of their members as well as their objective and mandate. According to the survey, NACPC mentioned that they only have a few services to members and most of them are not in line with the objectives and goals of the organization. These circumstances are contrary to the financial ability of the organization. As the LGA claimed that they managed to receive 90% of membership fees, the amount should be dedicated to provide number of services for their members. However, since the association is just recently established, the number of members is considered not as many as the other LGAs. It is therefore the total revenue obtained can only cover few programmes and activities.

NLC/S also has the same challenges in providing services to their members. With the limited resources from the collection of membership fee, the organization can only be able to deliver a few services to the members. Capacity building activities for example are usually conducted in *ad hoc* basis and largely depends on donor funding. The advocacy work is also passively done in task force meetings without proper lobbying strategy thus it can only produce less influence. These services are sometimes not in line with the LGAs' goals and objectives. Other potential funding should be explored to enhance the services of NLC/S.

Communication and networking

In communication, both LGAs are still at the level of developing. The communication activities are done in *ad hoc* basis and they also do not have many options for the mechanism of communication. NACPC for instance does not have website, Facebook, Twitter, as well as newsletter. The association therefore is not visible in particular at the international level. The main reason for these challenges can be the short period of establishment of LGAs. The LGAs is still on the process to develop their internal structure and procedures therefore communication tools have not been properly created. Nevertheless, despite all these challenges, the association manages to keep good relationship with other stakeholders and has a strong dialogue with governments to support their advocacy work.

NLC/S is also having the similar challenges in expanding their network and communication. Due to the financial constraint, the association only has website and newsletter as their communication tools. Furthermore, they also involve only in a few networks since they do not have a proper communication and media strategy. The LGA however still manages to be active in national commissions and has strong dialogue with other stakeholders therefore they have good relationship with related stakeholders as well as international standing.

3. Thailand

The political condition in the country is determined unstable creating unsupportive condition for the local governments and association. The survey was thereby done informally to prevent any political commitment concerning the on-going structural changes in the LGA.

The strategic planning of National Municipal League of Thailand (NMLT) is measured at the basic level due to the weakness of strategic planning mechanism. The organization conducts planning at short-term only and it is mainly done by internal staff. The scope of the planning is also largely influenced by cycle of funding and current issues of local governments. Vision of financial sustainability has been one priority of the association yet the operational strategy has not been developed.

Periodic reviews and evaluations of the organization works are executed by staffs as an internal exercise without involvement from board and members. The findings of the monitoring and evaluation are not disseminated, thus they cannot be used for future planning and decision making.

Looking at the governance status and structure, NMLT has been registered based on the Law as non- governmental organization. They received recognition as independent membership organization therefore they are able to encourage local governments to join. The structure of association is also highlighted clearly in the constitution including division of tasks between board and secretariat. However, some confusions are still found in particular for the responsibility of board and secretariat.

Fortunately, this confusion does not affect the execution of their functions to supervise the whole organization. The board still has high awareness to oversee the association and also has good understanding of their roles to involve as well as to act in accordance with the statutes. This active engagement of board in the LGA encourage the leadership of the secretariat. The leadership is determined to be successful to provide clear direction in the management which can be seen from the proper procedures and good administration in NMLT. The association has business plan, communication policy, media strategy, administration, financial rules and regulations and internal audit system. However, in terms of recruitment policy, some of the personnel selections are done in merit while the others are not. The structure and coordination line among secretariat staffs is defined blurred, it thus can potentially threaten the professionalism of the organization management.

Furthermore, the operational management is also supported by the human resources in the secretariat. According to the survey, both administration and technical staffs are not sufficient to cover the activities of the LGA. More staffs are indeed needed yet limited funding is determined as the main factor hindering the expansion of the secretariat. The revenue of NMLT generally comes from the membership fees and they mentioned that they can collect 50% of the membership fees. With this amount, it can cover the operational cost only. The expenses for programmes and activities are mostly from the support of external donors.

In spite of the challenges to collect membership fees, NMLT manages to develop innovative programmes to members. The services are delivered in the forms of capacity building or trainings, advocacy, external projects and etc. The capacity building activities are done in regular basis targeting various local governments while advocacy is conducted passively in the task force meeting. These passive lobbying efforts are caused by the absence of written advocacy strategy and lack of resources to fund the activities. However, it should be noted that the LGA has established working committees on priority themes to assist the content enrichment of advocacy.

Meanwhile, the association has a good communication policy already which can be advantageous to expand its network as well as to raise its visibility. Some platforms of communication such as website, Facebook, Twitter, and newsletter are used to disseminate the information and updates of LGA's works. These tools are also utilized to reach all members as well as partners of the association.

4. Philippines

League of Cities of the Philippines (LCP) and League of Municipalities of the Philippines (LMP) have been active in strengthening decentralization in the country. These two LGAs are legally constituted by the Philippines Law and show high commitment to improve local governments' capacity as mandated by their constitution. The performance level of both LGAs are almost similar as described below.

Both LGAs have excellent level of strategic planning which can be seen from the strategic and business plan, vision for financial sustainability, monitoring and evaluation scheme as well as strategic management of the organization. It thus provides clear guideline for the association to implement their activities either for the period of long-term, mid-term and short-term.



The governance of the associations is also well-defined particularly for board and secretariat functions giving a balance of power between them. Clear division of board and secretariat responsibilities is explained in the constitution resulting to efficient coordination and working performance of the LGAs. Furthermore, the awareness of board is determined high therefore they are keen to perform their function to oversee the organization. It influences the leadership of the secretariat to also run in proper way.

The secretariat of the LGAs manages to establish proper procedures such as communication policy, media strategy, monitoring and evaluation scheme, administration, accounting, financial management policy and internal audit. However, the human resource management particularly for the recruitment staffs in LMP is found weak since the selection is done without proper procedures and professional judgment. Meanwhile, LCP always did the recruitment based on merit.

For the source of revenue, LCP has a good balance between membership fees and external funding from donors. This condition is different with LMP since they have been struggling to cover the whole cost of the association work. Membership fee remained as the main contributor of revenue in LMP and they can collect only 50% of the fees, this is not enough to cover the programmes and activities. This financial condition brings implications to the services delivery of the associations.

LMP is not able to provide high innovative programmes and activities including capacity building and advocacy. Particularly for the lobbying, it has been conducted based on written strategy yet the implementation is lacking due to the limited resources. On the other hand, LCP also cannot manage to deliver good services to its members although they have a good and sufficient financial capacity. The case of LCP is caused by the limited human resources in the association. Both administration and technical staffs are not sufficient to support the work in the LGA.

In terms of communication and networking, both LGAs have good strategies and apply various communication tools to reach their members as well as partners. Communication tools such as website, Facebook and newsletter are the 3 main platforms which these LGAs use. These platforms of communication are also found effective to raise their visibility both at the national as well as global level.

5. Vietnam

Association of Cities of Vietnam (ACVN) is legally constituted based on public Law as independent membership organization. The organization is the only association in Vietnam which deals with local authorities. From the assessment, it can be learned that ACVN has established a strategic plan and business plan. This written strategic plan was developed in participatory manner yet it is loosely connected to long-term goals and ongoing activities. The planning process was also conducted without involvement of members. Furthermore, the association also does not have strategies for financial sustainability income and independence as well as monitoring and evaluation.

Regarding the governance, the association is determined at the level of excellent or the highest. ACVN has a clear division of tasks between board and secretariat leading to the efficient communication and optimum functions of all bodies. The board also has high awareness which can be seen from their involvement in the programmes and activities. Their understanding of their functions and roles has encouraged them to supervise the whole organization which can motivate the leadership of the secretariat.

Although the board performance is at the highest level of development, it is not followed by the leadership of ACVN. The secretariat manages to establish some proper procedures and policies such as communication policy, administration, financial policy and internal audit. However, some weaknesses are still found including the procedure for human resources recruitment. The selection process for some staffs was not based on merit. The organizational chart of the secretariat also does not regularly update creating confusion among the staffs. Additionally, the financial policy is not yet institutionalized despite the transparent practices which have been implemented by the organization. Monitoring and evaluation scheme is also not available bringing implication to the operational management of the secretariat. Lastly, financial management control is still weak due to the lack of key provisions such as check and balance system of fund management.

As the result of these weaknesses in the management, ACVN can provide a few services only targeted to selected local governments. These limited services are not implemented in proper coordination and mostly depend on the external funding from donors. Furthermore, financial ability of the LGA becomes another reason for the limited services to its members. Advocacy and lobbying for instance is done through passive participation in task force meeting due to limitation in resources.

Membership is the main source of revenue for ACVN. From the survey, the LGA has challenges to obtain membership fee therefore they can collect 50% of the fees only. With this amount of income, it is enough to cover operational cost whilst the programmes and activities budget mainly depends on the donors. Moreover, the issue of resources also affects the human resources management of the secretariat. Based on the assessment, technical staffs of ACVN are not sufficient yet budget to hire personnel is not available. Efforts to look for alternative funding shall be conducted to increase the revenue for the financial sustainability and independence.

Having some difficulties to obtain income, it does not limit organization to actively participate in the existing network. ACVN remains active in involving some networks which have similar objectives and priorities with LGA. The organization applies more than one tool of communication which are the combination of online media platforms such as website and Facebook, and offline platforms which are meetings, dialogues and etc. This has resulted to the good relation with stakeholders as well as international standing of the LGA.





CONCLUSION

The study has shown that there has been a wide range of performance of LGAs in Asia. Despite efforts made by LGAs to provide services to their members, all LGAs do not still have financial sustainability. Most revenues collected are sufficient to cover the overheads and operational expenses; while there is still high dependency on external donors to carry out programmes and activities. High dependency on external agencies may have some implications as the LGAs may not have abilities to design their own programmes or may have to follow donors' interests and scope of works.

In this study, we found that LGAs have not received much significant support from the national governments, either in the form of funding or else. Connectivity between LGAs and their national governments need to be analyzed further, so that good synergies can be found between both. Enabling environment put by national governments in favor of LGAs need to be investigated.

Following this Study, a project proposal to strengthening LGAs should be proposed, in order to make the best means of LGAs to promote sustainable development and local actions.





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