

COMMONWEALTH LOCAL GOVERNMENT FORUM

KUALA LUMPUR, MALAYSIA, 14 JULY 2005

Commonwealth Local Government Forum Asia-Pacific Regional Symposium on Innovation and Service Partnerships

Commonwealth local government leaders, ministers, officials and other participants from Australia, Bangladesh, Fiji, India, Malaysia, New Zealand, Pakistan, Papua New Guinea and Sri Lanka, met in Kuala Lumpur on 12-14 July 2005 for a Commonwealth Local Government Forum Regional Symposium with the theme *Improving Local Government Delivery through Innovation and Partnerships*. Participants from the Commonwealth Secretariat, the Commonwealth Foundation, UN Habitat, UNDP, civil society and the private sector also attended.

The Symposium was opened by the Hon Dato' Seri Ong Ka Ting, Minister of Housing and Local Government, Malaysia. It was chaired by Dato' Seri Lokman Hakim B. Md. Jasan, Secretary General, Ministry of Housing and Local Government, Malaysia. The vice chairpersons were Mr A Beresford-Wylie (Australia), Mr L Chandra (India) and Mayor M Ariff (Sri Lanka).

The following served as Symposium secretaries: Mr Carl Wright (Secretary-General, CLGF), Dr Randal Smith (CLGF) and Dr Munawwar Alam (Commonwealth Secretariat).

The keynote address was given by the Hon Dato' Seri Ong Ka Ting. The Symposium also received addresses from Cllr John Otekat, Chairperson, CLGF and Dr Srinivas Sampath, PPP Adviser, Commonwealth Secretariat. The Symposium background paper was delivered by Associate Professor Graham Sansom, Director, UTS Centre for Local Government, Sydney.

In addition local government leaders, officials and private sector and civil society representatives from a range of Commonwealth countries in the region made presentations, including detailed case studies from Malaysia, Bangladesh, India and New Zealand.

An opportunity was also provided to undertake a number of study tours to view local examples of innovation and partnerships, namely

- Local Agenda 21 – Petaling Jaya Community Centre
- Urban Transport Management System, Kuala Lumpur
- The SMART tunnel project, Kuala Lumpur
- Development of Putrajaya.

A Gala Dinner was hosted by the Hon Dato' Seri Ong Ka Ting and a reception was hosted by the Mayor of Kuala Lumpur.

Appreciation

Participants expressed their warm appreciation to their Malaysian hosts, especially the Government of Malaysia through the Ministry of Housing and Local Government, for their generous hospitality, support and sponsorship. They acknowledged the special arrangements

made for the use of the facilities at the Crown Princess Hotel and for the conduct of the study tours.

Appreciation was further expressed to all sponsors and exhibitors for the support provided, notably the Commonwealth Secretariat and the Commonwealth Foundation, and also to Associate Professor Graham Sansom, CLGF staff and other resource persons for the assistance rendered.

Purpose of the Regional Symposium

The Symposium reviewed and built upon the CLGF policy on Local Government Service Partnerships (LGSPs) set at its General Meeting following the Commonwealth Local Government Conference on LGSPs held in Tshwane, South Africa on 4-6 March 2003. The Symposium:

- discussed the scope of local government service partnerships and other innovations in order to facilitate international policy transfer
- considered aspects of recent Malaysian experience, particularly the Smart Local Government-Governance Agenda (SLGGA) and anti-poverty programs
- shared case studies of local government service partnerships and related initiatives from Malaysia and other countries of the Asia-Pacific
- identified elements of good practice for wider dissemination throughout the Commonwealth, including a focus on pro-poor partnerships
- enabled senior practitioners from local and central governments, civil society and the private sector to interact and learn from each other's experiences, with a view to promoting shared understanding of key issues and increased use of partnerships in the future
- identified capacity needs and other requirements of the different partners involved in local government service partnerships, including options to strengthen regional networks.

Service partnerships, especially public-private partnerships (PPPs) are already widely used by national, provincial and local governments across the Asia-Pacific. There are many examples of their application to services such as water supply, sewerage, solid waste management and information technology.

The Symposium examined four detailed case studies:

- Malaysia Safe City Programme
- Community-based waste management in Dhaka, Bangladesh
- i-Community program in Kuppam, India
- New Zealand experience with corporatisation and partnerships.

Innovation, Partnerships and Good Governance

LGSPs need to be considered in the context of recent thinking about the changing role of local government and emerging concepts of local governance.

In an increasingly complex world, effective local governance requires stronger networks of relationships and collective decision-making amongst all the different organizations

(government agencies, private sector and civil society) that must work together to meet society's needs.

Local government is just *one* part of this framework of local governance, but it has a key leadership role in improving quality of life for its citizens, and must engage central government agencies, civil society and the private sector in order to do this.

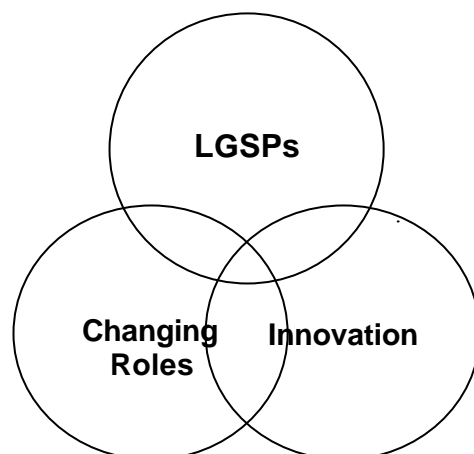
In addition, changing community needs are placing demands on local government to expand its range of activities and to operate more efficiently and effectively. The limited resources available to the public sector and local government in particular are under severe pressure.

LGSPs are a means by which local government can exercise necessary leadership and find additional resources to meet community needs, by sharing responsibilities and risks with other key stakeholders. Local governments may enter into partnerships with:

- The private sector (public-private partnerships or PPPs)
- Other government agencies
- Non-government and civil society organizations (NGOs and CSOs)

or a mixture of these.

However, LGSPs should not be seen simply as a response to scarcity of resources in local government. LGSPs are a form of innovation: they are a new way of delivering services that may offer substantial benefits and significant advantages compared to purely 'in house' delivery. Moreover, by establishing partnerships local governments can gain access to new technology, new skills and new ideas about how services can best be delivered. This can challenge and help to re-frame existing methods of service delivery and lead to major improvements.



The Symposium noted that the Tshwane Statement calls on CLGF members to make LGSPs pro-poor in their outcomes. This is in line with the fact that local government in the region is responsible, in whole or in part, for the majority of the Millennium Development Goals.

Capacity Building

The Symposium reaffirmed the conclusion reached at the Tshwane conference that for LGSPs to be effectively pursued, all potential partners, including national and provincial governments, required increased capacity and information.

Each sector has different capacity building needs. The following key areas were identified by the Symposium.

Local governments

In order to engage in partnerships successfully and consistently, local governments require enhanced capacity in:

- *Strategic planning* to take into account the changing roles of local government, to establish a clear vision and objectives for the local community, to project future needs, to consider possible alternative approaches to service delivery, and to identify opportunities for partnerships that will generate real community benefits
- *Relating effectively with central governments* to ensure that local needs and circumstances are taken fully into account in policy development and implementation
- *Community engagement and understanding of disadvantaged groups* to generate confidence in local government, to ensure that partnerships meet real community needs, and to involve all stakeholders, including marginalised and poor people, in designing those projects and facilities being delivered through a partnership
- *Selection of appropriate partners* with the requisite ability to deliver high quality services
- *Partnership scoping, preparation and negotiation*, including setting standards for service delivery and negotiating amendments to the partnership agreement (contract) if required by changing needs or circumstances
- *Ongoing management and monitoring* to ensure integrated service delivery, maintenance of agreed standards and that desired pro-poor and environmental objectives are achieved
- *Procurement*, including tendering, contract management, developing a client's brief, claims evaluations etc.
- *Legal knowledge* to negotiate and finalise contracts
- *Organisational development* to create an appropriate structure that incorporates the required policy, strategy and technical capacities required in partnership negotiation, implementation and monitoring
- *Policy and programme linkages* to ensure that partnerships take into account related goals and objectives such as improved land tenure and economic development, as well as other policies relevant to municipal services.

The Symposium also noted that the legal framework enabling formal partnerships to be negotiated by local government must be enacted by state (provincial) and/or national governments. The effective use of such legislation may also require strategic support from the appropriate sphere of government or the local government association.

In relation to legal expertise, the Symposium noted that options need to be explored for providing such services from a central facilitating point (eg national or provincial

government, local government associations etc). It would be useful to develop model contracts and data bases on best practice.

Private sector

- Private sector capacity needs are spread across different types of potential private partners. In developing countries, there is a greater imperative to ensure private partners are properly attuned to the development processes that facilitate service delivery in poor environments. This requires skills to work with the poor and an understanding of the nature of demand and supply of services in a low-income market context.
- In developing countries, the functions open to contracting are typically associated with small-scale community level service provision and large contractors may neither be interested or appropriate. A vibrant small-medium enterprises (SME) sector would therefore create more scope for partnerships.

Civil society

- Civil society and the non-government (NGO) sector needs to recognise its changing role in service delivery to better understand and appreciate the role of the private sector and the opportunities for wider service improvements that private sector involvement might create. NGOs need to develop better co-ordination skills and more structured ways of working to provide more reliable and predictable outputs.
- Most successful infrastructure and service schemes are localised and effective community organisations are necessary as a means of linking key interests at the local community level to wider local government systems. In this context, NGOs and community-based organisations (CBOs) need the capacity to share their knowledge of the poor more effectively and to act as a communication and information channel on the needs of the poor.

National governments

- National governments need increased capacity to create and sustain appropriate, effective and enforceable policy frameworks and regulatory systems that help promote and maintain trust in partnerships, and also to provide the assistance often needed at local level. The main capacity challenges here are concerned with:
 - *Protecting consumer interests* without breaching commercial confidentiality
 - *Ensuring effective regulation* of the relationship between the private and public sectors
 - *Creating policy frameworks* that enable local government to act decisively on pro-poor issues and service challenges, including removing obstacles such as availability of land and land title
 - *Focussing on the special needs of smaller, typically rural, local governments*
 - *Managing pricing policies* to ensure that services delivered through partnerships are affordable and viable.

Next steps

Reaffirming the Tshwane statement, Symposium participants welcomed the opportunity to exchange regional experiences of LGSPs which they considered of particular relevance and called upon CLGF to:

- Build upon its established presence in Suva, Fiji and Mumbai, India to facilitate further activities aimed at a wider understanding of LGSPs
- Continue to promote learning exchanges through a variety of means including:
 - facilitating an electronic listserv or web-based discussion forum on LGSPs
 - developing a web site, in consultation with regional bodies, addressing some of the key questions encountered by policy makers and local practitioners when initially considering the LGSP route
 - ongoing links and joint activities with regional networks such as UNDP (PPPUE), LOGOTRI and UN-ESCAP.
- Liaise with national governments with a view to:
 - ensuring necessary strategic support and legal frameworks to facilitate local government's role in establishing effective partnerships, and to avoid local governments being encumbered with disproportionate risks and liabilities
 - securing resources for intra-regional exchanges of experience such as those funded under CLGF's Local Government Good Practice Scheme
 - winning their commitment, along with local government bodies, to the establishment of an electronic network to promote the exchange of good practice and learning within the region
 - compiling a data base and commissioning a series of expert country reports on the status of LGSPs for publication by CLGF on the proposed website, including drawing on information from relevant leading practice and award schemes
 - promoting training in LGSPs through national institutes of local government.

The Symposium called upon all participants to report back to their organisations on proceedings and to raise the Local Government Service Partnership option when considering innovative ways to tackle challenges they are facing.

As chairperson and CLGF board member, the Secretary-General of the Ministry of Housing and Local Government, Malaysia was requested to assist CLGF to take forward the implementation of the recommendations of the Symposium, and to promote necessary coordination among the responsible national ministries and local government organisations in the region. He was further requested to help promote CLGF membership among ministries, local governments and other stakeholders in the region, especially in South East Asia.

The Symposium called upon CLGF to take forward the issues of innovations and partnerships at the Commonwealth Local Government Forum conference to be held in Auckland, New Zealand in March 2007.

The Symposium took note of the outcomes of the 2005 Commonwealth Local Government Conference held in Aberdeen, Scotland, in particular *The Aberdeen Agenda: Commonwealth Principles on Good Practices for Local Democracy and Good Governance*. It hoped that the forthcoming Commonwealth Heads of Government Meeting to be held in Malta, November 2005, would endorse the outcomes of the Aberdeen Conference and result in further resources for the CLGF's work, including implementation of the recommendations of this Symposium.