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ON SOLIDARITY AND PROFESSIONALISATION

Evaluation of Municipal International Co-operation (1997-2001)

– Adjunto CD con versión Española del informe –

POLICY AND OPERATIONS EVALUATION DEPARTMENT | AUGUST 2004

**ON SOLIDARITY AND
PROFESSIONALISATION**



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Evaluation of Municipal International Co-operation (1997 - 2001)

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PREFACE

The present report from the Policy and Operation Evaluation Department (IOB) contains an evaluation of the results of municipal international co-operation that was (co-)funded by the Ministry of Foreign Affairs. Dutch municipalities and other local government organisations also make separate contributions to this form of decentralised co-operation. This type of ‘twinning’ usually involves a variety of public and civil society organisations, in the Netherlands as well as abroad.

This evaluation assesses the policies of the Netherlands Ministry of Foreign Affairs on municipal international co-operation and the policy relevance, effectiveness and efficiency of the activities it has co-funded in this area. The activities were administered and/or implemented by VNG from 1997 through 2001. This is the first overall evaluation of this form of co-operation. The decentralised characteristics of the co-operation, involving many different actors and a wide institutional diversity, made high demands on the research methodology. Considering the political interest in this form of co-operation, a concise and fast evaluation was maybe expected. Due to the wide variety of many small-scale activities this was not possible: more than 250 activities had been carried out in about 40 different countries, involving approximately 140 Dutch municipalities and 270 municipalities in developing countries and in Eastern Europe. The activities covered over 30 thematic areas. The present evaluation attempts to provide an objective assessment of the complete range of activities by means of a careful selection of countries, activities and co-operating institutions. As a large number of parties was involved, time was also invested in gathering comments on the preliminary results.

The evaluation was carried out under overall responsibility of Francis Kettenis, Inspector at IOB. Mariska van Beijnum, research assistant at IOB, Willem Cornelissen (team leader) and Mirco Goudriaan of SEOR BV, as well as Maaïke Oosterbaan and Mart Nugteren of Ecorys NEI were directly involved in the design and the implementation of the evaluation. In addition, ten experts from the five countries that were selected, made significant contributions to the various sub-studies. This evaluation could not have been carried out without the generous support of those involved at the Ministry, at the Embassies at visited locations, at VNG, at the municipal councils and other local government organisations, and at the civil society organisations in the Netherlands that were directly involved.

The same goes for the genuine willingness of the local government organisations and their umbrella organisations in the countries that were studied. IOB is thankful to all of those involved in the evaluation, especially to the members of the reference group, who have provided critical comments during the successive stages of the process.

A selection of texts of special relevance to Latin America have been translated into Spanish. These texts are available on the CD ROM included with this report.

The content of the report and of other texts on the CD ROM is the sole responsibility of IOB, with the exception of the supplementary consultant reports, also available on the CD ROM, for which the responsibility lies with the consultants concerned.

Rob D. van den Berg
Director
Policy and Operations Evaluation Department

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Spanish version / Versión Española

Sobre Solidaridad y Profesionalización; Evaluación de la Cooperación Intermunicipal (1997-2001)

1 MAIN FINDINGS AND POINTS OF INTEREST

1.1 Introduction

From January 2002 to April 2004, the Policy and Evaluations Department (IOB) has conducted an evaluation of the co-operation between the Dutch Ministry of Foreign Affairs and the Association of Netherlands Municipalities with regard to municipal international co-operation (MIC). This form of co-operation was initiated in 1991. Until now, the Ministry of Foreign Affairs has evaluated specific components of the co-operation, but it has not conducted an overall evaluation of the co-operation.

An evaluation was carried out because the Directorate General International Co-operation of the Ministry of Foreign Affairs wished to gain insight into the “efficiency and effectiveness of VNG as an instrument for ‘building public support in the Netherlands’ and the ‘support of decentralisation processes’” (letter from DGIS to the chairman of the board of directors of VNG, May 2, 2000). This insight was required with regard to the development of the future relationship between the Ministry of Foreign Affairs and VNG. The policy makers concerned placed the evaluation into the hands of IOB in January 2001, after which preparatory research was started.

The evaluation comprised the reconstruction of the Ministry of Foreign Affairs’ policy on MIC with local governments in developing countries and accession countries to European Union (EU). The policy reconstruction provided a framework for the assessment of policy relevance, effectiveness and efficiency of activities concerning MIC, funded by the Netherlands Ministry of Foreign Affairs between 1997 and 2001. These activities were administered and/or carried out by VNG as a contractor¹.

Two subsidy programmes have been evaluated, namely, Municipal Co-operation with Developing Countries (*Gemeentelijke Samenwerking met Ontwikkelingslanden – GSO*) and Municipal Co-operation with Accession Countries (*Gemeentelijke Samenwerking met*

¹ Within VNG, the administration and daily management was carried out by the International Project Unit (IPU), which became the privatized organisation for international co-operation of the Association of Netherlands Municipalities, VNG International BV.

Toetredingslanden – GST). Since 1998, the two principal objectives of the GSO programme were the strengthening of local government in developing countries and the mobilisation of public support for international co-operation in the Netherlands. Both principal objectives of the GSO programme were included in the policy reconstruction. The objective of the GST programme was to support local governments in candidate member states of the EU in Central and Eastern Europe in their efforts to adopt the *acquis communautaire*², or to build the institutional capacity required for adoption and implementation of the *acquis*. Both programmes included common implementation modalities such as missions by Dutch civil servants and administrators, internships in the Netherlands, courses and small municipal projects.

In addition, an evaluation was conducted on three projects independent of the programmes and within which VNG had an executive task.

In the evaluation of the policy implementation more than 150 activities in the Netherlands, South Africa, Nicaragua, Tanzania, the Czech Republic and Poland are covered. From 1997-2001, the Ministry of Foreign Affairs allocated € 24.721.729 to MIC activities. Nearly half of this amount was spent on the GSO programme, eight percent on the GST programme, thirty percent on the funding of independent projects and the rest to other activities. One hundred and nine Dutch local governments and their partners in 39 developing countries were involved in the implementation of the GSO programme. In case of the GST programme, numbers were smaller: 85 Dutch local governments and their partners in 12 accession countries.

1.2 Main findings

- 1 *The Ministry of Foreign Affairs, VNG and Dutch municipalities disagreed on the essence of the GSO and GST programmes. This resulted in conflicting interpretations with regard to each other's responsibilities. This demanded a considerable amount of attention that could have been devoted to substantive quality improvements.*

In the course of the nineties, a divergence occurred between the views of the Ministry of Foreign Affairs, VNG and Dutch municipalities concerning the essence of municipal international co-operation, particularly with regard to co-operation with local governments in developing countries. During the first half of the nineties, the three parties still

2 The *acquis communautaire* is the set of laws and regulations established within the European Union, and the additional jurisprudence.

had the same considerations, couched in terms like solidarity, humanitarianism and global citizenship. These motives suggested long-term rewards that would not necessarily lead to any tangible short-term results. In the nineties, the increased attention to effectiveness of aid led to a change in perspective at the Ministry of Foreign Affairs, which focussed on rational, efficient action that would enable Dutch municipalities to make effective contributions to the modernisation of local government in other countries and to the mobilisation of public support in the Netherlands. For the Dutch municipalities, action was still mainly motivated by ideals, whereas VNG attempted to reconcile the two views.

Due to the divergent views held by the Ministry of Foreign Affairs, VNG and municipalities the differences between their interpretations of the objectives and the implementation of the GSO and GST programmes were increased. Within the GSO programme, the Ministry of Foreign Affairs emphasised mobilising public support for development co-operation in the Netherlands, and thus, the strengthening of local government in developing countries was seen as a means to this end. With regard to the GST programme, the Ministry of Foreign Affairs focussed on the support of local governments in their efforts to adopt the *acquis*, since otherwise funding from the pre-accession facility would lose its legitimacy. Dutch municipalities were primarily interested in the intensification and expansion of city linkages. Within this context, activities concerning the strengthening of local government could be carried out with co-financing provided by the Ministry of Foreign Affairs. The topic of local government was hardly ever a motive behind inter-municipal co-operation. Broader contacts of the city link would encourage public support for international co-operation. According to VNG, however, the strengthening of local governments in partner municipalities was a central issue. Through their own experience, Dutch municipalities were able to make a positive contribution to decentralisation, good governance and the democratisation of society. Due to the resultant flow of relations between civil society organisations, the involvement of Dutch citizens – and thus public support for international co-operation – would be mobilised in the slipstream of activities in the field of local government.

The Ministry of Foreign Affairs and VNG also felt differently towards the division of each other's roles and functions regarding the GSO programme. Their difference of opinion was related to the interpretation of the programme's implementation modalities, its *ownership*, the types of activities and their scope and the degree of control in relation to the autonomous position of Dutch municipalities.

Due to divergent positions on the essence and implementation of the GSO programme, communications between the parties were repeatedly disrupted. Moreover, their different interpretations took a great amount of attention away from the Ministry of Foreign Affairs and VNG, to the detriment of the programme's substantive quality improvement both parties wished for.

- 2 *Between the parties involved, a lack of agreement existed concerning one of the principal objectives of the GSO programme, namely, the mobilisation of public support for international co-operation.*

The Ministry of Foreign Affairs has never formulated implementation modalities, nor allocated funds for the implementation of the principal GSO objective of mobilizing public support. Moreover, the Ministry of Foreign Affairs never specified the results expected of public support building. Requests by VNG to bridge this perceived gap were denied. The Ministry of Foreign Affairs expected Dutch municipalities either to finance activities for public support building from their own resources, or to attract third party funding. Still, the Ministry of Foreign Affairs did hold VNG responsible for the implementation of the objective and VNG was expected to report on this matter.

- 3 *Policy intentions for the GSO and GST programmes have to a limited degree been articulated in the policy formulation and achieved in the policy implementation. There proved to be no coherence between the programmes.*

In the early nineties, the Ministry of Foreign Affairs' policy intention for inter-municipal co-operation with developing countries was to promote a global perspective among the Dutch population and raise consciousness on worldwide issues. Intentions of secondary importance were the encouragement of public and political support for international co-operation in the Netherlands and the strengthening of local government in developing countries. From 1994 onwards, MIC has also been assigned a role within the spearhead policy of 'urban poverty reduction.' More recently, particularly since 1998, policy focussed on the mobilisation of public support for development co-operation in the Netherlands. In the successive agreements between the Ministry of Foreign Affairs and VNG, these policy intentions were only partly operationalised. In the period 1991-1997, the only objective that was mentioned was the strengthening of local government. Its relation to urban poverty reduction remained undefined. After 1998, strengthening of local government and public support building became the two principal objectives. But although these

objectives were considered of equal importance, implementation modalities were only formulated with regard to the objective of strengthening local government.

Since 1998, the Ministry of Foreign Affairs' policy on municipal co-operation with accession countries is included into its wider policies regarding Central Europe. The main principle behind inter-municipal co-operation was that it would be incorporated in the pre-accession policy and that it would contribute to the adoption of the *acquis communautaire* at the local political level. The implementation of the GST objectives turned out to be difficult because the national programmes for the adoption of the *acquis* (NPAA) could not serve as a frame of reference, since these offered no explicit guidelines for lower governments. At the most, the co-operation could have concentrated on the effects of adoption of the national programme on local governments. Furthermore, from the beginning it was clear that Dutch municipalities and their partners did not have sufficient knowledge of the *acquis*. This necessitated an interim revision to the objectives of the GST programme. It was decided that in the following years the strengthening of local government would be the priority, though with an eye to the *acquis*. This policy review has not led to any adjustment of the agreement between the Ministry of Foreign Affairs and VNG.

The term 'programme' suggests a range of coherent activities, which leads to the realisation of certain objectives on the basis of expected results defined by the parties involved. Expected results like these have never been defined, nor agreed upon, with regard to the GSO and GST programmes. In actual practice, the activities had little in common and were carried out in a manner that was spread out too much, both thematically as well as geographically. At the same time, a small number of activities on the level of inter-municipal co-operation, of minor financial scale, which were aimed at the strengthening of local government with moderate frequency. Furthermore, these activities were spread out over a variety of themes within the structure of local government.

- 4 *Assessment of the policy relevance of activities in the GSO and GST programmes has led to a diverse image. The negative assessment of the relevance of activities aimed at the *acquis communautaire* is an exception.*

The assessment of the policy relevance of particular activities focussed on the policies of the Ministry of Foreign Affairs and the national governments of partner municipalities, and also on the problems of local government they encountered.

The majority of activities funded with GSO resources were shown to have been relevant to the issue of local government in partner municipalities in South Africa, Tanzania and Nicaragua. In addition, the majority of these activities was also relevant with respect to the objective of strengthening local government. Relevance with regard to the policies of partner governments could only be assessed in South Africa and Tanzania, as a policy for the development of local government did not yet exist in Nicaragua at the time of evaluation. In this regard, less than half of the activities were relevant.

The majority of GST supported activities was relevant to the problems encountered by local governments in Poland and the Czech Republic, particularly in the field of democratisation of policy formulation and implementation. The LOGON list served as a frame of reference for the assessment of the relevance of activities related to the Ministry of Foreign Affairs policy regarding the *acquis*. The list refers to the measures arising from the adoption of the *acquis communautaire* on a national level, which are of importance for the local governments. Against this background, merely a quarter of the activities was relevant. However, a large majority of the activities did apply to local policies aimed at the strengthening of local government.

- 5 *Although more than two thirds of the activities within the GSO programme and half of the activities within the GST programme were effectively implemented, the effectiveness of the various modalities varied widely.*

The effectiveness of activities was determined on the basis of their own objectives. In this sense, two thirds of the GSO programme activities were carried out effectively. However, not all implementation modalities proved to be equally effective. Deployment of Dutch civil servants and administrators to partner municipalities, for example, was less effective than internships or group trainings in the Netherlands. Two thirds of the missions were concerned with project formulation, monitoring progress of activities and maintaining contacts. Although personal contact is important for the maintenance of inter-municipal relations, these missions did not prove very effective. Only one third of the field missions were directly concerned with technical assistance, although this was the initial objective of the implementation modality. More than half of the activities have triggered structural changes in the areas of attention (with regard to both working procedures and institutional organisation). Forty percent of the activities showed positive side effects on either side of the city linkage.

Half of the activities in the GST programme were effective with respect to their own objectives. Twenty percent of the field missions by civil servants and administrators involved technical assistance. In the initial phase, group trainings functioned as a mechanism that offered a starting point for inter-municipal co-operation activities. Mostly, these trainings were effective. Continuity of the process was the defining characteristic of the successful activities, usually supported by the continued presence of a supporting organisation or civil servant. The lower effectiveness of the other half is due to shortcomings in the project identification or a lacking recipient structure. Positive side effects were observed in nearly half of the activities.

6 *In both the GSO and the GST programme, two thirds of the activities were carried out efficiently.*

Due to their short duration and limited scale, activities of both programmes could generally be carried out according to plan, budget and time schedule. Organisation and management of the Dutch municipalities involved also proved to be efficient. The same applied to partner municipalities in developing countries, to a certain extent, (GSO). However, it must be commented that the lack of thematic and geographical coherence between the activities caused a loss of efficiency. Also, transaction costs would have been higher if existing partnerships had not been used. During the preparation and implementation of activities, insufficient use was made of the local knowledge available. The fact that local expertise was not fundable with GSO resources does not change this conclusion. In the GST programme, more than half of the activities of the more complex implementation modality Municipal Initiatives Matra were not implemented completely according to the project design.

Considerations for future action

- 1 *Attention should be paid to communication between the Ministry of Foreign Affairs and VNG with regard to municipal co-operation with local governments in developing countries.*

Divergent views on the essence of the GSO programme, its limited operationalisation, and uncertainty about the positions of the Ministry of Foreign Affairs and VNG have led to a lack of communication between the Ministry of Foreign Affairs and VNG. A more substantive exchange of ideas on the implementation of the programme between both parties will support further development of inter-municipal co-operation. VNG should reconsider its own roles in this respect, especially concerning its promotion of interests,

its mediating position and direct implementation of activities in connection to its control over the programmes.

- 2 *The specific niche of inter-municipal co-operation in relation to development objectives and the implications of EU-accession need to be defined more precisely.*

Thus far, no assessment has been conducted of the position and the function of inter-municipal co-operation in the area of good (local) government in developing countries and accession countries in relation to other forms of aid. In order to encourage synergy between the various forms of support, this relation needs to be studied. This evaluation offers elements for that purpose.

- 3 *The objectives and operationalisation of the subsidy programmes need to be reconsidered, taking into account the limitations and the potential of inter-municipal co-operation.*

Future implementation of inter-municipal co-operation with developing countries requires a choice between the principal objective of promoting city linkages on the one hand, and the principal objective of the strengthening of local government on the other. In case of the latter option, both geographical and thematic restrictions are recommendable. Contribution of inter-municipal co-operation to the strengthening of local government will then need to be elaborated more substantively in relation to recent policy documents, including the document on decentralisation and local government.

Since eight of the countries that qualified for GST subsidies have now acceded to the European Union, a new situation arose, affecting the justification of the GST programme. A choice has to be made between maintaining the pre-accession objective of the current programme in support of certain accession countries, or transforming the programme into a support for post-accession issues faced by countries that have now acceded to the EU. This choice has to be made in relation to the principal objective of strengthening local government.

During the design phase of future programmes focus should be on the potential of Dutch local governments and their partners, within the limitations of MIC in terms of available manpower, time and money.

4 *A more flexible implementation of the GSO and GST programmes is necessary.*

The current implementation modalities of the GSO and GST programmes impose restrictions on the use of local and regional expertise, on the support and expansion of local and regional networks, on the transfer of knowledge and on supra-municipal activities. In addition to the existing projects, removal of these restrictions will facilitate the promotion of transformation processes, the use of knowledge other than Dutch, and the adjustment of Dutch procedures to the local context by drawing on local and regional expertise and networks.

5 *It is desirable to pay attention to effective policy implementation.*

In recent years, the Ministry of Foreign Affairs has repeatedly insisted on competitive working and performance measurement. To that purpose, it will need to give a clear definition of the expected results of the GSO and GST programmes. VNG lacks an effective monitoring and evaluation system for its programmes. Although VNG took the initiative to establish practical indicators for the GSO programme, still, no coherent system of performance measurement has been developed. Many Dutch municipalities also need to make changes, as they have thus far emphasised the legitimate use of funds instead of its effectiveness.

Terms and acronyms

This report also refers to 'municipalities' in cases concerning other local forms or levels of government, both in the Netherlands and in other countries, such as provinces, regions, districts, district water boards, privatized services, and public utilities.

The subsidy programmes are managed by the Association of Netherlands Municipalities (VNG). VNG has delegated the implementation of these programmes to the privatized Organisation for International co-operation of the Association of Netherlands Municipalities, VNG International BV. In this report, acronym VNG is used, also to refer to VNG International.

The various implementation modalities of the subsidy programmes are known by their acronyms. These acronyms are avoided as much as possible in this report. The 'deployment' of (or 'mission' by) municipal civil servants or administrators' refers to the implementation modality PUGA; when 'internships' are discussed, the STAGE modality is implied; MMTPs are referred to in terms as 'course' or 'group training'; the AA is described as 'general activity'; GI as 'inter-municipal small project'; GIM as 'inter-municipal small project Matra' (Matra being the Dutch abbreviation for Social Transformation – Maatschappelijke Transformatie) and CUGA and other support activities are described as 'support activities.'

2 MUNICIPAL INTERNATIONAL CO-OPERATION AND DESIGN OF THE EVALUATION

2.1 Readers guide

The report consists of two physically distinct components: the report you are now reading and a Compact Disc (CD). The report includes nine annexes. The CD contains the integral text of the evaluations of the GSO and GST programmes, the texts of the internal working documents concerning the independent projects, the research conducted in the Netherlands and eight annexes.

After the introductory chapter on inter-municipal co-operation and the structure of the evaluation, this report presents a policy reconstruction. This policy reconstruction will examine the intentions, the policy agreements and the operationalisation of policy. Also intervention logic, and the divided opinions on this subject, will be discussed. An assessment is made of the feasibility and consistency of the policies.

Chapter four considers the management and administration of several programmes and projects by the three parties directly involved: Dutch municipalities, VNG and the Ministry of Foreign Affairs. Chapter five focuses on capacity building of local governments and will give an analysis of the significance of MIC, the contributions made by local governments, and the use of several subsidy funds. The first chapters refer to MIC in general terms. After this, chapters six and seven respectively focus on municipal co-operation with accession countries and municipal co-operation with developing countries. Next, chapter eight raises the aggregation level of a number of aspects of the subsidy allocations to MIC.

2.2 City linkages and Municipal International Co-operation

After the Second World War people regarded inter-municipal contacts within Europe as a valuable way of promoting peace and mutual understanding between peoples. Action groups and solidarity committees were founded during the decolonisation processes in the sixties and seventies and helped to raise awareness among the population in the

Netherlands on foreign aid issues. In time, this solidarity took the shape of partnerships between municipalities in Europe and elsewhere in the world, and Dutch municipalities increasingly allocated budgetary resources to projects abroad, or to local activities aimed at other countries. Although many partnerships had already been established between Dutch municipalities and municipalities in Central and Eastern European countries, it was the period of radical change at the end of the eighties that triggered further expansion and intensification of inter-municipal relations.

These inter-municipal contacts are usually referred to by the term *city link*. *City linkage* either implies a formalised linkage, a friendship linkage, or a project-based co-operation between a Dutch and a foreign municipality or region (VNG, 2001). This linkage could be established by the Dutch local government or by a community initiative in the municipality, on the condition that the initiative is structural and that it is supported by the municipality. City linkages are often, but not always, complex forms of *twinning*. *Twinning* indicates as a professional affiliation between two institutions with similar tasks and mandates, in which knowledge and experience are exchanged. Usually, *twinning* relations are established between a more experienced (western) organisation and a similar organisation in a transition country or a developing country. A key factor of *twinning* is 'continuous mutual learning' (Jones and Blunt, 1999).

Formal sister cities, friendship linkages, network relations and project-based thematic relations are some of the many types of *twinning* (see CD ROM, annex 1). The scope and the intentions of the relationship may develop over time, but also be reduced, or even silently fade away. From the 837 *twinning* relations established by Dutch municipalities until the end of 2002, less than half were actively maintained (VNG-COS website).

Apart from the differences with regard to the form and intensity of the relation, distinctions can also be made on the basis of the organisational form of Dutch municipalities:

- a city link in which only municipal staff members are involved;
- a co-operation (usually in the form of a foundation³), between a municipality and civil society initiatives. Usually, the municipal government provides subsidies to foundations like these;

³ The word 'foundation' is used as a general term. It does not always fit the legal definition. Such foundations need not be restricted to one or several city linkages, as they can also pursue other objectives.

- a private foundation or association. The municipality may participate in particular projects or fulfil an advisory or supportive role. Municipalities may, or may not allocate subsidies to such foundations;
- a city link managed by an advisory committee of the municipal council.

In the literature, inter-municipal co-operation is considered as a form of 'decentralised co-operation' (Jones and Blunt, 1999). Decentralised co-operation exists in a variety of manifestations and involves a wide range of actors, both from the public sector and civil society. Decentralised co-operation cannot be classified as a form of bilateral co-operation, nor is it a form of civil society-based international co-operation.

Apart from municipalities, the system of local government in the Netherlands includes provinces, district water boards, public utilities and their umbrella organisations. Dutch municipalities and other local governments determine their own policies with regard to the activities they engage in, together with their foreign partners. This may, or may not, include co-operation in the area of the strengthening of local government, since a municipality can also choose to support only activities of civil society organisations. Co-operation in the area of local government is almost exclusively concerned with problems in the partner municipality, and hardly ever with problems in the Dutch municipality (see Box 2.1).

Support for MIC by the Ministry of Foreign Affairs is primarily aimed at strengthening democratic local government and includes financing programmes (subsidy agreements), as well as independent projects.

Box 2.1 Partners analyse community problems in Eindhoven

In October 2000, the municipality of Eindhoven, in co-operation with the Habitat Platform, organised a conference on social cohesion in districts in Eindhoven, together with its sister cities of Lekoa Vaal (South Africa), Gedaref (Sudan), Chinandega (Nicaragua), Bailystok (Poland), and Minsk (Byelorussia). The objective of the conference was twofold. On the one hand, representatives from the sister cities were asked to analyse the social problems of specific districts in Eindhoven, to identify their causes, and to offer suggestions for possible solutions. On the other hand, these suggested solutions were then used as material for a five-day course on project planning. The originality of the solutions was highly appreciated and attracted widespread publicity.

As a contract partner, the Association of Netherlands Municipalities (VNG) is involved in the management and/or implementation of a large part of these projects and activities. On behalf of the VNG, VNG International is responsible for this management and/or realisation. From 1997-2001, this concerned the following five categories:

1 *Municipal Co-operation with Developing countries (GSO)*

Municipal Co-operation with Developing countries is a financing programme open to municipalities that maintain relations with partners in any of the developing countries and with partner municipalities in countries with which the Netherlands maintain special relations (such as Morocco, Surinam and South Africa). This means that participation is not restricted to partner countries that the Netherlands maintain structural bilateral relations with. Dutch municipalities and other local government organisations can submit their requests for the funding of projects to VNG.

The programme Small Local Initiatives – Nicaragua (KPA-N), implemented by the National Council for City Links Netherlands – Nicaragua (LBSNN), holds a special position within the GSO programme, because it does not fall under the direct authority of VNG and as it is exclusively concerned with civil society initiative, implemented in the context of inter-municipal co-operation.

2 *Municipal Co-operation with Accession countries (GST)*

Since 1994, the Dutch government offers support to Central and Eastern European countries through the programme for social transformation (Matra). Matra supports the transition from a centrally planned economy to a multiform constitutional democracy. The programme Municipal Co-operation with Accession countries is one of the many instruments to facilitate the accession of a number of countries to the European Union. Until 2004, the GST programme offered Dutch municipalities the opportunity to develop projects supporting the transfer of knowledge with local governments in Poland, Hungary, the Czech Republic, Slovakia, Estonia, Latvia, Lithuania, Rumania, Bulgaria and Slovenia. In 2001 Turkey and Croatia were added. For those countries that acceded to the European Union in May 2004, the GST programme was closed in December 2003. Rumania, Bulgaria, Croatia and Turkey remain.

3 *Municipal Co-operation for Reconstruction in Turkey (Gemeentelijke Samenwerking Wederopbouw in Turkije – GSWT)*

The Municipal Co-operation Programme for Reconstruction in Turkey (GSWT) was initiated in 2000, in the wake of the earthquake that hit Turkey in 1999. During the first year, financing was provided by the Foreign Policy Support Programme based on a Subsidy Agreement to the United Nations. In 2003, the programme would be included into the GST programme.

4 *Trilateral East West South Co-operation (NEWS)*

The trilateral co-operation between municipalities (and other local government organisations) from the East, West and South dates back to 1992 and was followed by the NEWS programme in 1996. NEWS is the acronym for *Trilateral East West South Co-operation on a municipal level for countries in Eastern Europe, the Netherlands and Nicaragua*, and was implemented in the period from 1996 to 2002. Both the Dutch and the Czech Ministries of Foreign Affairs supported NEWS. In 2002, the administration of the NEWS programme was discontinued, and an evaluation was conducted (ACE Europe, 2001). NEWS had many features in common with activities of the GST and GST programmes; both in the Czech Republic and (particularly) in Nicaragua. On a number of occasions activities in Nicaragua were funded by the NEWS programme and the GSO programme at the same time.

5 *Independent projects*

The projects, which were (co-)financed by the Ministry of Foreign Affairs, were not implemented under an umbrella programme but by VNG as the Ministry of Foreign Affairs' direct (and, very occasionally indirect) contract partner. From 1997 through 2001, the Ministry of Foreign Affairs made financial contributions to 31 of such projects, that were not necessarily aimed at co-operation between local government organisations in the Netherlands and elsewhere, though focussed on capacity building of local government through activities that went beyond a municipal level (such as associations of municipalities). These projects show great differences with regard to their objectives.

The GSO and GST subsidy programmes were not (or, in case of the GSO programme, not explicitly) designed to promote city linking in general⁴, though the programmes did make use of the inter-municipal relations in order to promote the strengthening of the

4 One programme aiming at establishing and supporting new relations between municipalities in the Netherlands and partners in a number of African countries was the SNV-VNG Logic programme. For this purpose, this programme, which was discontinued in 2003, had developed specific instruments.

capacities of local government. It was assumed that the effectiveness of this strengthening of local government on the basis of inter-municipal co-operation would improve because the Dutch partner functioned as a sounding board and provided 'exposure' to knowledge and experience. Advantages mentioned in relation to this form of co-operation are the long-standing partnership and the friendships that developed from it, together with the collegiality based on similar institutional mandates (VNG, 2001: 39). Disadvantages are that the processes are not very relevant, that they are open-ended, and that there are hardly any negative sanctions in case one of the partners did not perform adequately. The Ministry of Foreign Affairs also made funds available for inter-municipal co-operation activities in which VNG is not directly involved, such as the projects implemented by the *International Union of Local Authorities* (IULA). Municipalities are not dependent on subsidies from the Netherlands Ministry of Foreign Affairs but can also apply for other resources like the European *jumelage* fund which (co-)finances the exchange of citizens within city linkages and conferences on European issues, a fund for youth work at European level, and the environmental fund Local Agenda 21, which finances activities related to city linkages that promote the realisation of sustainable municipalities.

2.3 Objective of the evaluation and main research questions

The objective of the evaluation is to assess the contribution of MIC programmes and projects to the strengthening of local government in accession countries and developing countries, from 1997 through 2001 (see annex 5, section 3.1). With regard to the objective of the evaluation, the following key questions need to be addressed, all of which contain an evaluation criterion:

- To what extent has the municipal international co-operation under the responsibility of VNG been relevant to the policy objectives concerning the strengthening of local governance? (policy relevance),
- To what extent have the activities realised been effective in strengthening local governance? (effectiveness),
- To what extent have the input or resources been efficient in achieving the desired results? (efficiency).

2.4 Research population and delineation of the study

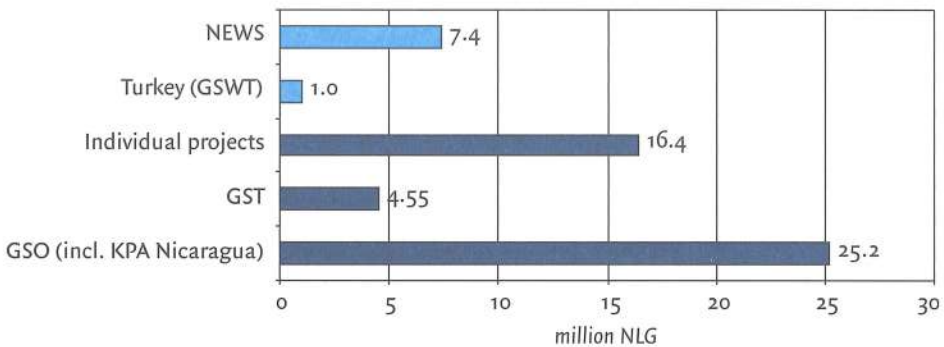
Over the period 1997-2001, the total contribution of the Ministry of Foreign Affairs to the activities amounted to NGL 54,479,521 (€ 24,721,729). Its distribution over the various programmes is presented in figure 2.1. During this particular period, the Ministry of Foreign Affairs allocated NLG 16,380,297 (€ 7,433,055) to independent projects (see CD

ROM, annex 4). On 15 occasions responsibility for the implementation was shared between VNG and other organisations.

In the same period, applications for GSO subsidies were granted, which amounted to NLG 25,200,000 (€ 11,435,261). These had been submitted by 89 Dutch municipalities (plus 20 other local authorities) on behalf of partners in 39 developing countries. At the same time, applications for GST funds were granted, which amounted to NLG 4,549,500 (€ 2,064,073). These applications had been submitted by 74 Dutch municipalities (plus 11 other local authorities) on behalf of 12 candidate member states. As a Dutch municipality can maintain contacts with partners in developing countries as well as accession countries, the number of municipalities involved was 129 plus 25 other local government organisations in the Netherlands.

The total of 129 municipalities represent slightly less than a quarter of all Dutch municipalities. Since one Dutch municipality can maintain several foreign contacts at the same time, the number of foreign partners (182) was larger (see CD ROM, annex 3).

Figure 2.1 Disbursements by the Ministry of Foreign Affairs to MIC and independent programmes



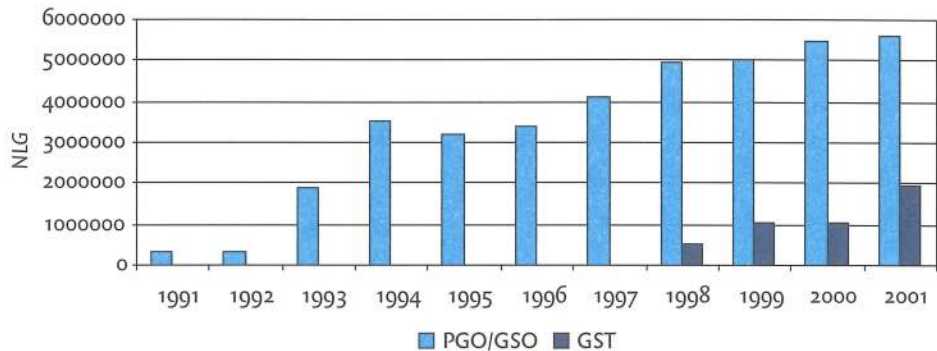
Note: NEWS and GSWT (indicated in the light colour) was not included in the research population. KPA is the Small Local Initiatives programme that was passed on to the GSO programme in case of Nicaragua. €1.00 = NLG 2.20371.

Source: Ministry of Foreign Affairs (Management Information Documentary Activities System - MIDAS).

The policy reconstruction (1990 through 2001) covers a period that is longer than the period of the policy implementation (1997 through 2001). Expenditures by the Ministry of

Foreign Affairs on the PGO and GSO programmes in the period from 1990 through 2001 (NLG 37,823,985 - € 17,163,776) and on the GST programme (NLG 4,549,500 - € 2,064,473) are illustrated in figure 2.2.

Figure 2.2 Actual expenditures on subsidy programmes PGO, GSO and GST, 1991 – 200



Note: 1994 expenditures on both PGO and GSO (€ 1,00 = NLG 2,20371)

Source: Ministry of Foreign Affairs (MIDAS).

The selection of the research population includes the following components:

- The programme Municipal Co-operation with Developing countries;
- The programme Municipal Co-operation with Accession countries;
- Independent projects with regard to structural capacity building that an agreement was developed for between the Ministry of Foreign Affairs (including diplomatic posts) and VNG;
- Activities funded in the period from 1997 through 2001 and which were completed before 31 December, 2002;
- The building of public support (GSO programme) in the Netherlands has been analysed in terms of policy, though the topic was not included in the evaluation of the policy implementation;
- The input of VNG's own (financial) resources and those of other local government organisations was not included in the evaluation;
- An external evaluation of the NEWS programme was conducted in 2001/2. These activities were not re-assessed;
- The programme Municipal Co-operation for Reconstruction in Turkey (GSWT) was not assessed;

- The activities managed or implemented by the International Union of Local Authorities (IULA) were not assessed, even in cases where VNG fulfilled an (executive) role;
- Projects concerned with emergency aid and conflict prevention were not assessed, even in cases when there was an agreement between the Ministry of Foreign Affairs and VNG.

2.5 Research design and assessment methodology

Research design

After selection of the research population and the development of the research methodology in a preparatory phase, a policy reconstruction was carried out that presents a profile of the Ministry of Foreign Affairs' policies on MIC on the basis of a systematic historical analysis of policy documents, literature, files and interviews. By means of a *quick scan*, Dutch MIC policy has been placed in an international perspective.

Research among Dutch municipalities and other local government organisations was conducted by means of a survey (201 municipalities) and through interviews (31 municipalities) with Dutch administrators and civil servants who had actively participated in missions that were part of the GSO and GST programmes. Subsequently, field missions were undertaken to local governments in Poland, the Czech Republic, South Africa, Nicaragua and Tanzania. Activities and projects were visited, documentation was studied and standardised interviews were held with administrators/ authorities and umbrella organisations, as well as civil servants and others who were directly involved in the activities. The range of research components is summarised in table 2.1.

Evaluation criteria and evaluation matrix

For the evaluation of the GSO and GST programmes an evaluation matrix (table 2.2) has been set up according to a logical framework. This framework is designed according to the principles of rational actor perspective, as is common procedure for IOB evaluations. However, in relation to inter-municipal co-operation this perspective does not always correspond to the logic applied by the Dutch municipalities, or the logic which underlay considerations of the Ministry of Foreign Affairs with regard to support for inter-municipal co-operation. Most inter-municipal contacts are founded on moral considerations couched in terms like solidarity, humanitarianism and global citizenship. Acting on the basis of such considerations follows the so-called logic of appropriateness (March, 1994).

Table 2.1 Research components

Component	Research location	Form	Particulars
<i>Preparation and Plan of Action</i>			
Database, methodology and work plan	The Netherlands	Desk study	Literature study File research Ministry of Foreign Affairs database MIDAS
<i>Policy Reconstruction</i>			
Policy history, policy development	The Netherlands, Poland, the Czech Republic, Tanzania, Nicaragua, South Africa	Desk study Interviews	File research
<i>Research Dutch municipalities and other local governments</i>			
City linkages; importance of co-financing	The Netherlands	Survey	All municipalities that participated in GST and/or GSO, plus control group
Management and administration	The Netherlands	Survey, File research, Interviews	Ministry of Foreign Affairs, VNG, municipal administrators and civil servants Standardised analysis of internal and external evaluations
Input Dutch municipality; activity-specific information	The Netherlands	Interviews File research	Coordinating civil servants and actively involved members of city linkage foundations VNG files
<i>Research in five selected countries</i>			
Context papers, Local policies	The Netherlands, Poland, the Czech Republic, Tanzania, Nicaragua, South Africa	Secondary Sources	Decentralisation policy, development local government. Municipal finances and relative significance of MIC

Table 2.1 Research components

Component	Research location	Form	Particulars
Activities, projects	Municipalities in Poland, the Czech Republic, Tanzania, Nicaragua, South Africa	Observation Interviews	Standardised interviews with administrators and those actively involved. Standardised project analysis Standardised analysis of reports on field missions by municipal civil servants
<i>Independent projects</i> Evaluation of activities	The Netherlands, the Czech Republic, Tanzania, South Africa	File study on the Netherlands and interviews, observation	Project level with its own objectives
<i>Small Local Initiatives – Nicaragua</i> Public support component	The Netherlands, Nicaragua	Interviews File research	No systematised field studies. Except in Nicaragua, within the context of effectiveness assessment of field missions.
<i>Analysis and Report</i> Processing and analysis		Quantitative processing of survey; standardised interviews and standardised analyses at activity level Feedback	Report Dutch research components; GST GSO Independent projects

MIC does not constitute a separate policy area of the Ministry of Foreign Affairs and it is not connected to any general objective. The objectives of the GSO and GST programmes have been formulated on the basis of policy that was formulated by the Ministry of Foreign Affairs as described in the policy frameworks of the several Agreements and Decrees between the Ministry of Foreign Affairs and VNG. Sustainable poverty reduction has been established as a fundamental objective. This evaluation does not attempt to demonstrate the relation between MIC and sustainable poverty reduction, partly because such causal relations have not been confirmed in the literature on these issues (see box 2.2). Nor have efforts been made to demonstrate the causal relations between activities of the GST programme and the extent to which local governments in accession countries are capable of implementing policies corresponding to the *acquis communautaire*.

Efficiency measures the productivity of the implementation process: to what extent was the conversion of resources into products economical (in terms of time, money and manpower). *Effectiveness* is the extent to which the input through output contributes to the achievement of the objectives. This evaluation has determined effectiveness by assessing the extent to which the output contributed to the planned positive results. This requires that the effects can be attributed to the activity with reasonable certainty. The expected or observed sustainability of the activities is regarded as an indicator of effectiveness. *Relevance* is the extent to which the activity's motives and objectives are, and remain pertinent, whether they are significant, and whether they are useful with regard to the priorities and concerns identified. Considering the facts that many activities within the framework of MIC are small and also geographically spread out, it was to be expected that the relevance could only rarely be established as *impact*.

This is why the Terms of Reference of this evaluation applies the term policy relevance (see annex 5). It means that the relevance assessment is a test to determine whether activities correspond to the policies of both the financier and the partner, and whether the activities are aimed at local needs and priorities.

In order to enhance general understanding, this evaluation makes digressions into the assessment based on the logic of appropriateness. One example is the description of the level of contentment of the respondents⁷.

Box 2.2 Democratic local government and poverty alleviation.

It is generally assumed that there is a link between 'participation – good governance – poverty reduction.' However, a causal relation between strengthening local government and poverty reduction has never been proven empirically. The Development Assistance Committee states: "The positive effects [...] reported are, for example, improved services and respect for the rule of law; greater transparency and accountability; increased competitiveness and sense of ownership. The effect seems to be less pervasive in terms of economic development and poverty alleviation (1997, Part II 24,25).

These observations were confirmed by Blair (2000) on the basis of field studies in six different countries. Blair tested the relations between

participation_representation_empowerment_advantages for all_poverty reduction.

Blair made a number of positive observations: 'voice, empowerment, integration of ethnic minorities' and, in situations where civil society is well organized, also a fair distribution of the advantages over the socio-economical spectrum. However, there were two facts he did not find: support for the improvement of the position of women, and: "there is little evidence that democratic local government initiatives can do much to reduce poverty. The main reason is when governance is decentralised, local elites get most of the power and steer benefits to either themselves and their interest groups, or at least maintain the existing distribution patterns" (Blair, 2000:21-29).

A World Bank study arrived at similar conclusions (Manor, 1999).

Assessment methodology

The assessment is composed of analyses per activity. Therefore, the activity needed to be traceable in the partner municipality. Certainly, this was not always the case. Annexes 2 and 4 on the CD ROM present a survey of the activities that could be assessed.

Assessment criteria were selected for the analysis of the activities in order to compare verifiable information with the perceptions of the interviewees. The assessment of efficiency and effectiveness was partly based on the comparison between field observations and file data. The assessments per activity are represented in four different categories: very positive, positive, negative and very negative (without a zero category). Twelve experts (including ten national experts) in five selected countries have assessed the activities in such a way that the possibility of systematic misjudgements would be reduced.

Table 2.2 Evaluation matrix Municipal International Co-operation

Means-objectives	Indicators	Sources and techniques	Evaluation criteria
Input: Ministry of Foreign Affairs Financial resources (subsidies) GSO and GST policy Implementation modalities -Programme for temporary deployment of Dutch civil servants -Training -Internship -Municipal Initiatives -Small Local Initiatives – Nicaragua -General Activities -Support Activities	Scope of financial contributions Policy conditions Access of Dutch municipalities to funding Number of missions Number of trainings Number of internships	Ministerial Decrees and Agreements between the Ministry of Foreign Affairs – VNG Annual reports VNG Registration VNG files Survey Dutch municipalities Structured interviews with municipalities	
The extent to which achieved output compares to the input, and the way in which it was provided			
Output			Efficiency
Civil servants and administrators trained Small projects set up with/by local governments Extended individual knowledge in the field of planning, management and popular participation in local government	Number of civil servants and administrators trained Number and nature of implemented projects	Survey Dutch municipalities File research VNG Structured interviews with Dutch municipalities Structured interviews in 39 partner municipalities in five countries	

The extent to which output contributes to the desired outcome		Effectiveness
<p>Outcome: Expected results</p> <p>Institutional changes, motivation, networks</p>	<p>Observed changes in organisation, planning and working environment</p> <p>Sustainable networks</p>	<p>Field studies in five countries</p> <p>Structured effect registration per activity</p> <p>Structured interviews with policy makers and participants in the Netherlands and abroad</p>
The extent to which the results contributed to the planned policy objectives		Relevance
<p>Impact:</p> <p>Structural strengthening of administrative capacity of partner governments with regard to:</p> <ul style="list-style-type: none"> - planning and implementation capacity - management - popular participation in local government <p>Implementation of the National Programme for the Adoption of the Acquis (GST)</p>	<p>Changes in planning structures; institutionalisation of participation</p> <p>Changing performance of local government (perceptions)</p> <p>Implementation of local components, according to LOGON list (GST)</p>	<p>Interviews with policy makers, local administrators in the Netherlands in 39 municipalities in five countries.</p> <p>Interviews with associations of municipalities</p> <p>Secondary sources: evaluations (internal, external)</p>

Sustainable poverty reduction (GSO); Preparation for European Union membership (GST)

The effectiveness of an activity aimed at the strengthening of local government is also determined by the national context in which this local government operates. It is this context that determines whether strengthened capacity will actually be further enhanced. Three categories of context factors can be distinguished. The first category consists of politics, the administrative context and the legal context which directly determines a local government's structure and the mandate. The second category consists of the financial and economic factors affecting local government. This category is closely related to the first. Financial resources determine to what extent and in what manner local governments can implement their legal attributions and mandates. The third category includes unique factors, like cultural and socio-cultural characteristics (WRR, 2001). Apart from these context factors, there are so-called receptivity factors which are determined by: the recipient's expectations concerning the effectiveness of the activities; the organisation of the recipient structure: the extent to which activities are institutionally embedded.

Selection of activities

Considering that a random sample on the basis of geographical characteristics places a series of municipal activities into a comparable context, a choice has been made for field studies in the countries Poland and the Czech Republic (GST), Nicaragua, Tanzania and South Africa (GSO). The basic principle here was not the aim for statistical representativeness, but the practical combination of the evaluation objectives and the human and financial resources available. A further selection was made from all activities carried out in the five countries sampled, on the basis of the following criteria: an inter-municipal co-operation of at least two years (GSO programme) or a minimum of two separate subsidies obtained by the same partner municipality (GST programme); a minimum subsidy allocation of NLG 25,000 (€ 11,344) plus all partnerships in which the modality Municipal Initiative Matra was implemented (only for the GST programme; see section 3.5); input of at least two different implementation modalities (see section 3.5).

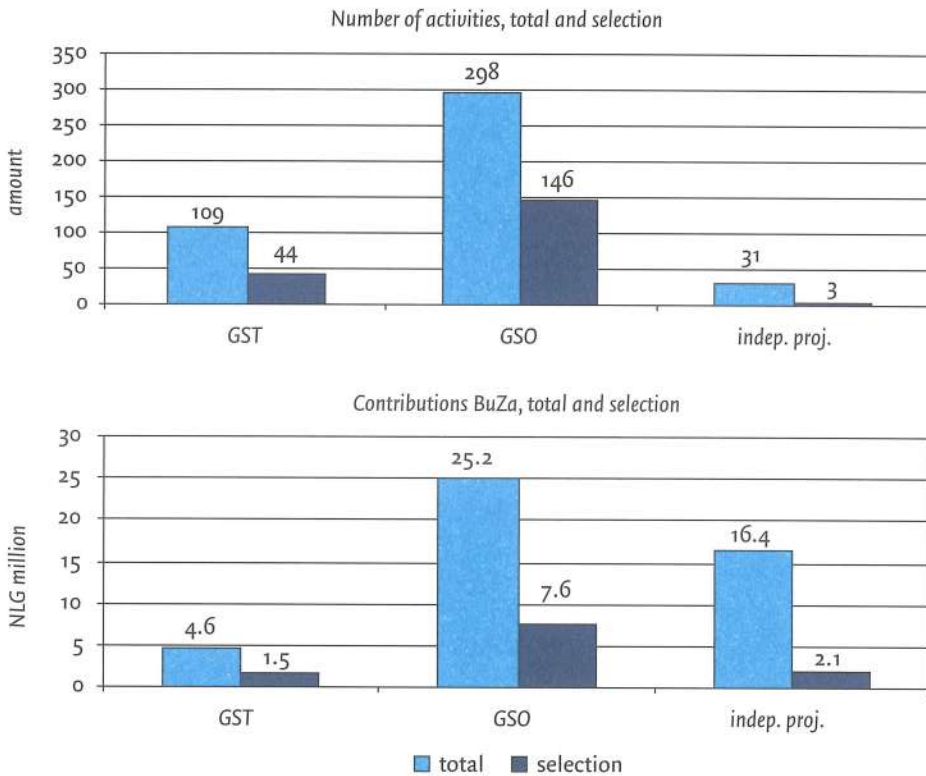
The selection of activities represented 48.9 percent of the total number of activities in the GSO programme and 30.2 percent of the allocated subsidies, whereas the selection of GST activities represented 40.3 percent of the total programme and 32.6 percent of the subsidies allocated by VNG.

In the evaluation, the relation between inter-municipal co-operation supported by the GSO and GST programmes and independent projects was studied. Therefore, the projects

needed to be aimed at the strengthening of local governance by means of activities that went beyond the municipal level (for example, umbrella organisations). These criteria determined the selection of three projects in the sampled countries.

Figure 2.3 shows the relation between the research population and the selected activities in terms of their numbers and financial contributions.

Figure 2.3 Research population and selected activities in terms of numbers and financial contributions by the Ministry of Foreign Affairs



Source: bases on data Ministry of Foreign Affairs (MIDAS)

The design of the evaluation is explained in Annex 7.

3 POLICY ON MUNICIPAL INTERNATIONAL CO-OPERATION

3.1 History

In the early seventies, a growing number of municipalities in the Netherlands decided to allocate budgetary resources to foreign projects or to local activities related to international co-operation. These municipal orders were systematically nullified by the Dutch Provincial Council. The Minister of the Interior and Kingdom Relations shared the views of the Council in stating during a debate in the House of Representatives on March 7, 1972 that: 'development co-operation and related public information activities fall under the responsibility of the national government.' Allocation of municipal resources to foreign purposes would thwart 'the fair and equitable distribution of resources'. In addition, the Minister pointed out a number of constitutional objections (Association of Netherlands Municipalities, 2001: 44, 45). Two months later, on May 30, 1972, the Minister had changed his mind, and a formulation of municipal policy on development co-operation was introduced. Since then, municipalities were authorised to finance public information on development co-operation and make financial commitments in cases of sustainable municipal involvement in overseas projects. Thus, a foundation was laid for municipal development co-operation.

In 1976, municipal mandates were further extended. From that moment, financial aid was expected to involve engagement of the municipal population. In the late seventies and eighties municipal policies were closely connected to political solidarity (for instance, in case of the Sandinista revolution in Nicaragua) and the campaigns against nuclear weapons and apartheid (Local Governments against Apartheid – LOTA). Differences occurred between national and municipal policies, which for instance became apparent with respect to the regime in South Africa. Since 1986, the Ministry of Foreign Affairs supported municipal development co-operation by means of a number of different programmes. These programmes encouraged municipalities and local private organisations to carry out activities for public information and awareness-raising. In addition, city link-

ages with local governments in developing countries were established and small-scale projects were implemented. Since the main concern was to encourage new initiatives, funding was not yet structurally organised (House of Representatives, 1990: IX, 114-115).

In the course of the nineties, municipal policy moved further away from the ideological undercurrent. At that time, there no longer was any opposition from the central government. On the contrary: the Ministry of Foreign Affairs structurally supported decentralised co-operation by co-financing several programmes, both in the field of development co-operation as well as European integration. In addition, a project-based co-operation was established on a supra-municipal level, managed by VNG. Also, the Ministry of the Interior and Kingdom Relations promoted co-operation between municipalities in the Netherlands and those on the Netherlands Antilles (Association of Netherlands Municipalities, 2001: 44-53).

3.2 Policy development Municipal Co-operation with Developing Countries

1990-1998

In 1990⁵ the Minister for Development Co-operation held a speech in which he explained his views on municipal tasks in the area of development co-operation. These views laid the foundation for future co-operation between the Ministry of Foreign Affairs, VNG and Dutch municipalities. The primary task of municipalities would be awareness-raising and promoting global orientation among the Dutch population. Municipalities were able to fulfil a role of encouraging citizen's commitment to international policy. This increased commitment could then lead to a shift from national citizenship towards global citizenship as a new basis for social reform. Consequently, public and political support for dynamic development policy would be mobilised. Apart from the principal task, the Minister pointed out two additional tasks of minor importance. The first concerned municipal support for projects in developing countries, in the form of project linking and city linking. One precondition was that the activities had to support the primary task: awareness-raising among the population. Thus, the role of municipal authorities was to establish a link between civil societies and their sense of solidarity, and public institutions. The second additional task was for certain municipalities or public utilities to contribute to managerial and technical capacity building. By drawing on their expertise they

5 'New municipal initiatives and development co-operation'. VNG-NCO Conference 'Municipalities and Development Co-operation', November 21, 1990, Ede. Information Bulletin nr. 22. Information Service Development Co-operation.

would facilitate the transfer of knowledge and give advice in a number of areas (public housing, public sanitation, drinking water supply and town planning). Strengthening of local government structures in developing countries was seen as a precondition that would allow marginalised communities access to political decision-making (the political dimension to poverty reduction).

In the early nineties it became apparent that poverty in developing countries rapidly changed into an urban problem. In 1991, urban poverty reduction was given a central position on the Ministry of Foreign Affairs development co-operation agenda in the form of the Spearhead programme for urban poverty reduction. In 1994, the policy document was presented (*Stad uit het Slop – Breaking the Urban Deadlock*, Ministry of Foreign Affairs, 1994) which listed three dimensions of sustainable urban poverty reduction: an economic, a social and a political dimension. Reduction of urban poverty focussed on the political dimension of poverty: the dimension of power. Thus, (strengthening) the position of local government was approached from this political dimension. According to the policy document, the role of local governments was to offer people opportunities to take control over their own destinies and to offer them instruments to accomplish this: *empowerment and enablement*.

In 1994⁶ the Minister stated that the notion of 'global city' referred to global interdependence: the convergence of political, social and cultural relations between people living both in so-called 'modern' and 'ghetto-like' neighbourhoods in Northern and Southern cities. The aim was to make the 'global city' stable, homogeneous and coherent, and to prevent the pressures from breaking it down. This objective required the efforts of parties on different levels: national governments, companies, communities and local governments. Inter-municipal co-operation took a specific position. Demand drivenness, sustainability of inter-municipal relations and accountability of the Dutch partner had to be guaranteed. Sudden interruption of the city linkages needed to be avoided. The Minister identified two objectives for co-operation between the Ministry of Foreign Affairs and VNG: building the capacities of municipalities in developing countries and encouraging the sensitisation among the population of Dutch municipalities. Accordingly, two basic principles were formulated, both emphasizing the importance of reciprocity:

⁶ "Co-operating in a global city", on the occasion of the leave-taking of Mr Havermans, Chair of VNG, June 24, 1994. Information Bulletin nr. 14. Information Service Development Co-operation.

- acknowledging the importance of local knowledge and expertise, which could well be applied to deal with problems in major Dutch urban areas that gradually started to show Third World characteristics;
- developing inter-municipal partnerships that would cross borders in order to support creation of opportunities for people elsewhere to improve their condition.

The Minister expressed his favourable opinion of the innovative model for inter-municipal co-operation in the field of good local government, both in the Netherlands (House of Representatives, 1995) as in an international context (Habitat II-conference, 1996). Throughout the nineties, policy on the support for MIC received strong parliamentary backing, partly because it helped to maintain public and political support for development co-operation.

1998-2002

During the 1998-2002 government period, no overall perspective was presented on inter-municipal co-operation. The Minister for Development Co-operation, however, had some critical comments on technical assistance provided through short missions by municipal civil servants. In a speech at the VNG International congress on the future of MIC, on March 28, 2001 and in a related interview in VNG Magazine, the Minister stated that although MIC was certainly relevant, it did not provide development co-operation in the sense of effective aid. It would not solve the problem of poverty. The Minister showed reluctance with regard to the transfer of knowledge and experience aimed at the strengthening of local government in developing countries. Even though Dutch municipalities had expertise in the field of governance and knowledge of specific urban policies, they could not be expected to have relevant expertise in the area of development co-operation. The Minister stated that co-operation between local governments in the South was preferred: "Rather support training on the spot, provided by the neighbours, than in the Netherlands where circumstances are completely different from home." (VNG Magazine, 2001:9). VNG, the Dutch Development Organisation SNV and co-financing organisations were encouraged to co-operate in the field of institutional capacity building of local governments in developing countries, though not within the context of the GSO programme. Co-operation would facilitate a link between expertise on matters of governance and expertise on development co-operation. A similar co-operation was established between VNG, NOVIB and SNV in the Balkans and in Albania, while another co-operation between VNG and SNV was in progress (the Logic programme).

The Minister's statements provoked strong reactions among municipalities and at VNG and gave rise to parliamentary questions in April, 2001. In answer to these questions the Minister stated that the value of international activities of Dutch municipalities lay primarily in the building of public support for development co-operation and raising global awareness in the Netherlands. Since local governments were closer to the people, they were able to respond to local initiatives and ideas more readily. Thus, municipal initiatives could give concrete meaning to the 'global community' by disseminating information and through global exchange, in order to broaden each other's horizons (Letter from the Minister for Development Co-operation to the President of the House of Representatives, 2001).

In the period 1998-2002, the result-oriented management of development co-operation became the main policy concern. This priority corresponded to the international debate triggered by the World Bank report *Assessing Aid* (Dollar and Pritchett, 1998). The increased emphasis on results was also caused by growing political and social demands for evidence of the effective spending of development co-operation resources. In this way, public support for development co-operation could be maintained.

During this period, several policy documents appeared which were of (indirect) relevance to MIC and local government: the Policy Document on Institutional Development (*Beleidsnotitie Institutionele Ontwikkeling* – Ministry of Foreign Affairs, 1999), the Policy Framework of Technical Assistance (*Beleidskader Technische Assistentie* – Ministry of Foreign Affairs, 2000a) and the Document on Decentralisation and Local Government (*Notitie Decentralisatie en Lokaal Bestuur* – Ministry of Foreign Affairs, 2002 [concept version 1999]).

Policy Document on Institutional Development

The Policy Document on Institutional Development identified decentralisation as an instrument for good governance and an aspect of democratisation, institutional development and capacity building. 'Twinning' (the institutional linking between organisations in the Netherlands and similar organisations elsewhere) was mentioned as a possible alternative, though hesitantly. For instance, identification of the right organisations or persons in donor countries was not a simple task, and there was a risk that the relationship with partners would be transitory and fragmentary. Essentially, twinning was essentially about exposure: becoming acquainted with innovative ideas, opinion, and skills. MIC was not explicitly mentioned as a form of twinning.

Policy Framework on Technical Assistance

In the Policy Framework on Technical Assistance, technical assistance was considered as an instrument for institutional development (and consequently, for capacity building) which was seen as one of the preconditions for sustainable development and structural poverty reduction. An effective method for capacity building was advocated that would be different from the small-scale technical assistance which, in the past, had generally been concerned with independent small projects. Twinning was to be one of the forms of technical assistance, in addition to the temporary deployment of personnel, studies, trainings and the establishment of networks. This policy document did not refer to inter-municipal co-operation as a model of twinning, either.

Document on Decentralisation and Local Government

In the Document on Decentralisation and Local Government good policy and good governance in developing countries were regarded as conditions that were necessary for effective management of bilateral assistance for poverty reduction and sustainable development. In addition to the poverty criterion, these were the selection criteria for structural bilateral assistance (1998). Four elements of good governance were distinguished: participation, transparency, legitimacy, and effectiveness of the government's use of authority and resources. These were the assessment criteria for the appraisal of requests for Dutch support for good governance as well as the objectives for activities in the area of good governance and democratisation (Dutch Senate, 1999). The document referred to the increased responsibility of local governments in countries that went through a decentralisation process. The functions of local government were to increase the efficiency of public services and to give account to the public. At micro-level, support for local organisations should be project-based and aimed at organisational structures, change processes and management systems. One of the four types of intervention in decentralisation processes in developing countries (apart from cross-sectoral interventions, sectoral interventions and interventions targeting civil society) was support to local governments. (Ministry of Foreign Affairs, 1999:13, 14).

Sectoral Approach and good (local) governance

Since the end of the nineties, aspects of urban development were part of 'sectors' such as decentralisation and local government in the so-called 17 + 3 countries (countries with which structural bilateral partnerships had been established) (House of Representatives, 1998b). The goal was to achieve good governance and strong institutions by adopting the so-called Sectoral Approach. It focussed policy on the public sector at the national level.

This tactic gave rise to parliamentary questions (House of Representatives, *Handelingen Begroting Ministerie van Buitenlandse Zaken* 2000; 1999). In his reply, the Minister for Development Co-operation referred to the potential role of Dutch municipalities in building the capacity of local governments in developing countries. Because of their expertise on local governance, they could make a positive contribution to decentralisation processes.

The Minister requested VNG to adjust to the existing bilateral policies in countries where VNG was engaged in activities and that the Netherlands maintained structural bilateral relations with. VNG, however, claimed that Dutch municipalities could not be required to establish relations only in countries that appeared on the list for bilateral co-operation and that VNG was not able to control the geographical distribution of MIC because municipalities were autonomous in their choices as to where and with whom they wanted to operate. Nevertheless, the Minister attempted to intervene in the geographical implementation of the GSO programme and gave priority to co-operation in the Balkans. Also, he allocated half of the aid to Sub-Saharan Africa (House of Representatives, 1999).

3.3 Policy Development Municipal Co-operation with Accession Countries

Dutch Policy on Central Europe

Dutch foreign policy on countries in Central Europe was described in the Region Policy Document on Central Europe (1997). The main objective was to perpetuate peace and democracy in 15 countries. On the one hand, the accomplishment of this objective depended on the support for the transformation process in Central European countries. On the other hand, it depended on promotion of trade and investment relations, keeping in mind Dutch export interests. Support for the transformation process had a political as well as an economical dimension. The political dimension was concerned with making the constitutional democracies sustainable by supporting civil society and institutional capacity building, in addition to the promotion of human rights. The economic dimension was related to promotion of a regulated market economy in all Central European countries.

In order to implement this policy, the Dutch government adopted several strategies:

- Maintaining healthy bilateral relations, aimed at the transformation process in Central-European countries and promoting Dutch interests in general.

- Expanding multilateral co-operation aimed at security and stability in Europe (accession of Central European countries into NATO and the EU).

Multilateral assistance was provided through the EU (particularly the PHARE programme), whereas bilateral economic assistance was channelled through the Ministry of Economic Affairs by programmes like the Eastern Europe Co-operation Programme (PSO) and the Netherlands Managers Co-operation Programme (PUM). Another instrument used for bilateral co-operation was the Ministry of Foreign Affairs' programme for social transformation.

The social transformation programme

Support for the transition process towards multiform constitutional democracies was organised by the programme for social transformation (Matra) since 1994. Matra included a number of sub-programmes that were aimed primarily at the transfer of knowledge between Dutch or other Western European organisations and Central and Eastern European organisations. The main sub-programme was the Matra Project Programme, which promoted the strengthening of civil society by means of non-governmental organisations. A number of these projects were concerned with quality improvement of public administration, including the interaction with citizens and civil society, co-operation with the police and legislation (House of Representatives, 1999b). In the period 1994-1998, the social transformation process in Central and Eastern European countries has developed in several ways. That is why a differentiation within the Matra programme based on the different stages of accession to the EU and on the different social sectors was called for. Within the countries, the modernisation of national governments did not always develop at the same pace as social transformation. Therefore, an extension of the programme was announced in 1997, allowing support for central governments. Good governance on all levels of government was aspired in correspondence with development co-operation policy⁷. Furthermore, it was decided that a special policy would be developed on Turkey and the 'new neighbours' (Russian Federation, Ukraine, Belarus). In 1998, a facility was added to the Matra programme (Matra 'classic') related to the accession to the EU (Matra 'pre-accession') in order to meet the demands of the candidate countries to acquire knowledge about the adoption of the *acquis communautaire*. The Matra 'classic' sub-programmes remained effective in the 15 Central and Eastern European countries, whereas the Matra pre-accession programme was intended for the 10 countries it was relevant for.

⁷ The emphasis on good governance was affirmed in 1999 in the 'facet policy' that was described in the document *Accenten Zetten in Central Europe*. The Netherlands had something to offer in a number of areas (facets) that Dutch policy would concentrate on. Among those areas were good governance, administrative capacity building, decision-making and government participation.

Later, Turkey and Croatia were added. In 1999, the classic Matra programme was evaluated by IOB (box 3.1).

From 1998-2001, the sub-programmes of the pre-accession programme were developed and implemented. These programmes were primarily aimed at central government agencies. In addition, the GST programme was developed in support of local level governments.

Box 3.1 IOB evaluation Matra-programme

IOB evaluated the Matra programme over the period between 1994 and 1997. The main conclusion was that the programme had been implemented effectively and efficiently. Most projects were rather small and concentrated mostly on the local level. Apart from many nongovernmental organisations such as human rights and environmental protection organisations, a number of municipalities was involved as well, as partners in the implementation of projects. Successful Matra projects were concerned with the improvement of customer services of municipal institutions in countries like Hungary, partnerships between municipalities, participation of citizens in municipal planning, etc. Although many positive results were achieved at project level, the evaluation indicated that the dissemination of new innovative processes caused problems (IOB, 1999).

Policy on inter-governmental co-operation with Central and Eastern Europe

In the Netherlands, the request for support from the Ministry of Foreign Affairs for inter-municipal co-operation with Central and Eastern European countries came from municipalities that wished to carry out programmes similar to the GSO programme. For the Ministry of Foreign Affairs, their positive experiences with the GSO programme (external evaluation DHV, 1997) were one of the reasons for asking VNG to submit a proposal for MIC with accession countries. This proposal was to relate to the *acquis communautaire*, since there were no funds available in other programmes. The GST programme was formulated analogously to the GSO programme, without first making an inventory of the needs of local governments in accession countries with regard to the *acquis* or of the available knowledge of the *acquis* in Dutch municipalities. The Ministry of Foreign Affairs assumed that local governments in accession countries would fulfil a major role in the adoption and implementation of the *acquis* as they were closest to the citizens⁸.

⁸ DEU/UM Memorandum to State Secretary Benschop, September 17, 1998.

At the VNG Municipality Day in Maastricht on September 19, 1998, the day the GST programme subsidy agreement was signed, the State Secretary of Foreign Affairs stated that Europe faced two challenges: on the one hand, an external challenge (the expansion of the EU) and on the other hand, an internal challenge (the strengthening of public support for Europe in Dutch society).

‘Europe does not begin in Brussels, it begins in the municipality’

State Secretary D. Benschop in his speech ‘The European challenge to complementary government’ at the VNG conference, June 12, 2001.

Contacts between municipalities in the Netherlands and local governments in accession countries were also expected to contribute to a positive image of Europe⁹. In 2001, the State Secretary pointed at the growing importance of Europe for Dutch municipalities and the increasing European interdependence that made it inevitable that local and regional government would also incorporate a European dimension. This dimension involved both municipal influence in the drafting of EU policy, as well as implementation of EU regulations. ‘The human measure of Europe’ could only be achieved when local level contributions were maintained¹⁰.

3.4 Operationalising policy on inter-municipal co-operation with developing countries and with accession countries

Municipal Development Co-operation

Policy can only become reality if it is ‘translated’ into operational instruments, such as programmes and funds. The operationalisation of policy on municipal co-operation with developing countries is described in the policy frameworks of the successive agreements between the Ministry of Foreign Affairs and VNG over the period 1991-2001, and in the subsidy agreement for 2001-2002.

⁹ Speech by State Secretary D. Benschop, ‘The European challenge for complementary government’ at the VNG Municipality Day, Maastricht, September 19, 1998.

¹⁰ Speech by State Secretary D. Benschop at the VNG conference ‘The Dutch Municipality in Europe’ on June 12, 2001.

Programme for Municipal Development Co-operation

The Programme for Municipal Development Co-operation (PGO) had a three year validity (1991-1993). For this programme, VNG's role in inter-municipal co-operation was laid down contractually for the first time. The Municipal Initiative programme (*Gemeentelijke Initiatieven – GI*), which had existed since 1986, was incorporated in the PGO programme in addition to the Programme for temporary deployment of Dutch civil servants (*Programma Uitzending Gemeente Ambtenaren – PUGA*) which was still under development, and apprenticeship periods (STAGE). These programmes were indicated as implementation modalities. The PGO objectives were:

- encouraging Dutch municipalities to engage in activities in the area of development co-operation and specifically to establish partnerships with local governments in developing countries;
- mapping the expertise available in Dutch municipalities for the support of local governments in the Third World;
- supporting deployment of Dutch municipal civil servants to the Third World facilitating internships in Dutch municipalities for local civil servants from the Third World.

These general objectives were not converted into specific objectives or expected results. In the course of 1991, an additional agreement with an accompanying policy framework determined the criteria for missions by municipal civil servants and apprenticeships for a period of one year. It mentioned the spearhead programme Urban Poverty Reduction as an example of relevant Dutch policy on development co-operation. The criteria for the temporary deployment of Dutch municipal experts suggested that these should be aimed at the improvement of urban management and/or the strengthening of the planning and implementation capacities of municipal services and public utilities. The transfer of knowledge was to be concerned with regular tasks and structures of the executive municipal departments in the particular development country. The target group was defined in varying terms: 'municipalities in developing countries', 'local administrations in developing countries', 'local government in developing countries', and 'municipal services and public utilities in developing countries'. The identification of the demands of local governments and municipal services in developing countries could then either be made within the framework of municipal linkages, by the Ministry of Foreign Affairs, the *International Union of Local Authorities (IULA)*, or Dutch and international development organisations.

The GPO programme was considered a joint product of the Ministry of Foreign Affairs and VNG. The task of VNG was to mediate between the demands in developing countries and

the supply of expertise in Dutch municipalities where necessary. In addition, VNG was to provide courses and information material for the civil servants and trainees to be sent on field missions (Ministry of Foreign Affairs, 1991). In 1993, a second additional PGO agreement was signed. So far, the Ministry of Foreign Affairs had been responsible for the programme's management and the implementation. In this agreement, it was laid down that the programme would be delegated to VNG. This meant that VNG took on the responsibility for those activities within the programme, which it had approved and which were implemented by the municipalities.

Small Local Initiatives – Nicaragua (KPA-N)

The worldwide programme Small Local Initiatives (*Kleine Plaatselijke Activiteiten – KPA*) exists since 1991 and is now managed by the National Commission for International Co-operation and Sustainable Development (*Nationale Commissie voor Internationale Samenwerking en Duurzame Ontwikkeling – NCDO*). The programme's objective is to provide incentives to local and regional civil society organisations to carry out activities in the contexts of international co-operation. KPA is a 'duplication fund', which means that the maximum subsidy is a doubling of the amount of money collected by a private organisation in support of poverty reduction activities in developing countries. A prerequisite for the subsidy grant is that the public (for example, in the municipality) is informed of the activities with a view to intensifying citizens' involvement in international co-operation (building public support). In April 1993, the Minister for Development Co-operation handed the implementation of the KPA programme over to the National Council for City Links Netherlands – Nicaragua (*Landelijk Beraad Stedenbanden Nederland – Nicaragua – LBSNN*). The management of the programme was delegated to VNG in order to facilitate the synergy with activities of the PGO programme in Nicaragua. In the subsequent GSO programme, KPA-N was incorporated as an annex. The provisions of the worldwide KPA programme were still effective. The KPA-N budget increased in the course of the nineties and amounted to nearly € 318.000 a year in the period 2001-2002. From 1997-2001, groupings from 19 Dutch municipalities mobilised KPA-N resources for activities in 18 Nicaraguan partner municipalities.

3.5 Municipal Co-operation with Developing Countries Programme

GSO agreement 1994

In 1994, PGO was succeeded by the Municipal Co-operation with Developing Countries Programme. The objectives that were formulated were only concerned with local govern-

ments in developing countries: 'strengthening local government by means of concrete co-operation activities between municipalities, public utilities, provinces and district water boards in the Netherlands and their partners in developing countries' (Ministry of Foreign Affairs, 1994b). The policy framework referred to the fragility of the decentralisation process in developing countries, as well as the need for technical and managerial assistance in areas like public housing, local economic development, public-private co-operation, urban poverty reduction, transportation, finances, personnel management and environmental policy. An overall approach was advocated, which would be aimed at both the improvement of financial and management capacities of local and regional governments and the strengthening of local democracies. The hope was expressed that shorter missions by municipal experts and internships would lay the foundation for long-term partnerships between municipal governments.

In 1997, an external evaluation was conducted, which characterised the programme as innovative, though of limited scope and flexibility (DHV, 1997). In response to these results, it was decided that the existing implementation modalities would be extended with the Municipal Management Training Programme, General Activities and with Programme Support Activities. The Municipal Management Training Programme was a combination of a group training and an internship. In fact, VNG had already introduced both the Programme Support Activities and the group trainings in 1994, but only in 1998 these were officially included. The modality General Activities was developed in order to offer VNG and the municipalities more facilities for implementation of policy, for instance in relation to South-South contacts.

GSO agreement 1998

In the second GSO agreement (Ministry of Foreign Affairs, 1998c), two parallel principle objectives were formulated:

- strengthening of local government in developing countries by means of concrete co-operation activities between municipalities
- mobilisation of public support for international co-operation in the Netherlands, to be interpreted as:
 - increasing involvement of Dutch municipalities in international co-operation,
 - increasing involvement among the population in international co-operation, as a result of information services and awareness-raising activities linked to the GSO programme.

The translation of the principal objective concerning local government was added in three sub-objectives:

- strengthening administrative capacity of local governments;
- strengthening local planning and implementation capacity;
- promoting citizen participation in local government.

The programme's target group was specified in the policy framework: municipalities, public utilities, provinces, district water boards and their umbrella organisations. In addition, it was decided that the programme would also be accessible to private organisations without a profit motive that made specific contributions to the development of municipal policies in the field of development co-operation. The reason for this decision was the observation that the required expertise that was not always available within the municipal apparatus, was, available within the private sector, for example, provided by schools advisory services. One condition was that the municipality would continue to 'play the lead part'. Activities had to be implemented at municipal level, small-scale, and able to count on broad-based public support.

The decentralisation process of public administration had been given a more prominent position than when it fell under the previous GSO programme agreement. Reference was made to the UNCED conference in Rio de Janeiro (1992), the Social Summit in Copenhagen (1995) and the Habitat-II conference in Istanbul (1996). With regard to the objective of public support, attention was drawn to the possibilities for non-commercial private initiatives to establish projects with partners in local communities in developing countries. KPA-N offered funding for such initiatives in Nicaragua.

GSO Agreement 2000

In December 2000, the Subsidy Agreement for the GSO programme became effective for a two-year period (Ministry of Foreign Affairs, 2000d). This limited period was decided upon because of a proposed evaluation of the efficiency and effectiveness of VNG as an instrument for development co-operation activities. It was agreed in principle that, starting in 2003, there would be four-year subsidy periods. The Agreement was placed within the framework of the new subsidy scheme of the Ministry of Foreign Affairs. The policy framework incorporated the full text of the policy framework of 1998. In its annual work plan, VNG was expected to include objectives, expected results, effects of activities and, if possible, to express these in terms of measurable indicators.

A number of characteristics of the subsequent agreements and ministerial decrees of the GSO programme have been summarised in table 3.1:

Table 3.1 Characteristics GSO-programme agreements and ministerial decrees

	GSO 1994	GSO 1998 en GSO 2000
Signing date	February 16, 1994	March 18, 1998, respectively December 12, 2000
Period	January 1, 1994 – January 1, 1998	January 1, 1998 – December 31, 2001 January 1, 2001 to January 1, 2003
Budgetary resources	1994: NLG 3.500.000 (€ 1.588.230), of which NLG 500.000 (€ 226.890) for KPA Nicaragua	No total amount. Yearly settlement. 3 percent max. for Programme Support Activities.
General Disbursements	7.5 percent. 60 percent of the costs of public information, NLG 200.000 (€ 90.756) max. annually.	7,5 percent of the contributions from the Ministry of Foreign Affairs annually (raised to 9 percent in 2003)
Objective	Strengthening of local government in developing countries by means of concrete co-operation activities	Strengthening of local government in developing countries by means of concrete co-operation activities between municipalities; Building public support for international co-operation in the Netherlands.
Countries	List of 50 countries including countries with partnerships before 1993. Additionally, inter-municipal small projects relating to links based on the presence of immigrants from those countries	ODA countries plus countries that have 'special relations', like Morocco, the Netherlands Antilles and Suriname.

Municipal Co-operation with Accession Countries Programme

In order to support the local governmental levels in ten accession countries, the programme for Municipal Co-operation with Accession Countries (GST) was launched, analogously to the GSO programme. The Subsidy Agreement on the GST programme was initially signed for the period between September 1998 and January 2002. This period

was extended twice, up to January 2005. The policy framework indicated that its purpose was to support local governments in Central and Eastern Europe in their preparations for their membership of the EU. This support was concerned with the adoption and implementation of the *acquis communautaire*, as well as the institutional capacity required for this adoption and implementation. Issues that required special attention were communication between sectors or services within the municipal apparatus, and the attitude of civil servants and administrators towards citizens. EU criteria applied to all these issues: transparency, accountability to a democratically elected entity, equal rules in equal cases.

Among the frames of reference suggested for the structure of project applications were: the National Programme for the Adoption of the Acquis (NPAA) or an equivalent document of the accession country, the Europe Agreement concerned and the 'Opinion' of the European Commission on the accession country. The programme focussed on the exchange of expertise. This exchange was to be organised in one of the ten areas directly related to the *acquis*: social policy, environment, agriculture, regional policy, economy, freedom of movement of persons, public housing, public order and security, traffic and transport and general governance. At least, this is what the progress report of the Ministry of Foreign Affairs (2001) stated. None of this was mentioned in the Agreement.

On certain items, differences existed with the GSO programme. For instance, after a certain amount of time, tripartite co-operation was made possible between municipalities in the Netherlands and in other accession countries, as well as co-operation between VNG and partner associations in accession countries. Initially, the GST programme was considered a programme for knowledge transfer, which did not allow for investments in combination with the participation of municipal experts. Later, such restrictions were reduced. In contrast to the GSO programme, the participation of local non-governmental experts was allowed.

Soon after the programme was launched, it became clear that the required knowledge on the effects of the *acquis* for local levels was inadequate, both in Dutch as well as in partner municipalities. VNG informed the Ministry of Foreign Affairs and made an agreement with the municipalities to focus attention primarily on the building of institutional capacity of local governments. The Ministry of Foreign Affairs insisted that the institutional build-up was connected with the *acquis*. After all, the GST programme pursued an objective that differed from the GSO programme, and was specifically established as a part of the Matra pre-accession facility. The policy framework had not specified the connection

between the GST programme and the transformation objective of the Matra umbrella programme, neither had a written supplement been added regarding the initial focus on institutional capacity.

In 2001, Turkey and Croatia were added to the list of countries that qualified for GST subsidies. Activities in the accession countries Cyprus and Malta were not remunerated. After December 31, 2003, new requests were no longer allowed for municipalities in countries acceding to the EU as of May 2004.

3.6 Implementation modalities for the GSO and GST programmes

Specific implementation modalities have been formulated for the implementation of the activities within the GSO and GST programmes. The agreements and subsidy programmes specified these implementation modalities. Activities could be financed separately within these modalities. There were no indications as to how the interconnected implementation modalities would have to lead to the desired results of the programmes. The implementation modalities were aimed at the support of local government. The Ministry of Foreign Affairs did not cover all the costs of the programmes; they were shared with the Dutch municipalities and their foreign partners. Other partners, such as private organisations, universities and development funds could also make contributions, in the form of manpower, money or mediation. Both programmes had four of the implementation modalities in common:

- Programme for temporary deployment of Dutch civil servants (*Programma Uitzending Gemeente-Ambtenaren – PUGA*);
- Internship Local Government (*Stage Lokaal Bestuur – STAGE*);
- Municipal Initiatives (*Gemeente Initiatieven – GI or GI Matra – GIM*);
- Municipal Management Training Programme (*MMTP*).

Additionally, there were Programme Support Activities, whereas General Activities (*Algemene Activiteiten – AA*) were only available to the GSO programme. Within the GSO programme, no implementation modalities were designed, nor were funds made available for the implementation of the main objective of building public support. These modalities will be briefly described below.

Programme for temporary deployment of Dutch civil servants (Matra) (Programma Uitzending Gemeente-Ambtenaren – PUGA). On request of the partner municipalities, Dutch civil servants or administrators were sent on advisory or project formulation missions, or for organising trainings. Since 1998, the GSO programme also facilitated participation of

officials of non-commercial private organisations and representatives of civil society in missions like these. The advisors were required to have experience in the field of local government, and relevant specialist knowledge. This knowledge was not tested in advance, nor were other criteria applied. Consequently, the Dutch delegation members were not required to be specific EU accession experts (GST) or to have knowledge with respect to development co-operation (GSO). In box 3.2, one example of a mission by municipal civil servants is provided.

Box 3.2 Project formulation mission Beuningen- Mikolow

Since 1992, the municipality of Beuningen has maintained contacts with the Polish municipality of Mikolow. The co-operation focussed on the area of urban development. At the request of the Mikolow municipality, the manager of the development company of the municipality of Beuningen visited the town from April 22 to April 28, 1999, in order to offer support for the new project-based urban extension plans. In Poland, consultations took place with the mayor and aldermen, the municipal secretary and several technical departments. The visit was concluded with a formal declaration of intent, as well as a plan of action. Afterwards, a project has been carried out with GST resources, in support of project-based operations.

Internship local government (Matra) (Stage Lokaal Bestuur – STAGE). At the partner municipality's request, a period of practical training in a Dutch municipality (or at another local government entity) was arranged for municipal civil servants and/or administrators from partner municipalities. Trainees needed sufficient communicative skills and be able to translate the acquired knowledge into their local situation. Normally, candidate trainees were tested on these skills in advance, for example, on command of language. Travelling and accommodation expenses of trainees in the Netherlands were compensated. On special occasions, other expenses of the Dutch municipality, such as translation costs, were compensated as well. Box 3.3 presents an example of an apprenticeship period.

Municipal Initiatives (Gemeente-Initiatieven – GI) or Municipal Initiatives Matra (GIM). Financing was made available for the Municipal Initiative (or GI Matra in case of the GST programme) in order to link the exchange of knowledge to concrete projects. (This report will further refer to these as inter-municipal small projects). The inter-municipal small project was a financing scheme for local government organisations with long-term

co-operation links with a foreign partner. This facilitated a link between the temporary deployment of civil servants and internships together in a single subsidy application.

Box 3.3 Delegation from Pribram to Hoorn in the context of the accession to the accession of the Czech Republic to the European Union

In February 2000, a delegation from the Czech municipality Pribram visited the municipality of Hoorn. The delegation included a town councillor, the chairperson of the committee town-twinning Pribram-Hoorn, and a municipal coordinator of economic affairs. In addition, the coordinator of environmental affairs of the Regional Government joined the delegation.

The visitors participated in an intensive programme dealing with the European effects on local government and specifically on the relations between local government and citizens, environmental policy and employment policy. Visits were paid to the Provincial government of Noord-Holland, the Centre for Work and Income, a member of the European Parliament, the House of Representatives, and experts on the European Regional Development Fund. The delegation had indicated in advance that they particularly wished to gain insight into the organisational aspects of Europe, as well as its significance with respect to local government. The municipality of Hoorn chose also to demonstrate the democratic aspects of local government in Europe.

Though there were differences as well: the input of external expertise was only possible within the GST programme and investment costs were exclusively (partially) compensated within the GSO programme (with an annual maximum of €45.000). Both programmes covered the travelling and accommodation expenses of exchanges and the Dutch municipalities received compensation for preparation costs and part of the salary costs were covered for the deployment of persons in active service (to a maximum of € 181 a day). Examples of municipal small projects are presented in chapters 6 and 7.

Municipal Management Training Programme (MMTP). MMTPs were study tours consisting of an introductory course week organised by VNG, followed by an internship of one or two weeks in a Dutch municipality. The courses accommodated group trainings in the Netherlands for trainees with common backgrounds or with functions in the same sector, or from the same country. VNG organised these courses for 15 to 20 municipal civil servants and/or administrators for a fixed compensation per participant. In the GST programme, courses were developed in order to provide in-depth knowledge on a particular

policy area in which European rules and regulations apply. The selection of the participants in the group trainings was usually arranged by means of the municipal contacts. Outlines of the courses within the GSO and GST programmes are provided in chapters 6 and 7.

Programme Support Activities. The aim of this modality was to prepare Dutch civil servants and administrators for operating within the context of international co-operation. For that purpose, VNG regularly offered short courses in operating with local governments in developing countries (Course for Dutch civil servants in international co-operation [Cursus Uitzending Gemeentebtenaren – CUGA]) and on project management. Additionally, VNG organised an annual workshop for municipalities, external experts and VNG to exchange ideas on innovation and improvement of the programmes.

General Activities (Algemene Activiteiten – AA). This modality provided the opportunity, for example, to organise a seminar in the partner country, or undertake VNG missions for the preparation of group trainings. Also, it could finance publications. The General Activities and the Programme Support Activities had a facilitating and quality enhancing function.

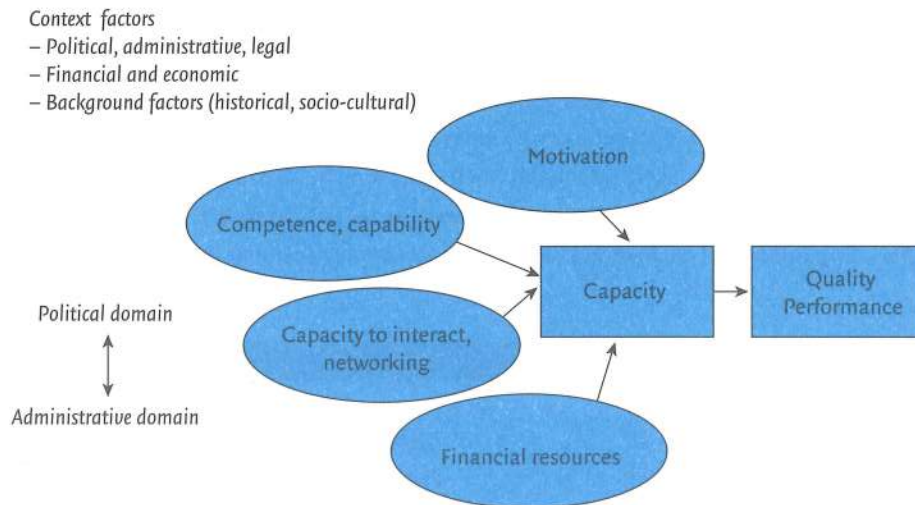
Contributions by the Ministry of Foreign Affairs to various implementation modalities have been specified in the agreements and ministerial decrees, and were revised regularly. An overview of these contributions by the Ministry of Foreign Affairs over the period 1997-2001 is presented in chapter 7 and on CD ROM.

3.7 Intervention logic

The GSO and GST programmes assumed that the transfer of knowledge by means of the exchange of personnel and financial resources for projects (only GSO) would contribute to the enhancement of capacity of local government. This strengthened capacity would then result in improvement of performance of local government, for example, with regard to public services. Every intervention suggests that a problem or a situation exists which action is desired for (otherwise, there would not be any reason to take action). The most simplistic form of problem analysis, then, indicates that certain local governments are incapable of meeting demands. Such demands are put forward by the people (better supply of commodities and services, involvement, participation) and by the central govern-

ment (good governance, decentralisation, preparations for the accession to the EU). In order to face up to the problem (meet the demands) the capacity will need to be improved. This can be accomplished by means of motivation, the input of extra money, by increasing interaction capabilities (networks, the involvement of third parties in local government activities, public – private) and by further developing expertise. This intervention logic is schematically presented in figure 3.1.

Figure 3.1 Intervention logic



The Academic Council for Government Policy, in its advice Development Policy and Good governance, primarily pointed out the contextuality of the effects of the promotion of good governance (WRR, 2001). This study makes a distinction between three types of context factors with regard to local governance:

- political, administrative and legal factors, that have direct influence on the design and the mandate of a government;
- financial and economic medium that a government operates in;
- background factors: geographical, historical, socio-cultural, religious, technological (Otto, 1999:12).

Temporary deployment of municipal civil servants, internships and courses are implementation modalities that primarily focus on capability development.

Additionally, determining factors for the development of capacity, are financial resources, interaction capability and motivation. The joint undertaking of activities would improve interaction, and consequently, this would bring about motivating effects (together with the exchange of personnel or city links). Only the GSO programme also provided (limited) funding for projects.

Policies of Dutch municipalities

Dutch municipalities follow an autonomous policy on international relationships. However, municipal policy cannot thwart national policy. In case a municipality decides to make use of GSO or GST funding, this implies acceptance of the subsidy conditions, and therefore the activities will need to be in line with the wider policy framework of the agreements or subsidy programmes. Municipalities can choose whether or not to adopt an explicit policy on international co-operation (for example, in a decree by the council). Municipalities receiving GSO or GST funding were more likely to have an explicit international co-operation policy than municipalities that did not (see table 3.2)¹¹.

Table 3.2 Explicit municipal policy on MIC

	Explicit policy	No explicit policy	Unknown
	Percentage	Percentage	Percentage
GSO/GST municipalities (n=86)	64	35	1
< 25.000 inhabitants	48	52	
25.000-100.000 inhabitants	68	32	
> 100.000 inhabitants	86	14	
Other local government organisations	50	40	10
Municipalities that do not make use of GSO/GST (n=22)	23	77	

Source: Survey (see CD ROM, sub-report D).

It occurs that municipalities have established an international policy, but that they do not qualify for GSO or GST subsidies, for example, if the municipal policy only supports the implementation of activities by means of civil society, and not by means of the public sec-

¹¹ The phrasing of the questions did not allow for a distinction between municipalities that do not develop MIC activities and those that do, though without making use of the GSO or GST arrangements.

tor. On the other hand, one third of all Dutch municipalities that used the subsidy funds turned out not to have an international co-operation policy. The implementation of municipal international policy is usually formulated in annual or multi-annual plans, which then serve as touchstones for the assessment of progress of implementation. A number of larger municipalities, like Amsterdam, have chosen only to establish a general policy and to delegate its implementation to municipal services and departments. Usually, municipal policymakers prioritise the establishment, the broadening, and the intensification of city linkages. In that respect, they choose to involve as many groupings as possible in the municipality (a 'city-wide approach'). Underlying the city linkages are principles couched in terms like solidarity, humanitarianism and global citizenship. The strengthening of the local government of the partner municipality is not a principle objective of inter-municipal co-operation and rarely more than one of the many themes of the municipal policy.

3.8 Position of the Association of Netherlands Municipalities

According to the agreements and decrees with the Ministry of Foreign Affairs, VNG was the contract partner in the GSO and GST programmes. Agreements were two-sided, in the sense that VNG was formally an equal partner to the Ministry of Foreign Affairs. On the other hand, the decisions included unilateral characteristics: implementation and management was delegated to VNG. In the course of time, VNG has expressed its opinion regarding the funding programmes on a number of occasions. In the following paragraphs, these opinions will be discussed with regard to the functions of MIC, the objectives of the GSO programme concerned with public support and the organisation of the GST programme.

Purpose of municipal international co-operation

In 1991, VNG laid the conceptual foundation for its interpretation of the purpose of MIC in the PGO programme. The temporary deployment of civil servants and internships were regarded as incentive programmes with a double objective: on the one hand development of the institutional capacity of local governments, and on the other hand the building of a foundation of mutual trust for sustainable inter-municipal contacts (VNG International, 2001d).

In 1995, VNG, as the executive body of the GSO programme, formulated three policy intentions (VNG, 1995). VNG had the ambition to involve an increasing number of Dutch municipalities in the programme and to facilitate new municipal partnerships.

Internships and missions by municipal civil servants and administrators were to lay the foundation for long-standing partnerships. In response to the external evaluations of the GSO programme (DHV, 1997) VNG recommended to focus on the promotion of adequate government and the innovative and facilitative roles of local government. In that respect, a stronger involvement of civil society in the implementation of the programme was advocated. In addition, VNG called for a shift from the project-based approach towards a more process-oriented approach which required an equivalent input from all parties involved (VNG, 1998). Most of these suggestions were included in the 1998 GSO agreement.

VNG considered MIC in general as a separate policy area, in which “municipal administrators should be aware of the fact that their responsibilities did not end at the municipal limits¹²”. Since the early nineties, VNG has regularly appealed for a more prominent position for the theme of ‘strengthening local government’ (good local governance) in Dutch development co-operation policy. According to VNG, this appeal has provoked not enough response at the Ministry of Foreign Affairs, while the potential role of inter-municipal co-operation in that respect was insufficiently acknowledged, in spite of the many years of experience of this kind of co-operation. VNG stated: ‘A government that takes local government in the South seriously, should profess this at home’ (VNG, 2001b:1). VNG considered the input of local governments in developing countries to be of major significance. Despite its appeal, VNG has not been able to develop a comprehensive vision concerning the position of inter-municipal co-operation in relation to the Dutch bilateral development co-operation policy and in relation to the input by the private sector.

Public support objective

According to VNG, strengthening of local government in developing countries was the key objective of the GSO programme. Nevertheless, VNG did consider this objective to be closely linked to the mobilisation of public support for development co-operation in the Netherlands. After all, public support was an essential condition for political support, on a national level, as well as a local level. Since 1991, VNG has made efforts to increase political support, such as the arrangement of meetings for municipal council members and the organisation of (national) conferences. In 1991, VNG announced its intention to develop a model for the building of public support. One of the options concerned the

¹² Speech by the Chairman of the VNG board of directors, J. v.d. Berg, at the conference ‘The Future of Municipal International Co-operation’, VNG International, Deventer, March 28, 2001.

involvement of civil society organisations that had an active role within city linkages. Although there had been an agreement on this issue with the Ministry of Foreign Affairs since 1996¹³, the instrumentalisation was not put into practice until after the 1998 GSO agreement. VNG argued that that public support could only be mobilised successfully if a range of activities (preferably organised by a number of different subsidy programmes) were carried out simultaneously. Because a single mission or internship was only of short duration, it would be ineffective for awareness-raising activities (VNG, 1999:21). Two years later, VNG stated that city linkages had proved that ‘in potential, they offered a fantastic framework for sensitisation, involvement, and local fundraising’, but that its actual value and professionalism had been overestimated and that there had been little success for the attempts to mobilise public support at the local level (VNG, 2000). Since 2000, VNG has no longer accepted GSO project proposals, if they do not specify the way in which the function of public support is fulfilled. In actual practice, this almost exclusively comes down to public information.

VNG intended to use the GSO programme to interest new municipalities in inter-municipal co-operation, as one of the elements of its strategy for building public support. VNG was also interested in co-operating with development organisations such as SNV, UNCDF and NOVIB. The Ministry of Foreign Affairs opposed to VNG’s plans on this point, as these developments would affect the small-scale quality of the GSO programme. Moreover, GSO needed to maintain its function as a triggering programme and a public support programme¹⁴. During policy meetings and by means of correspondence, VNG has continuously insisted that the Ministry of Foreign Affairs should provide funding and develop an implementation modality for promoting the objective of public support. The Ministry of Foreign Affairs was unwilling to comply and referred VNG to the NCDO.

Municipal Co-operation with accession countries

VNG supported the request by Dutch municipalities for co-financing from the Ministry of Foreign Affairs for activities with local governments in Central and Eastern European countries. Municipalities tried to join current activities within existing partnerships and to meet the demands of partner municipalities. In the announcement letter on the GST programme of September 1, 1998, VNG had argued that the pre-accession component of Matra would meet a considerable part of the municipalities’ demands for technical and

¹³ Document VNG: Adjustment PFO to GSO, September 9, 1997, 2nd version.

¹⁴ DSI Memo to the Minister for Development Co-operation, February 7, 2002. IOB interview with DSI/MY, July 9, 2003. Decision list DSI/VNG meeting, May 29, 2000.

administrative assistance to their partner municipalities. VNG had already predicted that all the applications for activities in the GST programme would be no more than indirectly concerned with accession problems (the purpose of GST). Shortly after the start of the programme it became clear that both the Dutch municipalities as well as the partner municipalities encountered difficulties with regard to the formulation of the project proposals concerning the *acquis communautaire*. In 1999, VNG reached an agreement with the Ministry of Foreign Affairs to accept proposals that emphasised good governance as a precondition for accession to the EU. This adjustment led to an increasing number of applications. From 2000 onwards, VNG dedicated itself to raising the number of applications aimed at *acquis* by means of information, the exchange of experiences, group trainings and direct control. At the same time, consultants with specific knowledge in the field of European rule and regulations were sent out to instruct Dutch municipalities. This was meant as a temporary measure, until Dutch municipalities would have acquired basic knowledge of the issue.

Although building public support was not among the objectives of the GST programme, VNG has considered it an autonomous policy commitment to make funds available from its own resources in order to mobilise public support in the Netherlands for municipal and social co-operation with accession countries. VNG also pursued the goal of promoting public support for membership of the EU among the local population in the accession countries (VNG, 2000b).

3.9 Analysis and findings

The analysis of the consistency and the practicability of policy resulted in the following evaluative conclusions:

The Ministry of Foreign Affairs, VNG and Dutch municipalities held divergent views on MIC

In the course of the nineties, a divergence occurred between the views of the Ministry of Foreign Affairs, VNG and Dutch municipalities concerning the essence of MIC. During the first half of the nineties the three parties still held the same considerations, couched in terms like solidarity, humanitarianism and global citizenship. These motives suggested long-term rewards that would not necessarily produce any tangible short-term effects. In the nineties, the increased attention to effectiveness of aid led to a change in perspective at the Ministry of Foreign Affairs, which focussed on rational, efficient action that would enable Dutch municipalities to make an effective contribution to the modernisation of local government in other countries and to the mobilisation of public support in the

Netherlands. For the Dutch municipalities, action was still mainly motivated by ideals, whereas VNG attempted to reconcile these two views.

Diverging interpretations of the objectives and implementation of the GSO and GST programmes

The divergent views of the Ministry of Foreign Affairs, VNG and municipalities have increased the differences between their interpretations of the objectives and the implementation of the GSO and GST programmes. The Ministry of Foreign Affairs put the emphasis of the GSO programme on mobilizing public support for development co-operation in the Netherlands, and thus, the strengthening of local government in developing countries was seen as a means to this end. With regard to the GST programme, the Ministry of Foreign Affairs focussed on the support of local governments in their efforts to adopt the *acquis*, as otherwise funding from the pre-accession facility would lose its legitimacy. In this respect, strengthening of local government was a means to this end. Dutch municipalities were primarily interested in the intensification and expansion of city linkages. Within this context, activities concerned with the strengthening of local government could be supported with co-financing by the Ministry of Foreign Affairs. The topic of local government was rarely a motive behind inter-municipal co-operation. The broader contacts of city links would encourage public support for international co-operation. However, the strengthening of local governments of partner municipalities was the fundamental issue according to VNG. By means of their own experience, Dutch municipalities would be able to make a positive contribution to decentralisation, good governance and the democratisation of society. The involvement of Dutch citizens – and thus public support for international co-operation – would be mobilised in the slipstream of activities in the field of local government through the resultant flow of relations between civil society organisations.

The Ministry of Foreign Affairs and VNG also felt different towards the division of each other's roles and functions regarding the GSO programme. The difference of opinions related to the interpretation of the programme's implementation modalities, its *ownership*, the types of activities and their scope and the degree of control in relation to the autonomous position of the Dutch municipalities. The divergent positions on the essence and implementation of the GSO programme repeatedly disrupted communications between the parties, to the detriment of the programme's substantive quality improvement both parties had wished for.

GSO objective of building public support was without implementation instruments

The Ministry of Foreign Affairs has never formulated implementation modalities or allocated funds for the implementation of the principal GSO objective of mobilizing public support. Moreover, the Ministry of Foreign Affairs has never specified the results that were expected from public support building. Requests by VNG to bridge this perceived gap were denied. The Ministry of Foreign Affairs expected the Dutch municipalities either to finance activities for public support building from their own resources, or to attract third party funding. Still, the Ministry of Foreign Affairs held VNG responsible for the implementation of the objective and expected VNG to report on this matter.

Inadequate operationalisation of the GSO and GST programmes

In the early nineties, the Ministry of Foreign Affairs' policy intention for MIC with developing countries was to promote a global perspective among the Dutch population and raise consciousness on worldwide issues. The encouragement of public and political support for international co-operation in the Netherlands and the strengthening of local government in developing countries were intentions of secondary importance. Since 1994, MIC has also been assigned a role within the spearhead policy of 'urban poverty reduction. In the successive agreements between the Ministry of Foreign Affairs and VNG these policy intentions were only operationalised partly. Between 1991 and 1997, strengthening of local government was the only objective that was mentioned. Its relation to urban poverty reduction remained undefined. After 1998, strengthening of local government and public support building together became the two principal objectives.

Since 1998, the Ministry of Foreign Affairs' policy on MIC has been included into its wider policies regarding Central Europe. The main principle behind inter-municipal co-operation was that it would be part of the pre-accession policy and that it would contribute to the adoption of the *acquis communautaire* at the local political level. Implementation of the GST objectives turned out to be difficult because the national programmes for adoption of the *acquis* (NPAA) could not serve as a frame of reference, since these offered no explicit guidelines for lower governments. At the most, the co-operation could have concentrated on the effects of the adoption of the national programme on local governments.

Furthermore, from the beginning it was clear that the Dutch municipalities and their partners had insufficient knowledge of the *acquis*. This necessitated an interim revision to the objectives of the GST programme, and it was decided that in the following years the strengthening of local government would be the priority, though with an eye to the *acquis*.

This policy review has not led to any adjustments of the agreement between the Ministry of Foreign Affairs and VNG.

No range of coherent activities; no expected results at programme level

The term 'programme' suggests a range of coherent activities, which leads to the realisation of certain objectives on the basis of expected results defined by the parties involved. Such expected results have never been defined, nor agreed upon, with regard to the GSO and GST programmes. Thus, the programmes' practicability and monitoring possibilities were complicated.

No adjustments to the GSO programme in response to the Minister for Development Co-operation's criticism about the temporary deployment of personnel

During the 1998 -2002 government period, the Minister for Development Co-operation criticised the deployment of Dutch municipal civil servants. Although the municipalities might have the administrative expertise and the knowledge of municipal tasks, it was not realistic for them to be expected to have expertise in the field of development co-operation. Missions were mainly relevant for mobilisation of public support for development co-operation in the Netherlands, but did not provide any form of effective aid. This strong criticism did not lead to any modifications of the GSO programme.

Hardly any connection existed between MIC and the bilateral development co-operation policy

In the period 1990-2001 successive Ministers for Development Co-operation have expressed their desire to link municipal activities to bilateral co-operation programmes. This is the reason why VNG was asked to coordinate its policies with the bilateral policies in countries that the Netherlands have developed a structural relation with (the 17 + 3 group). However, this did not lead to any development of a strategy for the connection between MIC and the bilateral development co-operation policy. Still, VNG attempted to start a discussion with the Ministry of Foreign Affairs on this matter and developed several initiatives to this purpose, for example, seminars, secondment of VNG staff at the Ministry of Foreign Affairs, and participation of the Ministry of Foreign Affairs staff in internal (VNG) evaluation missions of the GSO programme. On the Minister's insistence, more attention was devoted to the Balkan countries and Sub-Saharan Africa.

For a number of reasons, there was no active search for ways to a link with bilateral development co-operation policy. The main reason was municipal policy autonomy, which implies that municipalities determine their own policy areas for international activities,

as well as whom they wish to get involved with. Another reason is that the component funded by the Ministry of Foreign Affairs is sometimes only a small element of the range of horizontal relations within a city linkage. Funds for one single element carry too little weight to determine the direction of a complete range of relations and activities.

4 MANAGEMENT AND ADMINISTRATION

This chapter deals with the management and administration of the GSO and GST programmes as well as the independent projects. In the first part of this chapter the subsidy programmes are discussed, the second part will focus on the projects.

4.1 Project cycle and management

As far as the GSO and GST programmes are concerned, management was in the hands of the Dutch municipalities, VNG and the Ministry of Foreign Affairs. These partners were accountable to each other, as well as to their own institutional environment, such as the municipal council. Of the municipalities in the Netherlands that were interviewed, only one gave account to the foreign partner municipality as well. The management is described below by following the stages of the project cycle.

Project idea and formulation

The policy frameworks of both the GSO and the GST programmes stated that the partner municipality should take the initiative for an activity. The partner municipality could present an idea or submit a request to the Dutch municipality (or another local government organisation). The Dutch municipality would then 'translate' this request into an activity, which funding could be requested for. The application was to be submitted to VNG by means of a form in Dutch. All Programme Support Activities, group trainings and certain General Activities were directly initiated, formulated, and implemented by VNG. Therefore, it was not possible for a foreign local government to appeal for funding directly.

This is why the Dutch municipality needed an institutional structure that would facilitate the application process for subsidy. Compared to municipalities that did not make use of the subsidy funds, municipalities that did were characterised by a more elaborate structure of administrative coordination (full time civil servants or special departments) and by a more frequent involvement of civil society (city linkage foundations) as a reference point. Of all municipalities investigated that participated in the GSO and GST programmes, only 13 percent did not have a central supervisory or coordination structure. Table 4.1 gives an indication of the organisation within the Dutch municipalities with regard to inter-municipal co-operation.

Application and project appraisal

In actual practice, projects within the framework of inter-municipal co-operation were seldom formulated by the partner municipality before submission to the Dutch municipality for appraisal. Normally, the formulation was carried out by a mission of a particular department (for example Public Services) of the Dutch municipality. The project formulated by this mission (in consultation with the partner municipality) was submitted to a coordinating civil servant for international contacts in the Dutch municipality for appraisal. After the project was approved, the subsidy application to VNG was formulated. The decision on whether or not to apply for subsidy was occasionally taken by the political echelon. In 52 percent of all Dutch municipalities that had applied for GSO or GST funding in the period between 1997 and 2001, the decision was taken by the municipal council or the Major and Aldermen.

Table 4.1 MIC Organisation within Dutch municipalities

Coordination	GSO/GST municipalities	Non GSO/GST municipalities
	number (n=86)	number (n=22)
Administrative: - Special department	19	3
	- a civil servant	13
Political	- a municipal councillor	0
	- an alderman	3
	- the mayor	13
Other :	- Civil society	2
	- someone else	0
None	11	6

NB: More than one answer was allowed. Source: survey.

Larger municipalities proved to have more capacity and financial facilities for international policy than smaller municipalities. Larger municipalities were more often involved in several city linkages in different countries simultaneously. Municipalities with over 250,000 inhabitants (like Utrecht, Rotterdam) employed full-time coordinators for international policy, or had a special department within the organisation. Medium-sized

municipalities (between 25,000 and 100,000 inhabitants) usually employed coordinators for international policy, but only part-time. Small municipalities (<25,000 inhabitants) had only limited capacity for international activities. The budgets were small and the coordinating civil servants were only available for a limited number of hours a week.

Whether or not to submit an application to VNG had often already been decided during the project identification. In case of 27 percent of the Dutch municipalities surveyed, the launching of a project depended on the availability of subsidies. Particularly for larger municipalities, this proved to be an important criterion.

Since the activities supported by the GST programme were supposed to contribute to the introduction and implementation of the *acquis communautaire* at the local level, it was implicitly assumed that Dutch municipalities (the international coordinators in particular) would be capable of assessing this aspect. For example, on the basis of their knowledge of the *National Programme for the Adoption of the Acquis* (NPAA). In the interviews, however, the Dutch municipalities indicated that their knowledge was insufficient. About one third of the Dutch municipalities assumed that their partners would be familiar with these matters, and that this would make an extra assessment in the Netherlands superfluous. Another one third expressed their confidence in the advice of VNG in these matters. Some larger Dutch municipalities (The Hague, Eindhoven, Utrecht) did appraise the proposals for GST subsidy on their 'Euro-content'. In the period 1998-1999 VNG was not as much concerned with the *acquis* as with the strengthening of local government. It appears that project proposals from that period were hardly concerned with the accession to Europe. Since 2000, VNG has organised specific group trainings to focus more specifically on the effects of accession to the EU for local government. In 2002, it became a separate component of the programme.

The GSO programme as well as the GST programme included Advisory Committees, consisting of representatives of Dutch municipalities, independent experts and VNG (acting as secretary). Apart from VNG, the Advisory Committees also provided services to Dutch municipalities with the intention to improve formulation of projects, to strengthen the objectives of the programmes, and to standardise the procedures. After some time, the formulation of applications for GSO subsidies improved. After approval of the application, VNG informed the Dutch municipality on its decision about the subsidy application and proceeded to draw up the contract. Although the Dutch municipality was required to prove that the 'demand' came from the partner municipality, there was no similar

requirement to inform the partner municipality on the outcome of the subsidy application. It turned out that approximately 30 percent of the activities studied (GSO programme) had in fact been implemented before the contract was signed.

Project implementation

The responsibility for implementation rested with the Dutch and the partner municipality. In no way VNG could hold the partner municipality accountable for their use of funding. Sometimes, in case of larger projects, many different parties were directly involved (multiple donors, several civil society organisations, universities). Since 1999, VNG put more emphasis on results and challenged municipalities that had submitted the application to specify these results on the application forms. The 'indicators' paragraph, however, was rarely filled in.

Project completion and monitoring

The completion of a project consisted of the presentation of a final report and the sending of an invoice to VNG. In case of larger inter-governmental small projects Matra 'auditing' was compulsory. Usually, the partner municipality made no contribution to the final report.

About half of the Dutch municipalities and other local government organisations monitored the progress of the activities on the basis of annual or multi-annual plans. Assessment was conducted by means of missions (temporary deployment of municipal civil servants or administrators). Since 1999, more attention was paid to the relevance of the reports. Only in a small number of cases a specific evaluation was carried out on the complete range of inter-municipal activities within a partnership (Hoorn, Groningen). Over one third of the Dutch municipalities and other local government organisations assumed that it was not them, but VNG that had the responsibility for the evaluation.

VNG annually conducted an internal evaluation of a component or country. Accordingly, in 2001, missions were carried out to South Africa and Nicaragua, and other studies were conducted, like in Cebu (Philippines – Haarlemmermeer). In 2001, an evaluation was also carried out within the context of the Habitat activities in South Africa.

4.2 Management by Dutch municipalities

The Ministry of Foreign Affairs has established policy frameworks for the GSO and GST programmes. According to the Ministry of Foreign Affairs, realisation of these frameworks was considered a mandate of VNG. However, the specific activities were generally paid for by the Dutch municipalities. Whenever a municipality sought funding for an activity, it was required to adjust its content to the particular policy framework, and to adapt its form to one of the standard implementation modalities. The Ministry of Foreign Affairs did not decide on the content of the activities. Because the Dutch municipality determined the content and received the subsidy, it was responsible for the management of the activities as well as for the legitimate spending of the funds. The effects of the municipal management of the activities were eventually presented in progress reports and final reports. Initially, content and form, as well as the formulation of the reports were unspecified. In 1999, VNG introduced a specific format. 30 reports were analysed at random within the framework of this evaluation. Most of the reports on GSO funded activities created an atmosphere of 'all is fine and successful'. Generally, reports financed from the GST budget were more technical and practical. As far as the actions of the Dutch municipalities were concerned, the reports were generally lacking in self-criticism. No procedures were available for the partner municipality to pass comment on the final report, nor to co-sign it.

Approximately half of the Dutch municipalities interviewed indicated that they monitored the rate of progress on the basis of their own annual or multi-annual plans. Only four municipalities worked actively with progress indicators, all four of which were related to support for public housing in South Africa. Municipalities hardly ever conducted research on the effectiveness of the inter-municipal co-operation in general, or on the results capacity building with respect to local government.

During the eighties, municipalities were ahead of the national government as far as performance assessment was concerned. Over the last fifteen years, many municipalities have reorganised their assessment instruments in accordance with the principles of the output or outcome oriented system (*Beleids- en Beheersinstrumentarium – BBI*) project. BBI was developed in order to make municipal policy comprehensible, controllable and manageable for the administrators and citizens involved. However, for many municipalities the flow of information was characterised by a focus on legitimacy and efficiency. Particularly little attention was paid to effectiveness (Derks and Otto, 2003:65). After the introduction of the memorandum From Policy Budgets to Policy Accountability (Van

Beleidsbegroting tot Beleidsverantwoording – VBTB) for the central government, concern for effectiveness recovered in the municipalities as well (Ministry of Finance, 2002: 4, 5). This concern will receive more attention as a result of the *Vernieuwingsimpuls Dualisme en Lokale Democratie* ('Innovation Boost' to strengthen local democracy in a 'dualised' system of local government), which was initiated by the Ministry of the Interior and VNG in a reaction to the Municipal Authorities (Separation of Powers) Act (*Wet Dualisering in het Gemeentebestuur* - March 2003).

Within the Dutch municipalities, responsibility for monitoring international activities was far from clear. It might be expected that the longer the relations between municipalities existed and the more activities were implemented at the same time, the more progress monitoring would be called for. This turned out not to be the case. On the contrary, the newer the relationship, the more attention for monitoring. Higher financial input by the Dutch municipalities did not result in more intensive monitoring either. This might be due to the nature of the municipal contacts: long-standing linkages were mostly 'friendship linkages' and a business-like attitude may not seem appropriate in such a friendship link.

4.3 Management by VNG

From the time it was founded (1912), the Association of Netherlands Municipalities has devoted itself to the quality of local government in the Netherlands. Since the end of the eighties, more and more appeals were made to VNG to share its experience with local governments around the world. In 1994, the International Project Unit (IPU) was established. Organisationally, IPU fell under the VNG Research and Advisory Bureau, SGBO. Among these organisations tasks were divided as follows: SGBO took care of the substantive expertise, whereas IPU focussed on organisational issues. IPU did not employ thematic specialists, since these were either connected to the municipalities, or to SGBO. After privatisation of VNG's service clusters in 2001, IPU and SGBO went separate ways. IPU became VNG International, the Organisation for international co-operation of the Association of Netherlands Municipalities. VNG International is a private corporation, of which VNG hold 100 percent of the shares. In addition to the implementation of the GSO and GST programmes and the independent projects funded by the Ministry of Foreign Affairs, VNG International also carries out projects for the European Commission, UNDP, World Bank et al.

The Ministry of Foreign Affairs has delegated the administration and management of the GST and GSO programmes out to VNG. Then VNG entrusted VNG International with the

implementation. VNG offers Dutch municipalities policy support from its own resources (information, advice, publications, meetings) in the field of MIC. VNG describes its own role as 'advisory, but not controlling' towards the Dutch municipalities. VNG supervises attempts by less experienced municipalities and other local government organisations to formulate their project proposals and acts as an intermediary. For the implementation of the GSO and GST programmes, VNG developed annual plans and brought out annual report on their content and financing. In the annual plans, themes are suggested for the various courses, and focus areas of different activities are identified. However, the programmes do not adhere to a master plan.

VNG decided on the municipal applications for activities that require less than € 15,000 in subsidies. For larger amounts, advice was first obtained from the GSO or GST advisory committee. No expenditure ceilings were specified per country, though there were financial limitations to the projects per partner municipality per year (around € 150,000 for the GSO programme). Politically questionable countries, or countries in circumstances of open conflict were not excluded. Although a concentration of activities in particular countries was preferred (VNG International, 2003:14) to allow for the organisation of group trainings, this preference did not have decisive effect. VNG did not support GST applications from Slovenia and Estonia due to the limited number of municipal contacts with these countries.

During the first years of the GSO programme, there was a situation of underspending, after which VNG started to promote the programme more actively. In the period 1997-2001 only few applications were turned down (for the GSO programme, not once in 2001). If they were, it was for procedural reasons and hardly ever because of their content.

The executive tasks of VNG consisted of the organisation of group trainings, certain General Activities, and the development of the Programme Support Activities. Three percent of the budget (only in case of the GSO programme) was allocated to Programme Support Activities. In addition, VNG organised annual meetings where a specific theme was explored, and at least one evaluation annually.

Since 1994, LBSNN has carried out the Small Local Initiatives programme (*Kleine Plaatselijke Activiteiten – KPA*) in Nicaragua, the administration of which fell under the Municipal Co-operation with Developing Countries Agreement. Formally, the implementation of the KPA – Nicaragua by LBSNN fell under the supervision of VNG (see CD ROM, annex 6).

Input of manpower

No VNG International staff members were exclusively occupied with the GST and GSO programmes. Individual staff members were responsible for the contacts maintained with particular Dutch municipalities and for the organisation of courses. The workload for the GST programme could be estimated at 1.0 full time equivalent (fte) and 1.2 fte for the GSO programme. This amounted to about 1.2 fte for the GST programme and 1.5 fte for the GSO programme, including supervision, management and evaluations. At the period of research, the Administrative Costs Allowance (*Algemene Kosten Vergoeding* – AKV) was 7,5 percent of the budget. In 2003, this was raised to 9 percent. VNG's input of manpower in relation to the available AKV was well within the margin.

Management capacity on the basis of strategies and procedures

VNG had primarily focussed its management on standard operational procedures, as well as the accessibility of the programmes to the Dutch municipalities. This accessibility was excellent. There was a good website, and through the Advisory Committees the municipalities were directly involved in the decision making process; annual contact was maintained with all recipients and the information provision to the applicants was well organised. VNG performed external quality assessments on the basis of ISO-NEN-EN 9001 standards.

In 1997 a distance was perceived between the programme's general objectives and the actual possibilities for their realisation by means of the implementation modalities. VNG argued that its role had been too much reduced to a 'subsidy registry', leaving no possibilities for further substantive development of the programme. An external evaluation (DHV, 1997) referred to this situation as a 'tightly fitting jacket', a phrase that in later years would often be repeated during policy consultations between VNG and the Ministry of Foreign Affairs. The evaluation encouraged VNG to undertake more initiatives for the development of its management role. In 1998, VNG proposed to stimulate sustainable partnerships with clear agreements on the stated objectives, to focus on activities in certain countries, and to systemise experiences by conducting evaluations within particular sectors¹⁵. A decision was made on concentrating GSO resources in Nicaragua and South Africa, countries where numerous long-term municipal contacts had already been established. Nevertheless, VNG emphasised that this focus depended on the policy autonomy of the Dutch municipalities¹⁶.

¹⁵ Preliminary Policy Document VNG concerning GSO Programme 1998-2001, end of 1998.

¹⁶ Consultation Document between VNG-NEDA, March 31, 1999.

In a reaction to the Ministry of Foreign Affairs' insistence on result-orientedness, VNG took the initiative to develop practical indicators for the GSO programme (Beelaerts and Van Waegeningh, 2002). Because of the variety of activities, this so-called *Resultatenhuis* (consultancy study) ran up against problems at a higher aggregation level. In spite of these difficulties, VNG insisted that municipalities draw up reports based on concrete results.

Dutch municipalities interviewed reacted positively with regard to VNG management. Eighty percent thought that VNG was the right organisation to manage the funding programmes. VNG was characterised as accessible and helpful (95 percent). More than sixty percent of the municipalities and other local government organisations agreed that VNG consistently follows procedures and that its actions are transparent. Apart from appreciation, about one third of the municipalities also expressed criticism, especially with regard to VNG's substantive knowledge. Particularly its knowledge of specific countries was considered inadequate.

With respect to its management tasks, VNG can be characterised as an active administrator of the GSO and GST subsidy programmes. VNG proved to be a capable organiser of courses, seminars and other activities. In that respect, the Ministry of Foreign Affairs received a considerable amount of time and effort in return for its money. But VNG had difficulties determining its own role with regard to monitoring the content of the programmes. There was little innovation or conceptual development. VNG has hardly used the (internal) evaluations in order to stimulate more substantive developments. Although VNG did take initiatives to develop a perspective on the future in 2001 (VNG, 2003), its dialogue with the Ministry of Foreign Affairs got bogged down.

4.4 Management by the Ministry of Foreign Affairs

Policy responsibility for the GSO and GST programmes was delegated to two different management units at the Ministry of Foreign Affairs¹⁷. Consequently, VNG was dealing with separate contacts within the Ministry of Foreign Affairs.

¹⁷ The policy responsibility for the GSO programme rested with the Social and Institutional Development Department, Social Co-operation and Institutional Development division (Directie Sociale en Institutionele Ontwikkeling, afdeling Maatschappelijke Samenwerking en Institutionele Ontwikkeling – DSI/MY). DMV/VG has the same responsibility in the area of good (local) governance and is consultant both to VNG and Ministry of Foreign Affairs budgeters. Until 2001, the responsibility for GST policy rested with the European Affairs Department (DEU). This department was divided in the Southeast and Eastern Europe Matra Division (DZO/UM), and the West and Central Europe Division (DWM). Since then, responsibility for the GST programme has rested with DZO, Matra Programme Implementation Division (DZO/UM).

Until 1993, contributions to MIC were directly controlled by the Ministry of Foreign Affairs. Since then, the Ministry of Foreign Affairs delegated the responsibility for the management and administration to VNG. Between 1991 and 1998, the Ministry of Foreign Affairs and VNG signed a number of agreements concerning the funding programmes. These were bilateral agreements, requiring contributions from both parties. As far as management was concerned, the 2000 Subsidy Agreement caused a fundamental change. It was no longer a bilateral agreement, but a unilateral decree. The main principle of this unilateral decree was that VNG would be given more control over the expenditure of the funding budget. The focus would no longer be on initial control, but on accountability afterwards.

Performance assessment

In 1997, the Minister of Development Co-operation stated that VNG explained the success of the GSO programme in terms of the growing number of activities, rather than in terms of the results that had been achieved. Initially, VNG raised the objection that the effectiveness of the operations was not something that could be ordered (1999)¹⁸ since responsibilities for the implementation rested with the Dutch municipality. Later, however, a performance assessment trajectory was introduced (Beelaerts and van Waegeningh, 2002). After that, the Ministry of Foreign Affairs noted that the VNG reports did not indicate any fundamental changes. Yet, even in the more recent GSO Agreement (2000), the Ministry of Foreign Affairs did not provide any detailed descriptions of the expected results, nor did it specify the basis on which the performance should be assessed.

Performance assessment can also be carried out by means of internal and external evaluations, but these evaluations were undertaken only rarely. The results of the evaluations carried out by VNG have always been discussed with the divisions concerned. The Ministry of Foreign Affairs also commissioned external evaluations on its own behalf, though it made remarkably little use of this procedure (see CD ROM, annex 8 for an outline of the evaluative findings). The results of these evaluations have been included in the programme implementations, thus enhancing their quality.

Role of the Embassy

As far as the subsidy programmes are concerned, the Dutch Embassies were not entrusted with a formal management task. In case of the accession countries, the Embassies

¹⁸ Consultation document VNG-NEDA, March 31, 1999.

were primarily accustomed to the classical Matra instruments. However, embassies were indirectly involved in the GST programme, so they had a certain degree of influence. The Embassies in South Africa and Tanzania indicated that they wanted to be informed more adequately, since the Embassies have a task to inform the public, especially when public spending of the host country is concerned. A protocol of these matters did not exist. Assistance from the Embassies was occasionally requested in case of the import of goods.

Consultation between the Ministry of Foreign Affairs and VNG

In section 3.7 the opinions of VNG in relation to the subsidy programmes are examined, which were also a topic of discussion between the Ministry of Foreign Affairs and VNG. However, managerial problems proved to be the major concern during almost all of the consultations. As far as the GSO programme was concerned, the discussion mainly focused on financial matters, such as the level of disbursements and the way VNG managed the modalities of the programme. In 1998, the Ministry of Foreign Affairs and VNG agreed on consulting twice a year on the realisation of the main issues of the programme, though both partners disagreed on the topics to be discussed as 'main issues'. The number of questions from the Ministry of Foreign Affairs about the programme's supply/demand ratio and VNG's role with respect to this ratio increased. Direct contact between VNG and the foreign municipalities, instead of direct contact between Dutch municipalities and their partners, was the bottleneck. VNG argued that matching municipalities was part of its mandate, and that an increasing number of Southern countries was requesting mediation. In 2001, the Ministry of Foreign Affairs stated that VNG needed to make it clear which items of the programme it wanted to make a contribution to, and what its position would be in relation to the other actors.

4.5 Bottlenecks of the GSO programme

From 1997-2001, substantive and financial-administrative bottlenecks regarding the implementation of the GSO programme were a recurrent element in the consultations between the Ministry of Foreign Affairs and VNG. Both parties had also entered an intensive correspondence on these bottlenecks, but they remained mostly unresolved until the end of the research period. Several times, consultations on the highest management levels were deemed necessary in order to reopen the lines of communication after they had bogged down, while disbursements for the GSO programme (1997, 1998) were seri-

ously delayed twice¹⁹. In the following paragraphs, a number of the recurrent bottlenecks will be discussed.

Policy and accountability

Expectations held by the contract partners with regard to each other's role did not correspond. According to VNG, the Ministry of Foreign Affairs determined the objectives and the modalities of implementation. Within these margins, VNG was entrusted with the implementation of the programme. Adjustments to the legal relation (the 2000 Ministerial Decree) did not significantly change this. According to VNG, the Ministry of Foreign Affairs failed to substantiate the objectives and to develop the programme further. Nor did the Ministry of Foreign Affairs explain the position of the GSO programme in relation to the bilateral policies and the financing of activities of civil society initiatives. The Ministry of Foreign Affairs objected that the relation with VNG should be seen as a gradual process. This process had started with a situation where the Ministry of Foreign Affairs had full responsibility. Then a financing agreement had been signed on the sharing of the responsibilities for the programme, and finally a subsidy programme would be developed in which account is given afterwards. At the same time, accountability with respect to the substantive realisation of the project would shift towards VNG. Also, according to the Ministry of Foreign Affairs, VNG did not carry out these responsibilities adequately.

Content and nature of the programme

The essence of the support for MIC lies in a vision of solidarity and public commitment. After emphasis had increasingly been put on institutional reinforcement in the early nineties, after 1998, the Ministry of Foreign Affairs insisted that VNG maintain the 'spirit' of the programme, meaning that it was to be an accessible programme with small-scale activities and with broad-based commitment from the local population. Public support was the main concern. VNG repeatedly indicated that the programme lacked the implementation modalities and financial resources necessary to attain the objective of public support building. The Ministry of Foreign Affairs objected that the ambitions of VNG, aimed at the strengthening of local government in the context of decentralisation problems, went beyond the scope of the programme and that VNG tried to 'stretch' the agreement. In spite of the introduction of additional implementation modalities in 1998,

¹⁹ Implementation of the GST programme did not create such a complicated situation. The responsible policy division (DZO) established relations with VNG that were more distant and based on trust, which allowed VNG more policy autonomy. The monitoring by DZO was primarily concerned with financial and administrative matters.

the possibilities for a proactive and innovative approach of its responsibilities remained inadequate according to VNG. At the end of the nineties, VNG attempted to crank up a discussion on the growing ambition among Dutch municipalities to make an international and sustainable contribution to good local governance. It was emphasised that local government would be able to fulfil a bridging function between central governments and NGOs. But an in-depth discussion never ensued and the Ministry of Foreign Affairs was not persuaded to assume an official position.

GSO as a programme under development versus the need to prioritise

According to VNG, it was anticipated that the GSO programme would further develop: a growth in the number of Dutch municipalities involved as well as budgetary growth. VNG felt confirmed in its view by comments of the Minister (1994-1998) and by the parliament (Dijksma motion). At the end of the nineties the Ministry made clear to VNG that an automatic increase of the budget was not realistic. The Ministry of Foreign Affairs insisted that VNG choose priorities for the programme, and increase the transparency of the allocation of its subsidies. According to VNG, priorities like these were not necessary yet, and wanted to wait for the results of the external evaluation (1997) and of parliamentary comments on the budgetary allocations. The idea that VNG should choose certain priorities implied that VNG had tight control, whereas this was at odds with VNG's conviction that control over Dutch municipalities was only limited, as municipalities had the autonomy to take their own decisions concerning the establishment of city linkages. Priorities were determined for certain components of the programme, such as a shift of emphasis from Nicaragua to Sub-Saharan Africa after 1998 (at the Ministers request) and the introduction of thematic specialisation on South Africa and Nicaragua that concentrated on certain thematic areas.

Other bottlenecks that regularly determined the agenda were:

- Uncertainties about the definition and the scope of the GSO programme's Dutch target group²⁰. The issue in this respect was whether or not LBSNN, as an 'umbrella organisation of municipalities', could draw on funds from the GSO programme. VNG's aim was that all Dutch municipalities would be eligible for GSO funds, but the Ministry of Foreign Affairs had a preference for municipalities that established new contacts and that would, according to the Ministry of Foreign Affairs, fulfil a 'trigger function'. The Ministry of Foreign Affairs failed to adopt a final position.

²⁰ The programme provided no description of any foreign target group.

- The Ministry of Foreign Affairs was concerned about – what according to them was – an imbalance in the use of implementation modalities, which had caused confusion about why, and on the basis of which considerations, VNG decided to increase or decrease the use of certain instruments. This mainly concerned the (supply driven) courses. An important aspect of this issue was that these courses were organised under the responsibility of VNG itself. A separate evaluation (NEI, 2001) concluded that it was true that the courses took up a growing portion of the GSO funds, but that it was not disproportionate.
- The extent to which VNG was free to co-operate with other organisations (like SNV, UNCDF, NOVIB) remained unclear. On the one hand, VNG was not allowed to stretch the GSO agreements, whereas on the other hand, the Ministry of Foreign Affairs encouraged co-operation, be it not within the context of the GSO programme. VNG considered this a restriction of the programme's potential, particularly since a series of short-term deployments of municipal experts within the context of long-term development programmes of other organisations would be able to increase their effectiveness.
- The Ministry of Foreign Affairs repeatedly urged for extra attention to gender aspects within the GSO programme. Initially, VNG preferred not to instruct municipalities in that direction, but later VNG indicated that it would establish its own gender policy. Although measures were taken (such as gender divisions among trainees, deployed civil servants and administrators, and group trainings on gender issues), a structural gender policy was never established.

4.6 Management of independent projects

Independent projects are projects that are generally carried out within the framework of bilateral programmes. The involvement of VNG in these projects could be based on a number of reasons. One of the reasons was that the donor hoped to involve municipal experts through VNG. A second reason was the specific expertise VNG had as an association of municipalities. Management and administration of these projects was organised in a way that was standard for bilateral projects. An assessment memorandum was drawn up on the basis of a project proposal, after which the appraisal and the approval were carried out by the posts and/or divisions concerned at the Ministry of Foreign Affairs. Management of three projects has been studied as a component of this evaluation: a project in the Czech Republic, a project in Tanzania and a project in South Africa.

A contract had been signed up between the Ministry of Foreign Affairs and VNG for implementation of the project in the Czech Republic. The project management was delegated to VNG-IPU (later VNG International) with consultants of Rubiconsort on the side of the Dutch, and the FALA and ILA educational institutes on the side of the Czechs. The project's steering committee included representatives from the Ministry of the Interior, the Ministry for Regional Development, the Association of Czech municipalities (SMO), as well as representatives from the four project partners involved. The project in Tanzania was identified by the Dutch Embassy and formulated by VNG International, that the project would later be delegated to. The contract for the implementation of the first phase was negotiated between the Ministry of Foreign Affairs and VNG International, the contract of the second phase between the Embassy in Dar es Salaam and VNG International. In South Africa, the Dutch Embassy in Pretoria entered in a contract with the South African association of municipalities, whereas VNG International was subcontracted by the South African association in order to implement certain components of the project. In this way, the South African association assumed direct responsibility.

The Dutch Embassy in Prague had a supportive role in the project to build educational capacity for local civil servants in the Czech Republic and made an active contribution to a national conference. The role of the Ministry of Foreign Affairs was limited to commenting on interim reports and to the implementation of procedural tasks that were part of the contractual relation between the Ministry of Foreign Affairs and VNG International.

The Ministry of Foreign Affairs in The Hague was charged with the management tasks for the first part of the project in Tanzania. After the management tasks had been delegated to the particular posts, the Dutch Embassy in Dar es Salaam was entrusted with monitoring and administrative tasks. Considerable delays occurred during the transition period. As a result of the delegation of tasks to the Embassy, the substantive supervision of the project became more effective. VNG International brought out reports to the Embassy, and consultations between VNG International and the Embassy on procedural as well as substantive issues were organised regularly.

From the start, the project in support of the South African association was managed by the Dutch Embassy in Pretoria. Despite the fact that VNG International was not the Embassy's direct contract partner, it did draw up the substantive progress reports. The Embassy was actively involved in the association and regularly made suggestions for activities. Still, these were rarely undertaken. The South African association had difficul-

ties submitting its financial accountability report. During the process, the Embassy expressed constructive criticism. It not only proved to be an expert on South African local government, but also to be strongly involved with its development. The fact that the South African association did not make full use of the facilities offered by the project was a disappointment. The Embassy decided not to continue the project.

With respect to the independent projects in the Czech Republic and Tanzania, VNG International was responsible for the progress reports. In South Africa the association of municipalities formally had the responsibility, but in actual practice VNG International provided much of the required information.

In spite of the disappointing performance of the South African association concerning the management tasks that were established within the contractual relationship, it was clear that all parties involved were aware of their managerial responsibilities. In contrast to the GST and GSO programmes, no considerable differences of opinion arose, or arguments regarding the mandate, control, or specific tasks.

4.7 Conclusions

The following conclusion can be drawn with respect to the management:

- The GST and GSO programmes were managed by the Dutch municipalities, VNG and the Ministry of Foreign Affairs. In general, the management of the independent programmes was exclusively carried out by the Ministry of Foreign Affairs (or the Embassy) whereas Dutch municipalities only seldom played a role in the implementation (and never in the management). The manner in and the extent to which municipalities were engaged in the management task were determined by the capacity installed to that end (for example, a special unit). Municipalities were accountable to both VNG (for their use of subsidy funds) as well as the municipal council. Only one out of the 31 municipalities interviewed indicated to be accountable to the partner municipality as well.
- VNG has developed its management tasks within the subsidy programmes primarily in relation to the operational procedures, and it made the programmes accessible to Dutch municipalities. Eighty percent of the Dutch municipalities considered VNG as the authority most likely to manage the programmes and were satisfied with the transparency of their implementation. Management by the Ministry of Foreign Affairs also focussed on procedural and financial issues.

- VNG considered its task as 'advisory' and 'not controlling' towards the Dutch municipalities and consequently, it was not closely involved in the substantive organisation and implementation of the funding programmes. In 2001, VNG took initiatives to encourage a substantive debate by introducing a strategy memorandum and a 'round-table discussion'. The Ministry of Foreign Affairs did not respond to the strategy memorandum. The Ministry of Foreign Affairs, for its part, made no contribution to the conceptual development of inter-municipal co-operation either.
- Comparisons between the three independent programmes shows that the choice of contract form did have an influence on the programme's ownership, but that it has not been a decisive factor with regard to the delegation of responsibilities. Although in the Czech Republic the FALA educational institute was not a contract partner, it did take over the de facto ownership and was actively engaged in management tasks. On the other hand, in South Africa the association of municipalities was a contract partner, but it was never fully engaged in the programme. VNG's role regarding the independent projects was unequivocal and did not lead to conflicting expectations, like in case of the management of the subsidy programmes.
- Possibly in response to experiences with the GSO and GST programmes, the instruments 'short mission' and 'visit to the Netherlands' were also used frequently in the independent projects. However, in case of these projects no restrictions on the choice of instruments were applied. The assumed advantage over other instruments, such as formal education, long-term technical assistance, process monitoring or regional exposure and networking was never demonstrated.
- The Dutch Embassies carried out management tasks of the independent projects (substantive and administrative-financial) accurately, in an active and encouraging way.

5 CAPACITY BUILDING OF LOCAL GOVERNMENT

5.1 Strengthening local government

Over the last two decades, far-reaching processes of change have taken place within the governance and the public sectors within Central and Eastern Europe, as well as Latin America, Asia and Africa. In addition to privatisation and liberalisation, the decentralisation of government and the delegation and devolution of public tasks from central to local governments are also part of the transformation process. Whereas the organisation of the public sector has long been regarded as an 'internal affair' from which external donors were to keep their distance, international financing institutions and bilateral donors responded to impulses from the institutional economy (North, 1986: 230-237) and gradually made the organisation of the public sector a more central item on the agenda. At several United Nations world conferences (Rio de Janeiro, Copenhagen, Beijing, Kyoto) the importance of the strengthening of local government was underlined.

The position and the mandate of local government are determined by the degree of political decentralisation. In general, decentralisation is the result of a constant struggle for authority and resources (VNG International, 2003:3). In the first place, it is the central government that is responsible for the creation of conditions in which decentralisation can be achieved and in which local governments can flourish. These conditions are shaped by means of legislation, by granting lower government access to central resources, by offering opportunities for lower governments to generate their own revenues, and, above all, by determining their autonomous mandate. Obviously, the central government is not immune to outside pressure, including pressure from lower governments. The demand for support for the building of local government is not merely concerned with material and technical issues, but also with the democratisation of government by means of participation of the population. External actors respond to these demands, and in different forms of assistance:

- by means of the central government: World Bank loans, European Union technical assistance programmes (Phare), specific bilateral projects;
- through private channels involved in project assistance and technical assistance;
- by means of inter-municipal co-operation.

The following section provides an outline of the interests of bilateral and multilateral donors in this form of decentralised co-operation.

5.2 External support for inter-municipal co-operation

During the nineties, interest from bilateral and multilateral donors in MIC has increased. This increased attention is linked with the understanding that problems of development cannot simply be solved at a national level. Also, it is at the local level in particular that governments are closest to the public. Themes like decentralisation and good local governance have assumed a more prominent role in policies on international co-operation.

Donors consider MIC as a specific form of decentralised co-operation, which offers comparative advantages over other instruments applied in support of decentralisation processes and local governments. Comparative research conducted by the German GTZ in 2003 through case studies of four donors with long-range experience in this field (Great Britain, the Netherlands, Denmark, EU) presented a consistent image of the advantages and concrete positive results of partnerships between municipalities. Research indicated that, due to the networks already established between municipalities within Europe and in developing countries, projects could be carried out without extensive preparation, with a reduced risk of failure, and with better chances of sustainability (GTZ, 2003:15). Habitat (United Nations) considers inter-urban co-operation, the colleague-to-colleague approach and other forms of decentralised co-operation as some of the most effective approaches to local capacity development. Habitat even considers it to be a new technical co-operation paradigm for the United Nations, as it emphasises the demand driven sharing of operational experience between practical people, in contrast to traditional ready-made solutions.

By means of a quick scan among 11 bilateral donors (Austria, Belgium, Canada, Denmark, Finland, France, Germany, Great Britain, Norway, Sweden and the United States of America) and two multilateral donors (European Union/European Commission, United Nations/UNCHS [Habitat]) an inventory of management and financial input of MIC was drawn up. This inventory produced the following image:

- Five out of 11 bilateral donors support MIC in developing countries with central government funds through associations of municipalities (Belgium, Canada, Great Britain, Norway, Sweden). Finland receives European Commission funds for a pilot programme involving several municipalities. Germany is preparing a similar programme.

- Three of these five donors are supporting programmes with a double objective: strengthening local government and local democracy on the one hand and raising awareness among their own population on the other hand (Belgium, Canada, Sweden).
- Five out of 11 bilateral donors support MIC in Central and Eastern Europe and in the Russian Federation (Austria, Denmark, Great Britain, Norway, Sweden) through associations of municipalities. Denmark receives European Commission funds, the other donors obtain central government funds. Austria, Denmark and Sweden specifically target transition countries. There is, for example, a Danish programme for Poland and the Baltic States.
- In the United States, the network *Sister Cities International* is financed with funds from the federal government. The network supports the organisation of short-term projects in sister cities, without requiring an official city linkage. At the end of the nineties, the *United States Agency for International Development* (USAID) supported an inter-municipal co-operation programme with municipalities in Southern Africa, though because American legislators demand a performance account in order to qualify for donations, and because the impact of the co-operation could not be demonstrated, the program was not continued after 1999.

Among the multilateral channels, it is primarily the European Union and the United Nations Habitat organisation that support inter-municipal co-operation.

- The EU supports twinning activities between local governments. The most extensive is the *European Commission City linkages Programme* (jumelage fund) targeting municipalities in 'older' EU countries, accession countries and countries that belonged to the former Soviet Union. Associations of municipalities in EU and accession countries form a jumelage network within the Council of European Municipalities and Regions. Other examples of programmes are EU Asia-Urbs aimed at Europe and Asia, and EU Urb-Al aimed at urban areas and other regions within the EU and Latin America. The objectives of these programmes are either related to the development of active and participative European citizenship, or to urban development problems and urban management.

Habitat (UNCHS) supports partnerships between cities to improve the management capacity of local governments in order to promote sustainable development. The col-

league-to-colleague approach is a key element of the activities. The Dutch Ministry of Housing, Spatial Planning and the Environment (VROM) participates in the Habitat programme, for instance by means of activities in South Africa.

The Dutch government and VNG can be considered as pioneers of this kind of co-operation. The dimensions and the scope of Dutch MIC support surpass those of other bilateral donors as well.

5.3 Municipal international co-operation in the Netherlands

A website shared by the Union of Centres for International Co-operation (COS) and VNG (www.stedenbanden.nl) provides an overview of the activities that are carried out by Dutch municipalities in connection with MIC. At the end of 2002, 251 municipalities maintained a total of 837 city linkages of which 438 were linkages with municipalities outside Western Europe. Of all Dutch municipalities co-operating with a foreign municipality (outside Western Europe) 17 percent supports a foreign project; 28 percent allocates subsidies to an association or foundation and 23 percent only supports public information and awareness-raising activities. Table 5.1 provides an overview of the number of city linkages that are maintained by Dutch municipalities.

Table 5.1 Number of city linkages of Dutch municipalities per region

Region	Number of city linkages
Western Europe	399
Central and Eastern Europe	285
US/Canada/Australia	13
Asia (other)	28
Africa	65
Latin America	24
China/Japan/South Korea	12
Turkey/Israel/Palestine	11
Total	837

Source: VNG/COS

Whether or not a municipality is involved with MIC depends mainly on political and public support within the municipality. Dutch municipalities, are mostly interested in educational and/or awareness-raising aspects, or social and/or cultural significance of international co-operation. Although economic motives are not the most important, they do have an effect on the contacts with accession countries (table 5.2). Medium-sized municipalities (25,000 – 100,000 inhabitants) apply economic motives more often than small municipalities (<25,000 inhabitants) and large municipalities (>100,000 inhabitants). Large municipalities in particular refer to 'other motives' such as broadening the horizons of municipal civil servants and improving their own organisation by creating international posts.

Table 5.2 The significance of MIC from a Dutch municipality's perspective

Answer category	Total (n=66) percentage
Mainly economic interests	11
Or: (a)* mainly a social and/or cultural interest	68
Of: (b)* mainly an educative and/or awareness-raising interest	70
Mainly another interest, such as	
– Support for Non Governmental Organisations (NGOs),	
– Shaping European co-operation at a municipal level; promoting integration between Central and Western Europe,	
– Promoting integration of other cultures within Dutch society ,	
– Improving own organisation by creating international posts.	20

Note: * = choice between answer a or b. Source: survey (see CD ROM, sub-report D).

More than 80 percent of the municipalities that *deliberately* choose not to engage in MIC activities indicate that there is a lack of public support:

- activities have been discontinued as a result of spending cuts;
- an explicit municipal bylaw had been drawn up not to engage in relations such as city links; or
- a choice had been made to engage only in relations with municipalities within Western Europe.

In cases where no deliberate choices have been made not to develop activities in relation to MIC, the reasons municipalities set out are that the issue simply had never entered the

political agenda, or that the council had never taken initiatives in that direction, or that it was considered as a responsibility of civil society organisations by the municipal council.

In general, political support emanates from public support. Public support for international co-operation within municipalities is of major importance for the continuity of city linkages. City linkage foundations play an important role in this respect. A substantial part of the activities of such foundations are carried out by volunteers who devote their time on the basis of intrinsic motivation and enthusiasm, implied by terms like solidarity and humanitarianism. Tasks and mandates of such foundations or associations vary widely. Some have emerged out of solidarity movements or personal interests of a number of people, and they have clearly broken new ground for inter-municipal contacts. These foundations have later involved municipalities in their activities. Though, vice versa, it is also possible that the municipality has started an initiative for a city linkage and was later followed by public support. The foundation's activities may or may not be subsidised by the municipality, either by fully financing the operational costs or by means of an annual lump sum; and either by specific project financing or by a 'duplication modality'. Such arrangements, double the money raised by private initiatives with funds from the municipal budget.

After the 2002 local elections, shifts have taken place enhancing the political impact of 'local interest' parties. One third of the municipalities and other local government organisations interviewed indicate that this has put municipal international policy under pressure.

5.4 The colleague-to-colleague approach

A basic principle of inter-municipal co-operation is that there are advantages to a 'colleague-to-colleague' approach regarding the transfer of knowledge and skills. The agreements between the Ministry of Foreign Affairs and VNG refer to 'capability building by means of the exchange of personnel' at a local level. Capability building at a local level does not depend on the exchange of personnel, nor does capability building by means of the exchange of personnel depend on twinning relations with Dutch local government organisations and their administrators. Other forms of deployment of personnel could serve the same purpose. The Dutch development organisation SNV, for example, is actively involved in the development of local government. Implicit assumptions underlying the 'colleague-to-colleague' approach are explained by Schep, Angenent, Wismans and Hillenius (table 5.3):

Table 5.3 Selection of assumed advantages and disadvantages of the colleague-to-colleague approach

Advantages	Disadvantages
High effectiveness of the co-operation (equality, reciprocity)	Insufficient authority, lack of advisory skills
The equality facilitates the use of the same technical and official terminology	Insufficient evaluation and testing criteria
Efficient use of resources (cost-effective, faster, custom-made)	Insufficient continuity; continuity dependent upon the donor
A way of mobilizing municipal expertise on behalf of others	Donor lacks knowledge of local conditions
Structural and sustainable	Patronage, disdain

Source: based on Schep, Angenent, Wismans en Hillenius (1995: 53).

The assumed advantages and disadvantages present above, have not been an explicit item of this evaluation. The actual concept, has therefore not been assessed methodologically. However, during interviews with partner municipalities numerous references were made to the assumed advantages:

In general, education is appreciated. Particularly if it is combined with exposure to instruments, methods and techniques that were previously unknown, within a familiar thematic and institutional framework. This applied especially to administrators and civil servants from Poland and the Czech Republic, who have experienced the exchange of ideas and opinions with their European Union colleagues as very informative and valuable; even when the acquired knowledge could not be immediately applied to their own work situation²¹.

Officials from partner municipalities almost unanimously thought that the use of the same technical official terminology facilitated the transfer of knowledge. Moreover, they thought that municipal expertise is now mobilised, which otherwise might not have benefited a third party. Those advantages particularly applied in cases of carefully constructed confidence and long-standing contacts.

²¹ Contentment and appreciation are expressions that refer to the logic of appropriateness. They are not criteria of effectiveness.

This confidence requires contacts to be regularly maintained. In case single project-based input, partner municipalities (particularly those in accession countries) preferred a theme specialist over a municipal civil servant. The more complex the trouble shooting aspects of the activity, the higher the demand for theme-specific capabilities, and the lower the demand for a colleague from a Dutch municipality. On the other hand, in case of change processes, that time is not a factor of major importance for, colleagues from Dutch municipalities chiefly offer their services as a frame of reference, a sounding-board and a consultant. Respondents from partner municipalities indicated that it is very motivating (particularly for municipalities in development countries) to know that there is a colleague in another country who is interested in your work and with whom you are able to correspond about your work (for example by e-mail).

5.5 Use of the GSO and GST programmes

In the period from 1997 through 2001, almost 60 percent (251 out of 425) of the Dutch municipalities that were involved in city linkages with partners outside of (Western) Europe, the United States, Australia and Canada have received GSO and/or GST subsidies. That is 25 percent of all (479) Dutch municipalities. Of the 126 municipalities²² that maintain contacts with partners from countries that qualify for GSO or GST financing, 68 percent made use of the subsidy scheme. Over the same period, activities were financed in 39 of the approximately 70 countries that qualify for GSO funding. Those 39 include ten countries in which inter-municipal co-operation-municipal contacts have been established with at least five Dutch partner municipalities: Albania, Indonesia, Zimbabwe, Ghana, Peru, Zambia, Benin, Tanzania, Nicaragua and South Africa. The largest number of contacts was maintained between Dutch municipalities and partners in Nicaragua (20 contacts) and South Africa (16 contacts). In 58 percent of the partner countries (GSO and GST) no more than two municipal contacts were maintained.

In addition to developing countries according to ODA standards, countries that the Netherlands maintain a special relationship with also qualify for the GSO programme, including Morocco, Surinam, the Netherlands Antilles and South Africa. This additional group actually proved to be significant: no less than 46 percent of the Dutch municipalities applying for GSO funds did so on behalf of partners in non-ODA countries. Thirty-four percent of the total GSO budget went to local partners in non-ODA countries. Sixty

²² This number only includes 'real' municipalities. In addition, 25 other local government organisations have made use of GSO and/or GST resources over the period 1997-2001. Different sources refer to slightly different total numbers (126 instead of 129). As a result of consolidations, the number of municipalities in the Netherlands was reduced to 489 as of May, 2003. Source: COS, VNG website (2002) and the Ministry of Foreign Affairs.

percent of all GSO applications concerned municipalities in African countries, South Africa being the foremost applicant.

Over the period 1998-2001 the GST programme has supported activities carried out in the 10 (later 12) countries that qualified for it. No active policy has been adopted by VNG in relation to Estonia and Slovenia, but still applications for funding were granted.

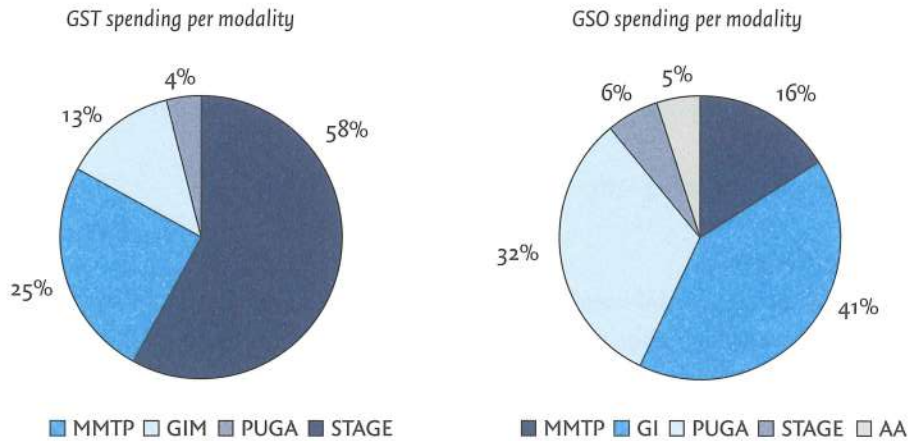
5.6 Modalities and policy areas

Implementation modalities

The GSO and GST programmes comprise a number of defined implementation modalities (see 3.5). Their implementation frequency and relative weight in either of the programmes differed. Especially in the GSO programme, temporary deployment of Dutch civil servants (PUGA) occurred much more frequently than internships (STAGE). With regard to the number of activities, missions by municipal civil servants and administrators constituted no less than 53 percent of all GSO activities within the three countries evaluated over the period 1997-2001. This means that its number was 4.5 times larger than the number of internships. It should be noted that internships were sometimes linked to group trainings, in which case they were not registered separately.

Within the selection of GST activities, it turned out that just over half the budget was spent on the courses (MMTP): 58.2 percent, followed by the inter-municipal small projects Matra (GIM) with 24.9 percent, the temporary deployment of municipal civil servants and administrators with 12.8 percent and internships with 3.8 percent. The distribution of modalities in the GSO programme is different: 41.5 percent went to inter-municipal small activities (GI), 16.2 percent to group trainings, 5.5 percent to General Activities (AA), 31.2 percent to missions by municipal civil servants and administrators, and 5.6 percent to internships. It should be noted that the specific sample of countries has influenced the results. In Nicaragua and South Africa, relatively many inter-municipal small projects were implemented compared to other GSO countries (figure 5.1).

Figure 5.1 Spending per subsidy programme and modality



Source: Files VNG International.

For the GST activities studied, salary costs made up 24 percent of the total of actual expenditures on the temporary deployment of municipal civil servants and administrators and inter-municipal small projects Matra. In case of the GSO programme, salary costs constituted 33.2 percent of the allocations to mission and inter-municipal small projects that were determined by contract.

The differences between the GST and GSO programmes with regard to the distribution of implementation modalities were primarily caused by the fact that during the early stages of the implementation of the GST programme VNG made considerable use of the group training modality. This was done in order to promote the programme to municipalities in the Netherlands that had already established contacts with municipalities within accession countries.

Policy areas

The activities are characterised by their short, sometimes even very short, duration. This is linked to a relatively long turnaround time of the inter-municipal small projects. Activities are carried out over a wide range of thematic policy areas. VNG distinguishes 33 different themes within the GSO programme. In the evaluation, these policy areas are divided into 13 clusters. The policy framework attached to the GST Agreement refers to the *National Programme for the Adoption of the Acquis*. The same NPAA structure was adopted

with regard to all countries that joined the European Union in 2004. It consisted of 31 separate policy areas of the *acquis* (clustered together in 15 standard chapters²³). The GST programme was not supposed to cover all of the 31 policy areas (for as far as they might have had a local component), but to select the following 10: social policy, the environment, agriculture, regional policy, economy, free movement of persons, public housing, public order and security, traffic and transportation, general management (Ministry of Foreign Affairs, 2001). However, these 10 areas were not mentioned in the GST Agreement, nor were they applied by VNG. For the appraisal of applications submitted by municipalities, VNG used the so-called LOGON list (see chapter 6) which refers to European guidelines on the environment, public tender, public utilities, anti-discrimination legislation and social security.

From 1998-2001, the GST programme primarily supported policy areas such as European Affairs (especially within group trainings), labour market, environment and participation of the population (taking shape within the policy area of public information and communication). The activities in the selected countries were concerned with corresponding policy areas, but each had a different relative weight (table 5.4). The GSO programme recurrently focussed its support on the social sectors and the environment. More than in the GST programme, thematic topics within sampled countries are manifested by the extent to which certain sectors are included in the selection of activities. VNG had pointed out Strategic Planning as a thematic focus for the implementation of its policy on Nicaragua. This choice was supported by the LBSNN. Partly because of this, it developed into a leitmotif in the programmes of the majority of city linkages. This leitmotif can be distinguished in the activities of the policy areas environment, nature and landscape, as well as public housing and spatial planning. In South Africa, spatial planning and public housing were central to the GSO programme due to active promotion by VNG.

Policy areas that have remained rather unnoticed in the selected countries are related to the local governments' core activities such as finance and taxes, traffic and transportation and public order.

23 The NPAA chapters established by the European Commission are: economic and monetary issues; social issues; agriculture and fisheries; business; free movement of goods; taxation; competition; transportation; energy; environment; consumer policy; education and juvenile affairs; research and technological development; and freedom, security and justice. The European Commission assesses the progress of the implementation of any of the NPAA chapters.

Table 5.4 Policy areas and population and selection of activities

In numbers of activities	GST subsidies		GSO subsidies	
	population	selection	population	selection
Public affairs / Internal organisation local government	8	3	35	9
Information & Communication	12	4	6	2
Economic Affairs / Employment / Labour market policy	5	5	11	3
Finance / Accountancy / Taxes	3		27	2
Public health / Welfare / Social Affairs	11	3	67	6
Public Housing / Spatial planning	9	2	29	37
Environment / Nature & Landscape	19	2	73	20
Education / Training / Culture			21	4
Traffic / Transportation			3	
Security / Public Order			3	1
European Affairs	20	10		
Public Utilities	4		31	3
Municipal International Co-operation in general (VNG)	3		64	14
Non specified	24	13	38	14
Total	118	42	408	115

5.7 Contributions of Dutch municipalities and their partners

GSO and GST are co-financing programmes, by means of which the Ministry of Foreign Affairs provides subsidies on top of the input by both the Dutch municipality and the foreign partner.

Contributions by Dutch municipalities

Seventy percent of the Dutch municipalities that develop activities in the field of MIC set a part of the municipal budget apart for that purpose. This is regardless of whether or not they obtain funds from funding arrangements for these activities. Medium-sized municipalities more often have specific MIC budgets than small municipalities and large municipalities. In large municipalities the costs of MIC are more often included in departmental budgets (social welfare, for example) or municipal services (GG&GD, Cleansing Department) and are therefore not marked as a separate item of the general municipal budget (table 5.5).

The size of the budget for international activities is determined by the municipal council on the basis of its policy priorities, regardless of whether funding is made available by the central government. The amount of money reserved by municipalities that do obtain resources from the GSO and GST programmes, however, is substantially larger than of municipalities that do not obtain these funds (an average of € 55,826 for municipalities making use of GSO/GST subsidies and € 9,475 for other municipalities).

Table 5.5 Allocations from the municipal budget for MIC

Type of municipality	Separate allocation percentage	No separate allocation percentage	Unknown percentage
GSO/GST municipalities (n=76)	71	22	7
< 25.000 inhabitants	65	29	6
25.000-100.000 inhabitants	83	14	3
> 100.000 inhabitants	62	38	0
Other local government organisations	50	20	30
Municipalities that do not make use of GSO/GST (n= 19)	67	33	0

Source: survey (see CD ROM, sub-report D).

The absolute amounts per municipality vary and are usually related to the number of inhabitants. On average, € 0.59 per inhabitant is spent on MIC. This amount is slightly larger than the amount of € 0.45 per inhabitant calculated by VNG and COS. Large municipalities generally spend about twice as much on MIC (€ 1.02) as small and medium-sized municipalities. However, within the range of large municipalities this amount varies widely, between € 0.12 and € 2.96 per inhabitant.

For the large cities Amsterdam, Rotterdam and The Hague, factors that do not apply to other cities are involved, such as drawing international attention, either as capital, as seaport, or as the seat of the International Court of Justice. These circumstances attract many foreign missions and, as a consequence, many requests for municipal co-operation. The costs of contacts like these are usually divided over a wide variety of items on the municipal budget.

The amounts referred to in table 5.6 also include expenses for public support building (67 percent of the municipalities), expenses for social support (64 percent), time invested by civil servants (38 percent) and overhead costs (25 percent).

Table 5.6 Municipal International Co-operation on the municipal budget

Type of municipality	Average amount (€)	Average amount per inhabitant (€)
GSO/GST municipalities (n=56)	55.826	0,59
< 25.000 inhabitants	8.469	0,58
25.000-100.000 inhabitants	26.319	0,47
> 100.000 inhabitants	228.950	1,02
Other local government organisations	67.248	-
Municipalities that do not make use of GSO/GST (n=6)	9.475	0,32

Source: survey and interviews (see CD ROM, sub-report D).

In case Dutch municipalities finance activities by means of their own resources, their contribution primarily consists of non-eligible time investment by civil servants, as well as expenses on public support building (publicity). Another significant item is the support for associations engaged in the establishment of city linkages, such as city linkage foundations (table 5.7).

With respect to activities shared with foreign partners dealing with the strengthening of local government, approximately 40 percent of the municipalities and other local government organisations made contributions in terms of a 'cash outlay'. An equal number of municipalities did not. This means that these municipalities either exclusively spend their money in the Netherlands, or exclusively offer contributions to activities in partner municipalities other than those concerned with the strengthening of local government.

Table 5.7 Contributions by Dutch municipalities to activities supported by GST and GSO programmes

Characteristics of contributions by municipalities and other local government organisations	Mentioned by municipalities percentage
Time investment by civil servants	37
Overhead costs	22
Expenses on public support building	66
Social support (particularly operational costs, city linkage foundations)	63

Note: more than one answer was allowed. Source: Interviews

It should be noted that also in case of the GSO and GST programmes, 70 percent of the resources is spent within the Netherlands (salary costs, travelling expenses and accommodation expenses)²⁴. Contributions from the GSO and GST programmes constituted the principal source of funding for the majority of the activities concerning the strengthening of local government. In one third of all cases, these funds even were the only source of funding. Approximately one-fifth of the Dutch municipalities and other local government organisations provided more than half of the total project expenditures. Table 5.8 shows the average contributions by Dutch municipalities and other local government organisations to activities that were subsidised by the GSO and GST programmes.

Table 5.8 Contributions by Dutch municipalities and other local government organisations to the total expenditures on activities within the GST or GSO programmes

Municipality size	0-25	25-50	50-75	75-100	Unknown	NA
	%	%	%	%	%	%
GSO/GST municipalities (n=65)	35	23	14	5	11	12
< 25.000 inhabitants	60	7	0	0	13	20
25.000-100.000 inhabitants	20	30	20	7	10	13
> 100.000 inhabitants	38	23	23	0	8	8
Other local government organisations	43	29	0	14	14	0

Source: survey (see CD ROM, sub-report D).

²⁴ When the municipality of Amsterdam calculated its total expenses on the city links with Managua and Beira, it found that approximately half of the resources was expended on the organisation of the city linkages, and another 25 percent on public information on projects for the Amsterdam population (2003).

Approximately one-quarter of the 31 Dutch municipalities interviewed stated that finance is a restrictive factor for further expansion of activities, but an equally large number mentioned shortage of manpower and organisational complications as restrictions on further expansion. Nearly 85 percent of the municipalities indicated that the funding programmes are important for (the continuation of) MIC activities within the municipality. Only 13 percent considered the programmes financially insignificant. If funding of the GSO and GST programmes were to be increased substantially, the municipalities would prefer to intensify the programmes with their partners. I.e. municipalities would like to engage in more or more extensive activities with the same foreign partner. Dutch municipalities would not apply the funds to engage in additional contacts with different partners.

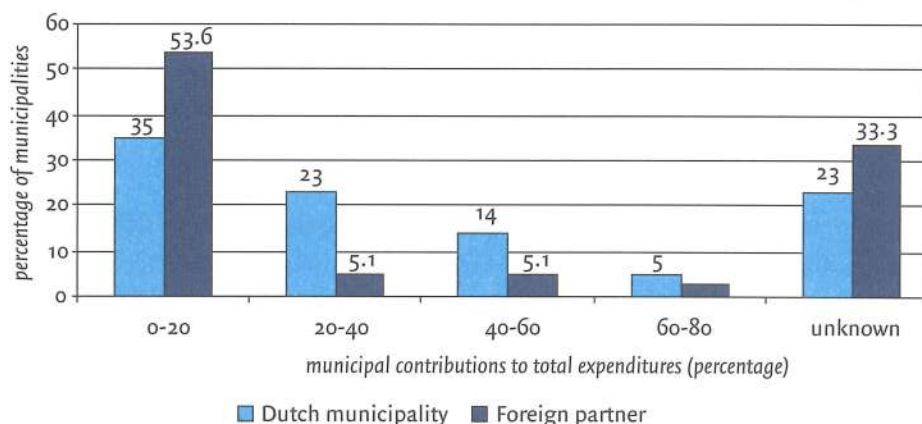
Contributions of partner municipalities

In addition to the municipalities in the Netherlands, partner municipalities also contribute to the costs of shared activities. However, for the majority of the implementation modalities this is not a requirement. Only in case of Municipal Small projects Dutch contributions are supposed to be supplementary to the input of the partner (and others). This does not necessarily concern contributions exclusively coming from the resources of the partner municipality itself. The alternative could be that local funds are provided by another source, such as development funds, central government resources, or civil society funds.

Contributions of foreign local governments were usually less than 20 percent of the total expenses of the activities. It is remarkable that the distribution of contributions made by partner municipalities shows similarities with the distribution of contributions made by Dutch municipalities (figure 5.2).

Of the municipalities and other local government organisations visited, 46 percent considered the financial contributions from the Netherlands to be insignificant. These municipalities indicated that relations with sister municipalities were not concerned with money and large projects, but with mutual understanding, solidarity and friendship. Nevertheless, also 43 percent of the municipalities did actually consider the financial contributions made by the Dutch partner to be significant. These were predominantly smaller local governments; particularly those in Nicaragua and the Czech Republic.

Figure 5.2 Contributions of local governments to shared activities



Source: survey and interviews with municipalities and other local government organisations, in the Netherlands and abroad.

Multiple partners

Generally, other public, semi-public, or subsidised organisations also fulfil a role within inter-municipal co-operation (in the Netherlands these include co-financing organisations, the Dutch development organisation SNV, the Union of Centres for International Co-operation COS, and, in partner countries, regional governments, umbrella organisations, etc). In the Netherlands, 16 percent of the applications for activities that were included in the sample were submitted by a partner that was not a municipality or an umbrella organisation (including VNG). The sample of GST activities showed that a 'third' organisation was involved in 36 percent of the total number of the activities, whereas this was 60 percent in case of the activities of the GSO programme. The sample of activities studied included over 60 different organisations.

5.8 Conclusions

Inter-municipal co-operation is characterised by a wide variety of actors and organisational structures, more diverse in the Netherlands than in the partner countries. The actors operate in a field of autonomous and coordinating relations. This wide variety of actors and structures in the Netherlands can be difficult to comprehend for actors in the partner municipality.

Approximately one third of all Dutch municipalities maintain city linkages with at least one municipality in a country outside Western Europe, the United States, Australia and Canada. In the period 1997-2001, approximately one-quarter of all Dutch municipalities obtained GSO and/or GST funding once or more often. Two-thirds of all municipalities that established contacts with municipalities in countries qualifying for either GSO or GST funding made use of this facility.

In actual practice, the activities within the GSO programme focussed on 10 different countries. The activities concentrated on themes like European Affairs (GST), citizens' participation, public health and social affairs (GSO), planning and environment. Finance and taxes, traffic and transportation, and public order are among the core activities of local governments which were rarely indicated in the countries selected as policy areas to be supported. In principle, the GST programme focussed on 10 policy areas. However, these policy areas were not mentioned in the GST Agreement of the Ministry of Foreign Affairs. In practice, the GST programme mainly dealt with four policy areas: European Affairs, labour market, environment and participation of the population.

For the majority of the activities for the strengthening of local government, contributions from the Ministry of Foreign Affairs were the main source of funding. In one third of all cases, these funds even constituted the single source of direct financial support. Around one-fifth of the Dutch municipalities and other local government organisations provided more than half of the total project expenditures. An increase in funding would lead to intensification and broadening of existing city linkages, and not to a growth in numbers of city linkages.

6 MUNICIPAL CO-OPERATION WITH ASCCESSION COUNTRIES

6.1 Introduction

In 1998, the GST programme started as part of the Matra programme (Dutch Social Transformation programme) and its objective was to support local governments in Central and Eastern European countries in their preparation for the adoption of the measures that were part of the accession to the European Union, the *acquis communautaire*. The GST programme was one of the Matra 'pre-accession' instruments, which was why the objective of the GST programme explicitly referred to the public sector. The use of GST funds was meant either to promote the adoption of the *acquis* by local governments, or to contribute to the building of the institutional capacity that was required for the adoption and implementation of the *acquis* (Ministry of Foreign Affairs Agreement, 1998).

VNG International was responsible for the implementation of various projects financed by the Matra 'classic' programme. In 1998, VNG also became the manager/ executive of the GST subsidies. This caused a certain overlap, not only with regard to the nature of the activities, but also to the roles of VNG.

In order to qualify for GST funding, Dutch municipalities could submit proposals for activities pertaining to the National Programme for the Adoption of the Acquis (NPAA) of the country the partner municipality belongs to (see 5.6). The standard NPAA was aimed at the national government level and did not include measures for local level governments. Still, several guidelines from the *acquis* affected the regional and local levels of government, such as European tender regulations. An inventory of the consequences of the adoption of the *acquis* for regional and local levels of government has been drawn up by the Working Group Vienna and the Phare Partnership Working Group of Eurocities. The inventory resulted in the so-called LOGON list containing approximately one hundred European guidelines (predominantly relating to the environment, public tender, public utilities, anti-discrimination legislation and social security) policy and legislation at regional and local level must adhere to.

Because this evaluation only assesses activities that were closed as of December 31, 2001, the selected activities are primarily from the early period of the GST programme. This may explain the limited number of activities per partnership and limited average scope of the activities. Of the total of 55 municipalities and other local government organisations obtaining GST funds on behalf of partners in Poland and the Czech Republic in the period between 1998 and 2001, 31 only did so on one single occasion. Apart from this, the activities proved to be spread out widely over sectors and thematic areas and targeted a large number of institutional units they intended to strengthen.

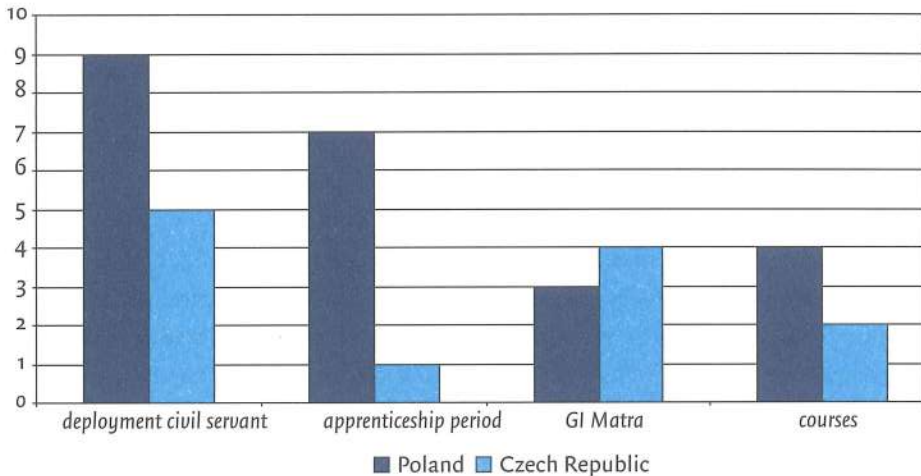
Local governments in twelve countries qualified for subsidies from the GST programme. Of all Dutch municipalities applying for subsidy between 1998 and 2001, 60 percent did this on behalf of partners in the Czech Republic and Poland (see CD ROM, annex 3). In those countries the study was based on a selection of 18 municipalities in total, a Marshall office (in Poland, the Marshall is head of the region, appointed out of directly elected representatives in the regional parliament) and two associations of municipalities (the Association of Polish Cities APC and the Association of Czech municipalities, SMO). It was required that the inter-municipal activities carried out with GST funding were implemented according to fixed implementation modalities: the temporary deployment of Dutch civil servants and administrators, apprenticeship periods for civil servants and administrators from partner municipalities in the Netherlands, group trainings and inter-municipal initiatives (small projects). Figure 6.1 represents the distribution of these implementation modalities as they were applied by the partner municipalities studied. The selection covers 44 activities, of which 34 could be identified in the partner municipalities. The other ten activities were carried out in municipalities that could not be visited during the field mission, or which no additional information could be obtained on (see CD ROM, annex 4).

6.2 Input and output

VNG only had limited financial means for bringing a new programme like the GST programme to the attention of municipalities in the Netherlands, and even less so to inform potential recipients in accession countries. A course in which a number of municipalities would participate offered the opportunity to inform potential recipients. Moreover, the organisation of courses like these offered VNG the opportunity to approach the Dutch municipalities actively or to restore inactive inter-municipal contacts. It was explicitly stated that GST funds were not to be used for the establishment of new city linkages.

During the early stages of the programme, VNG organised a relatively large number of courses, explicitly in order to offer an active introduction to the new funding programme.

Figure 6.1 Input of implementation modalities per country (1998-2001)



Source: Files VNG International.

After an introductory course, an official mission from the Netherlands was usually organised in order to identify and formulate potential shared activities. One or more of these missions would then be followed by a return visit (internship) after which the process would culminate in a comprehensive inter-municipal project (Municipal Initiative Matra). In actual practice, these inter-municipal small projects were usually no more than a series of missions and apprenticeship periods. This made the distinction between different implementation modalities rather arbitrary. Table 6.1 presents an overview of the products (output) of the selected activities, ordered according to implementation modality.

Eleven of the 14 deployments of municipal civil servants and administrators studied focussed on the formulation of projects or the preparation of future activities to be (co-) financed by the GST programme. Officially, fact finding missions were not authorised, but about 80 percent of all missions by civil servants and administrators contained elements of project identification or formulation. This was to be expected in the early stages of the implementation of the programme. However, even after three years, it was clear that certain missions still pursued the objective of 'identifying new areas of future co-

operation'. It might be expected of a demand driven programme that its missions are undertaken for ex-ante appraisal of proposals from the partner municipality, not for their identification. However, such appraisals were hardly ever made.

Because the inter-municipal contacts at the level of government were mostly new (contacts between civil society organisations had existed before) the first apprenticeship periods in the Netherlands were primarily organised to familiarise local administrators and politicians from accession countries with the Dutch situation, particularly with regard to citizens' participation in local government, involvement in decision-making and public survey procedures. They also served the purpose of formulation inter-municipal small projects.

The inter-municipal small projects (Matra) formed the most tangible form of co-operation. Because these small projects were often the next step in a series of contacts aimed at capacity building of local government, their numbers among the research population proved to be still small. Three inter-municipal small projects Matra were set up in Poland and three in the Czech Republic. In Poland these concerned waste management (Białystok and the Lubelskie *voivod* [see 6.3]) and project-based management (Mikolów). In the Czech Republic these projects were concerned with citizens' participation (Kláštorec nad Ohří en Cheb) and the development of a municipal long-term vision (Liberec). Box 6.1 provides an example of an inter-municipal small project, i.e. the introduction of a front desk in Mikolów.

Courses can be country-specific or open to participants from different countries. The international courses usually explored a general theme (such as waste management), whereas country-specific courses dealt with issues relevant to a specific country (for example employment in Poland). VNG received a fixed amount per participant (€ 2,042) so that the organisation expenses gave an indication of the minimum number of participants needed in order to operate cost-effectively. On average, courses can only be provided if at least 15 participants have subscribed. Because there are only a limited number of city links with Dutch municipalities per country, country-specific courses could only be organised for a small number of countries. Table 6.2 presents an overview of the courses which civil servants and/or administrators from the selected partner municipalities participated in.

Table 6.1 Input en output per modality, GST programme

14 missions by municipal civil servants

Input

Mission by Dutch administrators and municipal civil servants

Output

Trained local government officials (3)
Made policy makers and senior officials aware of the Dutch approach with regard to certain issues (3)
Plans for future activities financed by the GST programme (other)

8 apprenticeship periods in the Netherlands

Input

Polish and Czech administrators and civil servants visiting the Netherlands

Output

Transfer of knowledge (5)
Exposure to Dutch experiences and operating procedures for council members, aldermen and mayors (2)
Plans for future actions to be financed by GST (6)

6 inter-municipal small projects Matra

Input

Combinations of missions by civil servants and apprenticeship periods

Output

Trained officials (2)
Set an example on the subject of citizens' participation (2)
Worked out a reorganisation plan (1)
Presented a PC-model and trained people in its use (1)

6 courses

Input

One week of formal training, organised by VNG for 15-25 participants, followed by one week of practical exposure in a Dutch municipality

Output

Participants from partner municipalities received theoretical and practical training on specific topics. In total, 100 participants were trained on four different subjects. Participants came from 40 municipalities (including an association of municipalities). Number of participants from municipalities included in the sample from Poland: 11, from the Czech Republic: 12.

NB: Numbers between brackets refer to the activities included in the sample.

Table 6.2 Participation of partner municipalities in courses, 1998-2001

Year	Topic	Participating partner municipalities (and umbrella organisation) in Poland and the Czech Republic	Number of participants from partner	Expenses all participants municipalities
<i>Internationaal</i>				
1998	European Union and local Authorities, intended for organisations	SMO APC	16	NLG 97.480 (€ 44.234)
2000	Municipal secretaries	Mieścisko; Tabor en Novy Jicín; Toruń; Ustí nad Labem	2	NLG 76.159 (€ 34.559)
<i>Polen</i>				
1999	Government communication	APC; Gdańsk; Leszno; Poznań; Puławy; Szczecinek; Toruń; Wrocław; Wronki	10	NLG 113.030 (€ 51.290)
2001	Employment Policy and Social Policy	APC; Chelmza; Choszczno; Kalisz; Maków Podhalański; Mosina; Polkowice; Poznań; Szczecinek; Toruń	16	NLG 196.518 (€ 91.756)
<i>The Czech Republic</i>				
2000	Employment Policy	Chrudim; Hradec Králové; Hranice; Jihlava; Kolin; Liberec; Moravská Třebová; Pardubice; Pelhrimov; Polička; Prerov; Zlin	18	NLG 199.746 (€ 90.641)
2001	Citizen participation	Liberec; Klášterec nad Ohří; Louny; Havlíčkův Brod; Zlín; Strakonice; Jihlava; Praha; Brno; Moravská Třebová; Nové Město na Moravě; Polička	26	NLG 193.494 (€ 87.804)

Source: Files VNG International, interviews.

Box 6.1 Introduction of the front desk

Co-operation between Mikolów (Polen) and Beuningen was intended to make the performance of the municipal council and the town hall more efficient by establishing a project-based management. A 'front desk' approach was elaborated within the programme and applied in Mikolów's town hall. The operation of the front desk was verified within the framework of this evaluation. The front desk proved customer-friendly and informative. The mayor and municipal secretary reported that the efficiency of municipal administrative services had increased because, according to them, "there were fifty percent less people wandering around the town hall corridors, distracting civil servants from their duties".

6.3 Policy relevance

The activities selected were assessed in relation to three aspects of relevance:

- relevance with regard to the problems encountered,
- relevance with regard to the policy of the Ministry of Foreign Affairs, and
- relevance with regard to the policies of the partner country on the strengthening of local government (or municipal policies to that end).

Relevance with regard to the problems concerned

The local government system in Poland is subdivided into three levels (*gmina*, *powiat* and *voivodship*). The primary government unit is the municipality (*gmina*). The tasks of the 2,424 *gmina* are described in the 1990 Local Self-government Law. In 1999, the *powiats* were introduced as the second level of government. There are *powiats* at an urban level (officially "towns with the same authority as districts", 65 in total) and at district level (*powiats* comprising a large town plus several rural municipalities, 308 in total). The 16 *voivodships* constitute the third level of the local government system. In addition to the functions arising from local government tasks, these *voivodships* (regions) have coordinating responsibilities. The *voivodship* administration implements regional development policies, such as economic development, infrastructural maintenance and development, regulation and exploitation of natural resources, etc. The territorial reforms, as a result of the 1999 amendment, responsibilities of the regions, municipalities and decentralised government services, were increased, both for strategic planning, as well as for implementation of government responsibilities. The main problems for local government con-

centrated on the relation between government and citizens and in the area of government competences of the three interrelated layers.

In the Czech Republic the history of local government was determined by the new constitution that was introduced after the separation from Slovakia on January 1, 1993. The changes resulted in a classical three-level model for public administration: state – region (14) – municipality (6,250), while at all levels, both deconcentrated state government and autonomous local government are simultaneously implemented. In addition, there are 19 so-called statutory towns with a high degree of self-government plus a special status for Prague. The reform's main imperfection is the limited delegation of central authority. Although, municipalities were assigned an enormous number of activities, the municipal council has very limited control over their implementation. An additional problem in this respect is the fact that the redistribution of public resources has not yet taken definite shape. A major part of the municipal and regional responsibilities are based upon provisional allocations determined by temporary measures. The funds thus allocated are disproportionate to the mandate. Just like in Poland, the relation government – citizen still needs to be further developed. An additional problem in the Czech Republic is the size of the municipalities, which is often very small. This makes it often impossible to provide adequate and efficient public services. Czech municipal government is characterised by an overwhelming majority of so-called 'independent' councillors, particularly in smaller communities. The formation of coalitions is greatly complicated by this inextricable political profile, which for many municipalities has impeded effective local government (see CD ROM, annex 7).

In Poland as well as the Czech Republic the administrators of partner municipalities noted that the themes and topics of the activities funded by the GST programme were closely linked to the problems and priorities they identified in relation to the development of local government, such as:

- communication with the population and the quality of public services;
- environment and waste management;
- public housing and urban planning;
- employment and social policy.

Two of the activities evaluated were less relevant with regard to the problems identified. These were the contribution made by the municipality of Amsterdam to a city marketing conference of the Polish association of municipalities in 1999, and the contribution by

Leiden to a conference on drug related problems in Toruń (Poland) in 1999. Although it dealt with important issues, the Dutch situation turned out to be too far removed from the situation in Poland. A similar comment can be made concerning a course on employment, for which the competence of the Polish and Czech municipalities is limited despite the fact that it addressed an important national issue. Czech municipalities even have no competence at all in these areas. Though it may have been interesting, Dutch experience in this field was not relevant for the partner municipality.

Relevance with regard to Dutch policy

Only one third (7 out of 23) of the selected Dutch municipalities and other local government organisations co-operating with accession countries had developed an international policy which devoted attention to the issue of European expansion. Then, only four of these Dutch municipalities had made a reference to capacity building of local government. None of the municipal policy documents that were studied referred to the *acquis communautaire*.

For this reason, relevance with regard to Dutch policy has been assessed solely on the basis of the Policy Frameworks attached to the GST Agreement between the Ministry of Foreign Affairs and VNG. The agreements regarding the policy implementation that were reached later but were never formulated are not taken into account.

Following the same appraisal procedures for subsidy applications as VNG, this evaluation has compared the activities with the basic principles of the LOGON list. Based on this comparison, no more than three out of 19 appraised activities in Poland proved to have been relevant as far as the *acquis* is concerned. These three were concerned with environmental issues, such as waste disposal and a training in Bailystok on European environmental regulations organised by Eindhoven. Also in case of co-operation with municipalities in the Czech Republic, only three out of the 11 activities assessed could be considered relevant in relation to Dutch policy: one in the area of citizens' participation in spatial planning and two in the field of democratisation of local government. Even the courses organised by VNG were not directly related to the *acquis* initially. However, later they were. In 2002, VNG added a modality to the GST programme, the *Municipal Accession Training Conference*, where local authorities were informed on the consequences of accession to Europe at the local level.

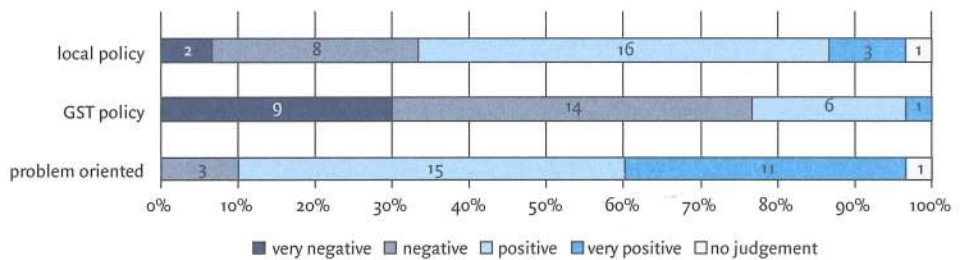
The GST Agreement explicitly states that, in addition to municipalities, also 'private non-profit organisations' form a target group. However, on two occasions funding was provided for activities with a profit motive, namely, a visit of Polish civil servants and administrators to the Netherlands at the request of a real estate developer that could have covered the expenses himself, and the participation of Dutch civil servants in a workshop in Poland, which provided information on commercial training activities by a private engineering office.

Relevance with regard to local policies focussing on the strengthening of local government

When the GST programme was formulated, still little attention was paid to the effects of the *acquis* on local governments in accession countries. In some cases, *acquis*-related changes imply a delegation of responsibilities to the local level (for example the implementation of European agricultural policy). In this regard, exposure to practical experience in member-states (the Netherlands) was relevant. Although none of the GST activities studied can be regarded as essential to the development and implementation of municipal policy regarding the adoption of the *acquis*, several projects contributed to the understanding of the improvement of municipal service delivery and the expansion of the municipal mandate (for example, on the environment).

In summary, the relevance of each of the selected activities has been assessed on the basis of the three categories mentioned above. The results are presented in figure 6.2.

Figure 6.2 Policy relevance of GST funded activities N= 30 (courses assessed in several municipalities were reduced to one single activity).



The identification of projects that would meet the GST objectives turned out to require a painstaking search for many municipalities. This is illustrated by the inter-municipal small project of Driebergen with Semily (the Czech Republic). Whereas in the Netherlands municipalities had a direct task concerning employment-finding (after the introduction of the Dutch Centre for Work and Income, conditions have changed in this respect) Czech municipalities did not. Concern for the enormous problem of unemployment in Semily, and awareness of the fact that activities for the improvement of equal opportunities and rights for minorities were policy relevant to the adoption of the *acquis*, as well as stimulated by a course on employment in the Czech Republic, Driebergen and Semily chose an employment project targeting the Roma minority group. Their intention was to educate 25 Roma and then find employment for them. Eventually, 10 Roma were educated, and employment was found for one of them. Although the project was directed at strengthening the position of the Roma community in Semily (democratisation and integration), it would cause a strengthening of the municipality's management capacities in relation to employment-finding as a side effect. Although dealing with important problems, the project was only marginally relevant to the general objective regarding the strengthening of local government, since employment finding was not a part of the regular mandate of Czech lower governments.

6.4 Effectiveness and side effects

Effectiveness

Insofar as the objectives of the activities were clear or could be reconstructed, the effectiveness was assessed of each of the separate activities within the sample.

In Poland, only five of the 19 activities assessed achieved the objectives and proved to have reached sustainable results as well. These were an apprenticeship period in which council members were informed about the consequences of the Common Agricultural Policy (as a key component of the *acquis*) for the formulation of a municipal agricultural policy, and a combination of the deployment of a municipal civil servant and an inter-municipal small project on project-based management. Both projects took place in the context of the Mikolów (Poland) - Beuningen partnership. Effectiveness was assessed on the basis of a change in attitude at the town hall, where fear and distrust towards the accession had diminished, and where accession was now seen as a challenge instead of a threat. In case of the management project, a front desk approach was introduced and applied in the Town Hall of Mikolów (see box 6.1).

In a project in Liberec (the Czech Republic) supported by Amersfoort, citizens' participation was introduced in the process of spatial planning and urban development and has now become standard procedure. In two activities in the Czech Republic (Cheb and Klášterec nad Ohří) GST funded activities of the (NGO) AGORA project, which focussed on citizens' participation. In Cheb, the project initially met with scepticism and resistance from the municipal council and board, but now citizens' committees identify and monitor projects. In Klášterec citizens' participation has followed a similar path, though with lesser results. Nevertheless, citizens' participation was a topic on the local election agenda during the 2002 municipal elections.

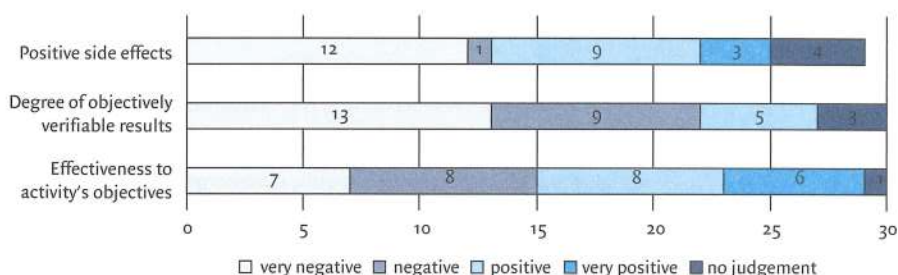
In nine out of 30 activities assessed the objectives were either achieved only partly, or they were achieved but proved unsustainable:

- As a result of an apprenticeship period by two civil servants and one manager of the – *Public Administration Training Institute* from the Lubelskie *voivodship* (Poland), a front desk was introduced. One of the civil servants had left the municipality by then, while the director of the training institute could not remember whether he had learned anything new.
- The only tangible result produced by the co-operation between Mikołów and Groningen, providing support for the housing department and the housing corporation through a mission, were building activities by a Dutch real estate developer. The solutions that were proposed to the municipal housing corporation were never implemented.
- In Leszno (internship in Deurne) problems occurred during the conversion of Dutch methods and procedures on financial administration to the Polish situation. Although the training was highly appreciated by the participants, no specific modifications were made in Leszno.
- In Moravská Třebová, in the Czech Republic (in co-operation with Vlaardingen) a process was launched that was to result in the development of a municipal communication centre. After three years, the centre still had not been established. Nevertheless, one achievement was that more attention was paid to communication with citizens on planning and implementation of municipal government tasks.

In half of the 30 cases assessed, the objectives of the activities were not achieved, or the achievements could not be determined.

A summary of the effectiveness of the activities supported by GST funding is presented in figure 6.3.

Figure 6.3 Effectiveness of GST funded activities N= 30 (courses assessed in several municipalities are counted as one single activity). Data on the side effects were not available on all activities.



The distinguishing factor of successful activities was the continuity of the process. For example, in Cheb and Klášterec nad Ohří this continuity was ensured by the continuous presence of the AGORA NGO and in Liberec by the exceptionally intensive support provided by a Czech speaking civil servant from Amersfoort. Low effectiveness can be attributed to insufficient project identification and a 'recipient structure' that was often inadequate because of the fact that most Polish and Czech municipalities lacked a centrally responsible civil servant or committee to monitor continuity and succession. Sustainability contributes to effectiveness. The assessment of sustainability requires in the first place that (part of) the results were realised. Of those activities that were assessed as effective (14 out of 30) 11 of these 14 activities proved to be sustainable as far as financing, internal organisation and management were concerned (insofar as this could be established within the relatively short period). The financial sustainability was considered positive in only seven cases. Determining factors for management and organisational sustainability were political commitment to the changes within the partner municipality, and the continuity and intensity of contacts between the Dutch municipality and the partner municipality or organisation. The latter was particularly important in relation to motivation and thus to the efforts put in by the partner municipality to the activities that were developed jointly.

Side effects

Side effects are usually positive results that had not been planned, or that could not be expected. Spread effects are a form of such side effects. Because the activities are small, spread effects are an important element for assessment of effectiveness.

Table 6.3 Spin-offs for the Dutch municipalities

Type	N = 21
Trade relations	Chamber of Commerce (3 municipalities) Trade mission and presentations (4 municipalities)
Initiatives private sector	DAF, Philips and KPMG (Eindhoven) in Poland Rollator manufacturer Czech Republic (Driebergen) Czech involvement in a flower company (Hoorn) DHV opens office in Liberec (Amersfoort) Initiatives by Bouwfonds in Czech Republic (Amersfoort) Branch of skating suit manufacturer in Poland (Assen) Shoe company Scapino opens shops in Poland ABN AMRO financing agreements with Polish municipality (Hoorn) Business engagements in Brno (Utrecht)
Others	Support among the population (8 municipalities) Culture (festivals) (7 municipalities) Involvement in schools (6 municipalities) Sport and Tourism (3 municipalities) Exchange nurses Co-operation Noorderdierenpark and Poznan Zoo Exchange fire brigade personnel (2 municipalities)

Source: survey and interviews in the Netherlands.

Activities subsidised by the GST programme mostly took place within the context of a city link. It is not possible to establish whether side effects were to be attributed to GST funding or to the city linkage activities in general. Side effects occur on both sides of the city link: in the Dutch municipality as well as in the partner municipality. The city linkage concept incorporates a reciprocity principle. The principle of reciprocity is not an explicit part of the GST programme. Although the GST programme did not actively contribute to the for-

mation of city linkages, Dutch municipalities did indicate that the GST programme contributed to their continuity. Side effects often mentioned were effects in the area of trade (the involvement of private sector, either by means of the involvement of the Chambers of Commerce or otherwise); the involvement of Dutch organisations (for example, environmental organisations, educational organisations, universities; housing corporations); and the formation of (international) networks. Positive side effects were established in nearly half of the activities studied (figure 6.3). Concrete spin-offs mentioned by Dutch municipalities as far as their relations with Poland and the Czech Republic were concerned, have been summarised in table 6.3.

The number of side effects mentioned by the partner municipalities in Poland and the Czech Republic was smaller (see table 6.4), but the significance of relations with EU partners was frequently stressed in regard to overcoming barriers against social change within the municipality.

Table 6.4 Side effects in partner municipalities

Poland

- Exposure to practices in EU countries underlined the arguments for change within the local organisation
- Publications on MIC in the local media attracted the attention of national politicians for the problems of local governments
- Improved English language skills
- Contracts signed with Dutch project developers
- Employment of Polish citizens in the Netherlands

Czech Republic

- Examples from the Netherlands helped to overcome the 'barriers against change' within the local organisations
- Public-private partnerships were developed at local level
- International contacts contributed to national politicians' respect for local government

Source: interviews with partner municipalities in Poland and the Czech Republic.

6.5 Effectiveness and context factors

The context factors of municipal co-operation in Poland and the Czech Republic have been described (see CD ROM, annex 7). It was not possible to determine causalities or the extent to which these factors were interrelated or whether or not they had a direct impact on the effectiveness of each of the activities. Still, general trends could be identified and are summarised below:

The context factors for the strengthening of local government were exceptionally favourable in the accession countries. Because the NPAA did not offer the local government enough to hold on to at the local levels of government, local administrators often felt inadequately informed on European issues and requirements. Politicians, administrators and civil servants therefore became actively interested in the experiences of Dutch colleagues and inquisitive about the procedures and experiences of European cities. In both Poland and the Czech Republic, municipalities still demonstrated little 'feeling' for democratised and decentralised forms of decision-making. Moreover, most programmes for the strengthening of local government (including those supported with European funds) were in fact offered by the central government. Inter-municipal co-operation had hardly established its own 'niche'. The institutional integration proved to be poor, which was illustrated by a lack of internal coordination and succession. Local governments in both Poland and the Czech Republic faced an ever increasing access to resources, which will continue after accession to the European Union. Strengthening of government and administrative capacities is therefore indispensable. A problem for the local governments in the Czech Republic was that they are usually too small to operate as independent units. Moreover, the policy autonomy of the local government level in the Czech Republic was limited.

Dutch municipalities did not take note of such context factors in their formulations of the activities that they requested GST funding for. Neither were national context factors of any decisive importance to VNG's appraisal of subsidy applications.

6.6 Efficiency

Efficiency of the activities was assessed from the perspective of the Dutch municipality and from the perspective of the financier (Ministry of Foreign Affairs). Efficiency from the perspective of the recipient party is only relevant if the recipient would have full control over the resources. This was not the case in the GST programme. A precondition for efficiency is that there is a common understanding of the content and the intentions of the activity on both sides of the relation. In the Netherlands plenty of information on MIC was

available, but this was not the case in partner countries. In both Poland and the Czech Republic local governments were familiar with the concept of municipal co-operation, though they did not know what to expect from it, especially with regard to the strengthening of local government.

Both VNG and the Advisory Committee on GST could have refused applications for subsidy in case of doubt about efficiency. However, in actual practice, applications were occasionally turned down for reasons of (excessively) high expenses, but they were never turned down on account of efficiency reasons.

Expenses are no conclusive efficiency indicators. Moreover, funding is only part of the range of resources allocated by different sponsors. One characteristic feature of GST activities was that they could not (or only by exception) be undertaken without contributions of the Dutch municipality and the partner municipality (or without the investments made by these partners in the past). Activities supported by the GST programme could be characterised as 'low-cost activity'. The Dutch municipalities were usually more concerned with time investment than with financial contributions. In case of temporary deployments of civil servants and inter-municipal initiatives, the time investments are marked since salary costs of Dutch municipal civil servants were compensated. Dutch municipalities occasionally showed more concern for covering these salary costs than for cash payments (for example on hotel costs). The average subsidy allocations per type of implementation modality are presented in table 6.5.

Table 6.5 Average allocations of GST resources per modality, 1997-2001

Activity	Average expenses (NLG)	Average expenses (€)
Deployment civil servant or administrator	12.444	5.647
Apprenticeship period	10.904	4.948
Inter-municipal co-operation-municipal small project Matra	50.730	23.020
Course	154.809	70.249

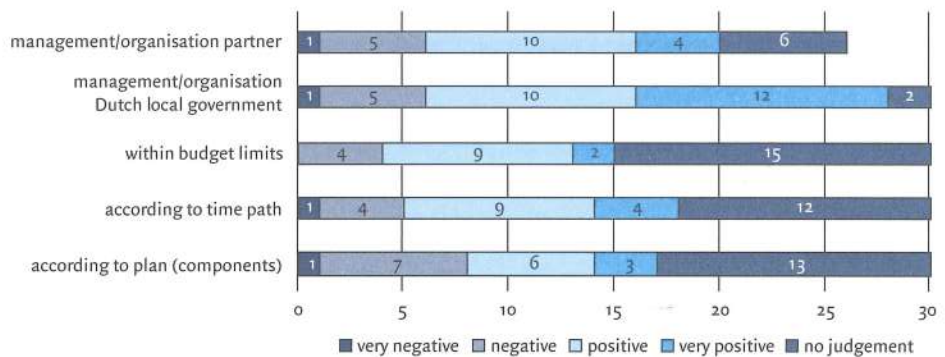
Source: based on files VNG International.

The assessment of the efficiency of the selected activities was carried out on the basis of the following criteria:

- implementation of various components of the activity according to plan (proposal);
- implementation according to the time path envisaged;
- implementation within the budget;
- quality of the organisation of the Dutch municipality (or VNG);
- quality of the organisation of recipient municipality;
- extent to which the activity involved local expertise (if applicable).

Not all criteria are of significance for all activities. For example, a group training was scheduled for a period of five days. The evaluative conclusion that this course was efficient because it was achieved within the planned time frame would then be meaningless. The same goes for the possible observation that this training was realised according to the planned programme. On the other hand, the time schedule and the implementation according to plan are relevant efficiency indicators in case of inter-municipal small projects. In figure 6.4, the irrelevant evaluative judgements are excluded and incorporated into the 'no judgement' category. Figure 6.4 summarises the efficiency assessments.

Figure 6.4 Efficiency of activities with GST funding N= 30 (courses assessed in several municipalities are counted as one single activity). Not for all activities was data available on all criteria.



In summary, the following conclusions can be drawn:

- Three-quarters of all activities were implemented according to plan, budget and time schedule. But this is hardly a ‘conclusion’, since most activities are very small and only of short duration and therefore easy to plan and to budget. It is remarkable that in nearly half of the inter-municipal small projects Matra not all components had been implemented according to the project design. The ambitions of these projects occasionally proved to exceed the implementation capacities.
- Management and organisation by the Dutch municipalities were efficient in more than two-thirds of the activities.

Dutch municipalities assessed efficiency on the basis of other criteria. It was not a main concern for Dutch municipalities to strengthen the capacities of local governments, but rather to continue and foster city linkages. Only half of the Dutch municipalities interviewed considered efficiency as an indication of its performance. Most Dutch municipalities only watched over the costs related to their own budget or the annual plan. More focus was on partner municipalities’ legitimate use of funding than on the efficiency of the input.

In general, a large quantity of low-cost activities implies that the operational costs per unit are relatively high. By means of the standardisation of the appraisal of applications, VNG could control the transaction costs. Still, efficiency was not a main concern for VNG and the Ministry of Foreign Affairs, either. There are a number of reasons for this:

- The GST programme only started in 1998 and had to be actively promoted by VNG. Although the number of applications for subsidy was growing, and with it the demand for the available resources, VNG did little to improve the efficiency. It would have been possible to develop stimuli in order to improve the quality of the propositions, or to increase the programme’s leverage. But no stimuli of this kind were introduced.
- The absolute amounts of the subsidies were small. The GST subsidy was therefore of minor importance to the municipalities. The distances to Poland or the Czech Republic are short and therefore, the costs are low. Six of the Dutch municipalities interviewed only applied for subsidies when expenses could be estimated well in advance; whenever there was a need to act quickly, they covered the costs themselves.

6.7 Conclusions

Applications formulated by Dutch municipalities concerning activities with partners in accession countries were first assessed with regard to their procedural aspects and then to their content matter and the criteria and objectives of the GST programme. In this context, the word 'programme' refers to the common principles and the implementation of common procedures, not to a coherent series of activities.

Of the selected activities, 90 percent proved to have been relevant with regard to the problems encountered in Poland and the Czech Republic. However, only one-quarter of the activities was relevant to the GST policy directed at the adoption of the *acquis* at local level, whereas 70 percent was relevant in relation to the national policy on the strengthening of local government. Whereas city links or other kinds of partnership between local government organisations encouraged contacts in many different areas, the GST programme mobilised these contacts for the strengthening of local government. This objective was broad, even at a municipal level. From 1998-2001, only rarely more than two GST funded activities had the same objective per partnership.

Activities supported by the GST programme have been effective with regard to their own objectives in half of the cases. This applies to the courses more than it does to other modalities, such as the deployment of civil servants and administrators. Because this evaluation primarily assesses activities from the early phase, courses organised by VNG predominated. In general, the subsidy proposals submitted to VNG bore little relation to the *acquis*. Explanations for this are to be found in the presuppositions underlying the GST programme. The programme assumed, for example, that project proposals would be initiated by partner municipalities, and that the Dutch municipality would then 'translate' them into an activity that would meet the criteria for subsidy. It was unlikely from the beginning that many *acquis*-related projects would be submitted, because both sides lacked specific knowledge regarding the *acquis*. Apart from this, the partner municipalities in Poland and the Czech Republic proved not to be aware of this requirement of the programme which is why they did not undertake the initiative to formulate proposals in that direction. Taking into account that many large European programmes supporting the adoption of the *acquis* already existed, it could not be expected of the Czech and Polish municipalities that they would spontaneously put the *acquis* on the inter-municipal co-operation agenda. So the relation to the *acquis* depended on the supply driven approach of VNG. The Ministry of Foreign Affairs and VNG soon became aware of this shortcoming and agreed to shift the emphasis towards the strengthening of local government.

However, this reinterpretation was never recorded. Dutch municipalities formulated projects with the idea that the strengthening of local government was essential. GST supported activities were not effective with regard to the preparation of local governments for the adoption of the *acquis*.

Except for some larger projects, efficiency was not an issue of major concern for Dutch local government organisations, because there was little reason for municipalities to devote much attention to it. After all, the subsidy was the principal source of funding, and therefore municipalities mainly focussed on the legitimate use of resources. Although they managed these resources carefully, this did not automatically imply efficiency.

7 MUNICIPAL CO-OPERATION WITH DEVELOPING COUNTRIES

7.1 Introduction

The Municipal Co-operation Programme with Developing Countries is a subsidy programme, like the GST programme, for which the Ministry of Foreign Affairs annually allocates approximately € 2.5 million. Just like the GST programme, the GSO programme is managed and administered by VNG by means of an Agreement (and since 2000 a Ministerial Decree). VNG has delegated those tasks to VNG International. Since 1998, the objectives of the GSO programme have been twofold and of equal importance:

- strengthening local governance through inter-municipal co-operation
- promoting support of the Dutch population for inter-municipal co-operation in general

The programme is open to all activities within the policy field of local governments, such as public works, taxes and public finance, sanitation, public housing, environment, education, urban development and other policy fields. The GSO-programme is executed through six modalities, one of which refers to Dutch municipalities (see 3.5).

The research population consisted of activities supported by the GSO programme, carried out in the period 1997-2001. A selection was made of all applications approved by VNG for activities with partners in South Africa, Tanzania and Nicaragua. All files included in this selection have been studied, but not all of these activities could be studied in the field²⁵. Table 7.1 presents an overview of the assessed activities per country and modality.

For those activities that could be identified in the field, it was still not always possible to make an assessment. For example, in many partner municipalities people remember the visit of a certain civil servant from the Netherlands, but have forgotten the purpose of the visit (for an overview of the of all activities studied, (see CD ROM, annex 2 and 4).

²⁵ In Highveld Ridge and Johannesburg, South Africa, no one could be traced that could provide additional information on inter-municipal co-operation with Vlissingen and Enschede, respectively. In Nicaragua, municipalities that were part of the sample studied in the context of a NEWS evaluation (ACE Europe, 2002) were not revisited. In Tanzania, Ngara and Biharamulo were not visited.

Table 7.1 GSO population and activities included in field study per country

Activity	Total GSO	South Africa	Nicaragua	Tanzania
Deployment municipal civil servant	159	17	25	8
Apprenticeship period	37	7	1	2
Inter-municipal co-operation-municipal small project	72	6	10	1
Course	23	8	3	2
General activity	7	3	0	2
Total	298	41	39	15

Note: courses open to participants from different countries are counted double.

7.2 Public support

Public support for international co-operation, both in municipalities in the Netherlands as well as abroad, is essential to the inter-municipal contacts. In the Netherlands, city linkage foundations fulfil an important role in this respect. Social activities related to city linkages include educational and cultural exchange, sports activities, dissemination of information and fundraising.

In 1998, the mobilisation of public support for international co-operation was added to the GSO programme as its second principal objective. This objective was added in order to attempt to strengthen and intensify the direct involvement of administrators and citizens in international activities. The subsidy agreements stated that inter-municipal co-operation would function as a catalyst for the establishment of horizontal relations between a variety of civil society organisations in Dutch and partner municipalities (such as sports clubs, schools of music, etc.). The KPA Nicaragua programme, the administration of which was part of the GSO programme, explicitly targeted private initiative as well (for information on the KPA-Nicaragua, see CD ROM, sub-report A).

The objective of public support did not have its own implementation modalities. One of the reasons why these were not introduced is that the municipalities could obtain subsidies for building public support from a fund operating on the basis of a four-year agreement (1998-2002) between VNG and the National Commission for International Co-operation and Sustainable Development (NCDO). Only twelve municipalities made use of this fund (five in 1999, five in 2000 and four in 2001). The available funds added up to a mere

NLG 55,000 (€ 24,950) for the total number of activities. After the interim evaluation at the end of 2001²⁶, this subsidy fund was revised.

Two-thirds of the Dutch municipalities took an interest in either the educational and/or awareness raising aspects, or the public, social and cultural significance of relationships with foreign municipalities. Dutch municipalities primarily focussed their own financial input on civil society organisations on their own constituency and thus, directly or indirectly, mobilised popular support for international co-operation (table 5.7). In this respect, a distinction can be made between support among the population in general and support within the political and administrative apparatus.

Support among the general population:

Popular support was promoted through several mechanisms, such as:

- financial support for city linkage foundations;
- subsidy agreements for civil society initiatives (such as the so-called duplication modalities);
- public information concerning municipal international activities through publications in municipal journals, local and regional newspapers and periodicals, and educational material for elementary and secondary schools;
- the organisation of special events (for example, cultural and informative festivals) and special fundraising.

Municipalities receiving GSO subsidies were expected to organise information activities within the municipality about the activities that were financed. In 76 percent of the cases this was actually done accordingly. The extent to which this public information (possibly in combination with special events) resulted in wider support among the population has not been established in this study.

After the local elections of March 2002, shifts took place in the political field.

Administrators of Dutch municipalities observed a change process which included the following trends: an increased emphasis on the economic importance of international contacts and the need for a stronger connection between the population and the foreign municipality, while maintaining current relationships was not a primary concern.

Consequently, more attention was paid to the countries of origin of non-Dutch municipal

²⁶ The funds allocated in 2002 were used by VNG to develop new financing schemes for strengthening public support for international co-operation at local and regional level.

citizens. The municipality of Amsterdam provides a case in point: in 2003, it decided to discontinue the contacts with Managua (Nicaragua, since 1984) and Beira (Mozambique, since 1993) whereas new linkages with municipalities in Surinam, the Netherlands Antilles, Morocco and Ghana were considered.

Support within the political and administrative apparatus

Inter-municipal contacts often depend on a limited number of key figures on both sides of the partnership. Many contacts with Nicaragua were established through the solidarity movement with the Sandinista Revolution of the mid-eighties and have been carried on for over twenty years, mainly owing to the same people. Several contacts with municipalities in South Africa have emerged from the period of the Local Governments against Apartheid movement (LOTA). Eventually, these contacts became more institutionalised and less personal than the contacts with Nicaragua.

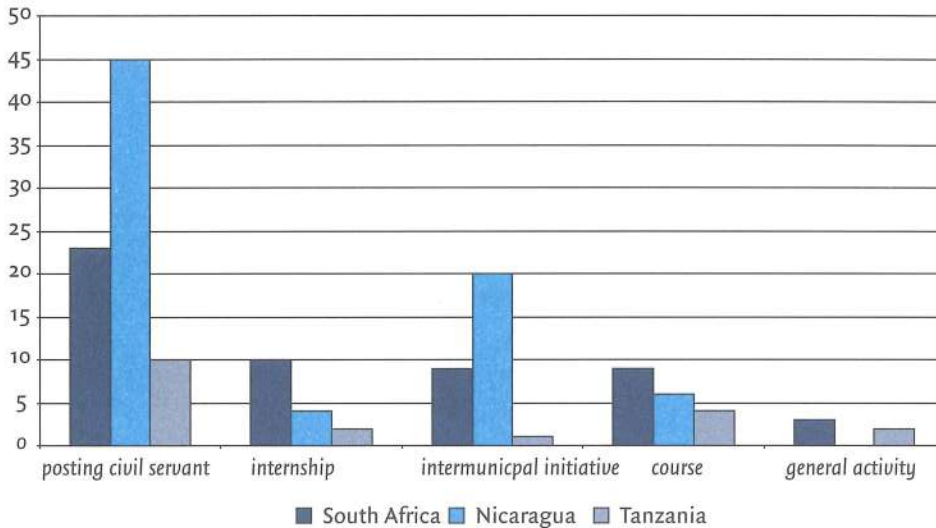
The number of civil servants, administrators and representatives of city linkage foundations directly involved could be estimated. For municipalities maintaining contacts with partners in the three countries studied, the number of people concerned was approximately 300. Extrapolating this number to the entire GSO programme, this would mean that in the Netherlands around 600 -700 administrators, civil servants and others directly involved have taken active part in the GSO activities over a period of five years. Obviously, the total number of people who were (actively) engaged in the city linkages was higher. Nevertheless, it is clear that for every municipal partnership, only a limited number of administrators and civil servants (five to ten on average) were directly involved. Whenever key figures changed positions, the activities were at risk. The disintegrating relations between Hoorn and Songea (Tanzania) and Dordrecht and Granada (Nicaragua) are cases in point. Some Dutch municipalities actively sought ways to embed the international co-operation within the administration. On some occasions, city linkages were even 'divided' between several aldermen or council fractions.

7.3 Input and output

In addition to the policy framework and the subsidies of the Ministry of Foreign Affairs, the realisation of activities also depended upon the efforts of others. Table 7.2 provides an overview of the modalities of the products (output) of the selected activities per implementation modality (see CD ROM, annexes 2 and 4).

Figure 7.1 shows the input of several implementation modalities per selected country. Then, the main characteristics of the different implementation modalities are described briefly.

Figure 7.1 Input of implementation modalities per country (1997-2001)



Source: Files VNG International.

Three types of missions by municipal civil servants and administrators can be distinguished:

- missions with a function to reaffirm contacts between partners. Politicians, civil servants and directly involved citizens visited the partner municipality in order to make plans for future co-operation;
- missions that served to monitor the progress of projects. The focus was not just on activities supported by the GSO programme, but also on activities carried out by civil society. The main motive of these missions was to provide information for the constituency in the Netherlands;
- missions by municipal civil servants for technical assistance.

Of the 50 missions included in the file study, six were aimed at establishing or reaffirming contacts, 32 were aimed at project formulation and monitoring current activities and 12 were technical assistance missions.