



# Local Governance Institutions Comparative Assessment Framework



# Local Governance Institutions Comparative Assessment Framework

Copyright © 2022. Local Public Sector Alliance.  
*Pre-release version (September 23, 2022).*

**Some rights reserved.** This work is a product of the Local Public Sector Alliance, with external contributions.

**Rights and Permissions.** This work is available under the Creative Commons Attribution-ShareAlike 4.0 license (CC BY-SA 4.0), <https://creativecommons.org/licenses/by-sa/4.0/>. Under the Creative Commons Attribution license, you are free to share (copy and redistribute the material in any medium or format) and adapt (remix, transform, and build upon the material for any purpose, even commercially) under the following conditions:

**Attribution**—Please cite the work as follows: Local Public Sector Alliance. 2022. *Local Governance Institutions Comparative Assessment Framework*. Washington, DC: Local Public Sector Alliance.

**ShareAlike** — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original.

**Cover photo:** *Rice fields ready for harvest in Northwest Vietnam*. Used under license (iStock 694050758).

## **Acknowledgements**

The current version of the Local Governance Institutions Comparative Assessment (LoGICA) Framework is the product of the efforts, contributions, and insights shared by countless colleagues, many of whom have dedicated their professional careers to the topic of decentralization, multilevel governance, public sector reform, and inclusive and sustainable development.

I would like to express my gratitude to the many people who provided encouragement, shared insights, offered comments, and assisted in the revisions of the latest version of the LoGICA assessment framework, as well as to those who contributed to earlier versions of the framework (2012; 2015), including Serdar Yilmaz, Charles Cadwell, Astrid Haas, Paul Smoke, Rose Vincent, Emmely Benschop, Roy Kelly, François Vaillancourt, Edgardo Bilksy, Edwin Connerley, David Dod, Michael Keshishian, Sarah Lane, and Kail Padgitt, as well as Joseph Capuno, Benjamin Edwards, Joy Elamon, Jennifer Joel, Brittany Lane, Naledi Modisaatsone, Ammar Malik, Anand Matthew, Renata Simatupang, and Guevera Yao.

I am further thankful for the insights and contributions from Faigy Abdelhak, Roy Bahl, Camille Barras, Alexander Bastianen, HansJoerg Bloechliger, Jihyun Chung, John Coonrod, Nicola Crosta, Tyler Dickovick, Jingqiang Du, Claudia Dziobek, Robert Ebel, Jonas Frank, Claire Frost, Leif Jensen, Nicolas Keuffer, Shaila Khan, Andreas Ladner, Brittany Lane, Jochen Mattern, Lachlan McDonald, Kelly McMann, Blanca Moreno-Dodson, Barbara Nunberg, Benjamin Oloyede, Samuel Kwadko Osei, Fernando Rojas, Frans Ronsholt, Gohar Sargsyan, Tara Sharafudeen, Aladeen Shawa, David Solomon, Valerie Stevens, Andrey Timofeev, Nick Travis, Gunjan Veda, Victor Vergara, Lorena Viñuela, Roland White, Peter Yates, and numerous others. Any errors and omissions in the framework are those of the author.

The Local Public Sector Alliance is grateful for the Hewlett Foundation's support of the revision and application of the LoGICA Framework.

Jamie Boex  
Executive Director, Local Public Sector Alliance  
September 2022

# Local Governance Institutions Comparative Assessment Framework

## Preface

In countries around the world, subnational governments and other local public sector entities are responsible for delivering the public services that people rely on day-to-day: schools for their children, public health services, access to clean water and sanitation, road infrastructure to get people to jobs and goods to markets, and so on. Although these public services align with global development objectives and national priorities, the provision of these public services are fundamentally local in nature.

The Local Governance Institutions Comparative Assessment (LoGICA) Framework provides an assessment tool to analyze the multilevel governance structure of a country, along with the subnational institutions and intergovernmental systems that contribute to inclusive governance, effective public service delivery and sustainable localized development.

The LoGICA Framework aims to inform country level policy debates and reforms on decentralization and localization, by ensuring a better understanding the exact nature of a country's multilevel governance arrangements, and by placing each country's experience in a comparative global or regional context.

The assessment framework seeks to answer basic questions, such as: how many regional and local governments (or subnational administrative entities) does a country have? What are their functional powers and responsibilities? Do these subnational governments have their own elected leadership? Do subnational entities have control over the officials and staff that provide local public services? And how are people able to hold subnational public officials to account for their performance?

With these questions in mind, the LoGICA Framework considers five specific institutional dimensions of multilevel governance, including (i) the multilevel, territorial-administrative organization of the public sector and assignment of functional responsibilities; (ii) the political aspects of the subnational public sector; (iii) the administrative aspects of the subnational public sector; (iv) the fiscal aspects of the subnational public sector; and (v) the extent to which different sectoral services rely on mechanisms promoting inclusive and responsive localized services and development. A more effective public sector is achieved when each of these five institutional dimensions of a multilevel public sector are effective, well-structured, and fit together well.

The LoGICA Framework comprises a number of distinct but inter-related components, including the ***LoGICA Intergovernmental Context***, ***LoGICA Country Profile*** and the ***LoGICA Score Card***. Findings of the subnational governance assessment can be communicated through the ***LoGICA Country Brief*** or as part of a longer ***LoGICA Assessment Report***. The framework further provides guidance on the process of conducting the LoGICA Assessment itself in an inclusive and collaborative manner (i.e., the ***LoGICA Process***).

This updated version of the Local Governance Institutions Comparative Assessment Framework—prepared in September 2022—was developed by the Local Public Sector Alliance as a contribution to the collective efforts of many stakeholders to promote inclusive government and sustainable development around the world, by providing a common framework for describing, understanding and evaluating the multilevel aspects of the public sector, and thereby elevating the debate on decentralization and localization. This updated version of the framework builds extensively on the Local Public Sector Country Profile Handbook (December 2012) and an earlier version of the LoGICA Framework (April 2015), prepared by the Urban Institute’s Local Public Sector Initiative.

The revised framework has benefitted from the insights and inputs from numerous experts and partner organizations, including the World Bank, UNDP, UNCDF, OECD, DeLOG, United Cities and Local Governments (UCLG), the Forum of Federation, The Asia Foundation, and The Movement for Community-Led Development.

## 1. Introduction and background

The notion that all human development takes place at the local level is gaining increasing acceptance in the global development community and by policymakers worldwide. As the government level closest to the people, local governments are in a unique position to act in an inclusive, responsive, and accountable manner as a platform for collective decision-making and collection action. In many countries, however, the power and authority granted to regional and local governance institutions to manage subnational affairs—including empowerment over functional mandates, priority-setting authority, public administration, and public finances—is curtailed by higher-level governments, limiting the ability of subnational officials to respond to the needs of their constituents and to live up to their potential as platforms for inclusive governance and local development. At the same time, many countries are actively pursuing efforts to unlock and leverage the strength of subnational governments (or subnational administration) as empowered partners in a whole-of-society effort to achieve resilient, inclusive, sustainable, efficient, and equitable development in the context of well-functioning multilevel public sector.

The state of knowledge on the role that multilevel governance and subnational governance institutions play in achieving an inclusive and responsive public sector—a public sector that is able to efficiently deliver local public services and promote inclusive development in a localized manner—is relatively limited. Relative to other aspects of public sector management, little comparative research has been done on multilevel governance systems. In fact, stakeholders often even lack a common set of definitions to discuss multilevel governance arrangements, with the same terms sometimes meaning different things in different countries.

Diagnostics and metrics capturing the nature and extent of decentralization and subnational governance institutions are extremely scarce. Most available measures of decentralization focus on the revenues and expenditures of elected regional or local governments. To the extent that empirical studies have looked at the effectiveness or performance of decentralization and subnational governance, these studies have almost exclusively quantified decentralization and localization based on the finances of elected (i.e., devolved) regional and local governments. Yet, available analysis suggests that as much as two-thirds of frontline public services in developing and transition countries—for instance, in health and education—is delivered and funded by *non-devolved* approaches to decentralization and localization (such as centralized delivery of public services, deconcentration, or delegation). This means that if the ambition is to ensure inclusive governance and localize sustainable development, all approaches to decentralization and localization should be considered.

In contrast to existing measures of decentralization, the concept of the local public sector—and the broader focus on the multilevel governance system as a whole—seeks to take into account not only the role of devolved subnational governments, but aims to widen the scope of analysis to include all public sector activities and expenditures at the regional and local level, including the activities and expenditures of non-devolved subnational stakeholders.<sup>1</sup>

In addition to broadening the range of subnational institutions and stakeholders to be considered, the current framework recognizes that a deeper understanding of decentralization, multilevel governance

---

<sup>1</sup> Unless specifically noted otherwise, the terms “local public sector” and “subnational public sector” are used interchangeably.

and intergovernmental relations requires a multi-disciplinary, cross-cutting and cross-sectoral understanding of subnational arrangements, including a more granular understanding of not only of legal and political arrangements, but also of public administration systems, fiscal arrangement, and key sectoral mechanisms at each level of the public sector. This fits with the global dialogue on decentralization and the localization of public sector outcomes, which suggests that “the key underlying question [in making decentralization work] is not whether to ‘decentralize or not’ or even opt for a specific decentralization model, but to look at ways to improve capacity and co-ordination among public stakeholders at different levels of government to increase efficiency, equity and sustainability of public spending” (Charbit, 2011).

The analysis of multilevel governance systems and subnational governance institutions is complicated by the fact that there is no “one-size-fits-all” solution to organizing the local public sector. Different countries have opted for widely different subnational and intergovernmental arrangements to facilitate the interaction between the central public sector and the people.

**Scope and structure of the Local Governance Institutions Comparative Assessment (LoGICA) Framework.** The LoGICA Framework’s primary purpose is to inform country level policy debates and reforms on decentralization and localization, by ensuring a better understanding the exact nature of a country’s multilevel governance arrangements, and by placing each country’s experience in a comparative global or regional context. The framework intends country-level assessments to be initiated and conducted by regional or country-level assessors or assessment teams.

Because of the complexity and nuanced nature of multilevel governance systems, it is impossible to capture all details and aspects of a country’s multilevel governance structure or local governance system into a single measure, or even in a single diagnostic instrument. However, there is considerable guidance—both from the academic literature, as well as from international practice—about the different institutional components and elements of public sector governance and public sector management that contribute to an effective, inclusive, and responsive local governance system.

Accordingly, the Local Governance Institutions Comparative Assessment (LoGICA) Framework provides a assessment framework for country-level assessment teams to evaluate and compare multilevel governance systems and intergovernmental systems in different countries based on five specific institutional dimensions: (i) the multi-level governance structure and assignment of functional responsibilities; (ii) the existence of subnational political (authoritative decision-making) space and effective subnational political systems; (iii) the degree of subnational control over regional and local administration, including the delivery of localized services; (iv) subnational fiscal autonomy and local financial management; and (v) the extent to which different sectors and services rely on inclusive and responsive localized service delivery mechanisms.<sup>2</sup> A more effective multilevel governance system is achieved when each of these five institutional dimensions of multilevel governance are effective and well-structured in their own right, and when these five dimensions are balanced and work together well.

It is important to state that the LoGICA Framework does not assume that a more decentralized public sector is necessarily more effective, more efficient, or more desirable than a more centralized public sector. Decentralization or localization efforts should be seen as a means to an end, so that a well-functioning centralized system—that is inclusive, responsive, accountable and efficient—should certainly

---

<sup>2</sup> A companion methodology prepared by the Local Public Sector Alliance, the Intergovernmental Fiscal and Expenditure Review (InFER), considers the volume of local public sector finances that are channeled through different decentralization and localization mechanisms.

be considered preferable over a decentralized public sector that fails to achieve these attributes. At the same time, it is reasonable to expect that, *over time and under the right conditions* (e.g., multilevel governance arrangements that ensure responsiveness and accountability; adequate subnational administrative capacity; effective intergovernmental coordination; engaged citizens and civil society), a greater degree of political, administrative and fiscal decentralization is likely to facilitate the objective of a more resilient, inclusive, responsive, accountable and efficient public sector.

**The Assessment Framework includes several components.** First, the **LOGICA Intergovernmental Context** captures in-depth information about a country’s organizational (multilevel) governance structure and key functional assignments (worksheets 1-4). Second, the **LOGICA Country Profile** captures in-depth information about political, administrative, and fiscal institutions at each level, as well as about the nature of localized service delivery and development in a number of specific sectors (worksheets 5-8). Third, the **LOGICA Score Card** is a set of high-level assessment indicators which quantify the systems, processes and institutions that contribute to an effective local governance system. Fourth, the findings of a LoGICA Score Card or LoGICA Country Profile can be captured and communicated as part of a **LOGICA Country Brief** or **LOGICA (Assessment) Report**. Finally, guidance on conducting a LoGICA assessment in an inclusive manner (i.e., **the LOGICA Process**) is provided further below in order to leverage the LoGICA framework as an entry point for country-level, collaborative assessments of multilevel governance arrangements and local governance institutions, potentially involving central government officials, local government representatives, civil society organizations, policy researchers and academics and development partners.

**Caveats and limitations.** The LoGICA framework intends to provide a diagnostic framework to map out and assess a country’s multilevel governance structure, subnational institutions, and intergovernmental systems. The framework guides the assessment team to consider the features and observed strengths and weaknesses of the country’s multilevel governance structure and subnational governance institutions on the ability of the (subnational) public sector to promote resilient, inclusive, sustainable, equitable and efficient development.

Specific aspects of the methodology—and the recommended implementation process—seek to ensure the reliability and validity of the information and comparative data generated by the LoGICA framework. Given the nearly infinite combinations and permutations with which multilevel public sectors can be organized and implemented around the world, it would be impractical for the framework to come up with an exhaustive list of discrete responses for most indicators. Furthermore, while some aspects of subnational governance can be measured or evaluated in an objective manner across different country systems, other aspects (such as “capacity” or “accountability”) are much more difficult to evaluate in a consistent manner across different country contexts. As a result, in addition to prompting assessors or assessment teams to identify the most appropriate discrete response or score for each question or assessment indicator, the methodology also asks assessors to qualify or clarify each of their responses in a qualitative manner, as appropriate. The clarification or qualification of the discrete response or score is an integral part of the response to each assessment indicator. This should be taken into account when LoGICA Assessment data is used for comparative or research purposes.

Country assessment teams are further encouraged to rely on one or more appropriately qualified researchers to ensure an objective application of the framework at the country level. Assessors are further encouraged to seek external peer reviewers to validate their analysis. In addition, draft LoGICA Assessments are to be submitted to LPSA’s Secretariat for a Quality Assurance Review before finalization.

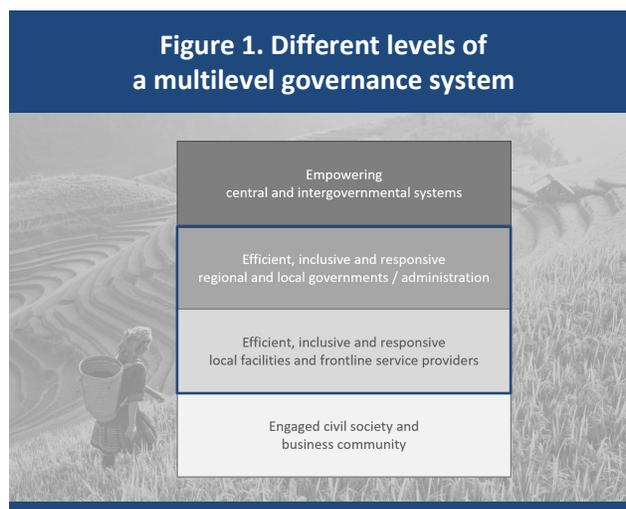
Where relevant, other diagnostic tools (such as the *Intergovernmental Fiscal and Expenditure Review*) may be applied to gain deeper insights into different aspects of the country's multilevel governance structure or intergovernmental (fiscal) relations.

Finally, it should be noted that the LoGICA framework is not intended as a framework for within-country evaluation of the administrative capacity, governance performance, or service delivery effectiveness of individual regional or local government institutions within a country. Other instruments and tools, such as those summarized by *A Users' Guide to Measuring Local Governance* (UNDP, 2015) should be considered for such purposes.

## 2. Scope and coverage of the LoGICA Framework

It is increasingly recognized that a well-performing multilevel public sector or an effective local governance system require more than just effective local leadership and effective local administration. A first important focus of the conceptual framework for assessing multilevel governance systems is the acknowledgement that different levels of governance or administration are involved in shaping an effective local governance system (Figure 1). As public sector power and authority tend to emanate from the highest level or tier of governance, national (central or federal) government authorities are typically responsible for putting in place the multilevel governance architecture as well as the intergovernmental systems that empower regional and local stakeholders. After all, high-performing regional and local bodies need a sound and supportive intergovernmental framework that empowers them and gives them the foundation for success. This includes the requirement that regional and local governments (or regional and local administrations) are assigned meaningful public sector functions which they are able to perform efficiently, and that the functional responsibilities assigned to them are matched with authority and resources.

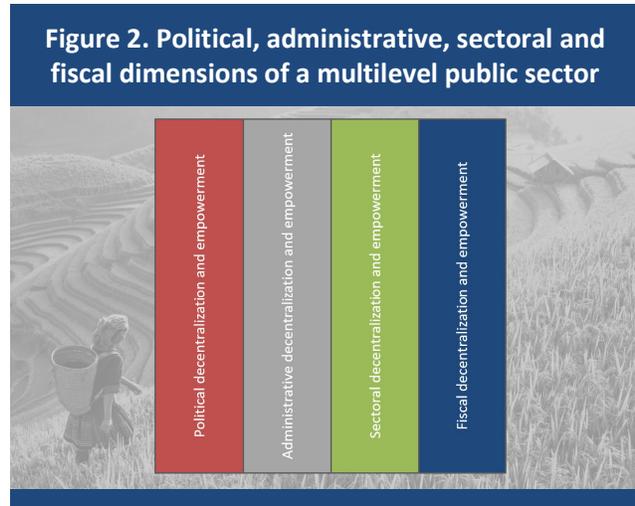
Another aspect of the conceptual framework of multilevel governance arrangements identified in Figure 1 is that it is often useful to divide the local government (or local administration) level into two distinct sublevels: the local government (administration) headquarters level as distinct from the local facility or frontline service delivery level. The facility level should be understood to include schools, health centers, agriculture extension offices, local water schemes, and so on. Frontline facilities may or may not be an integral part of a local government institution, or may be a public (quasi-) corporation or entities owned, operated or controlled by central, regional or local governments.



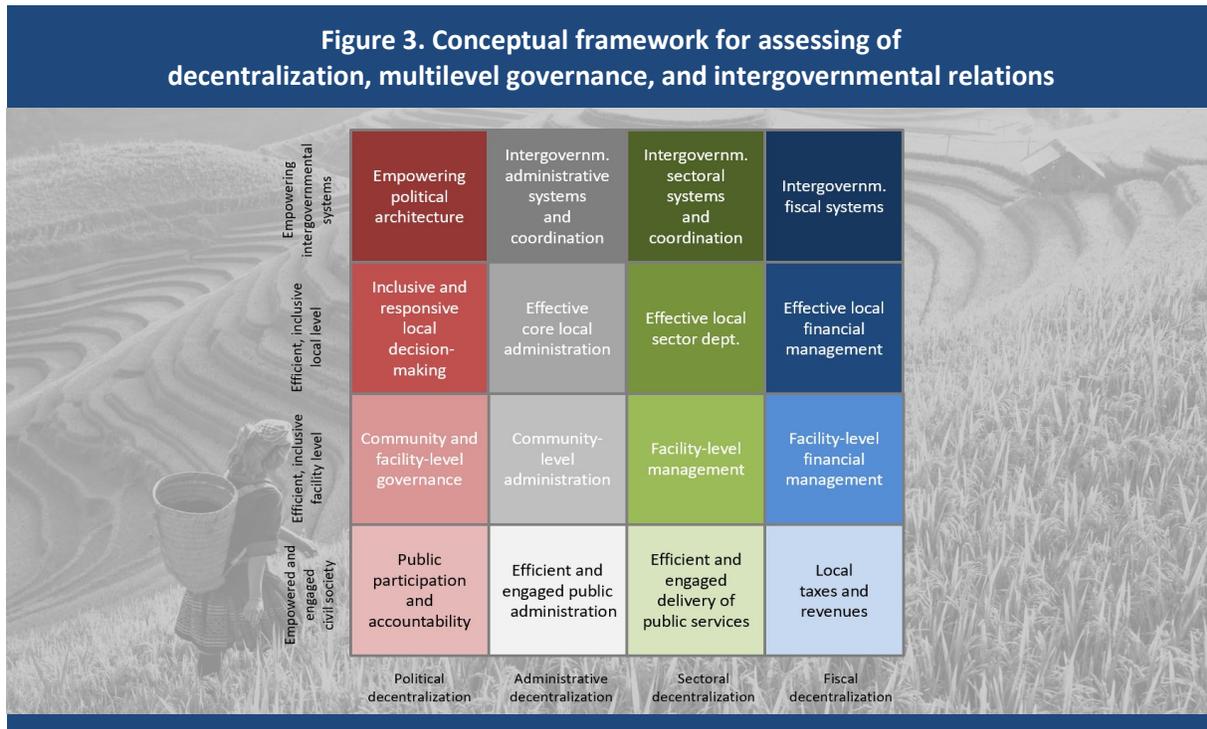
Taking into account frontline service delivery facilities as a distinct level within the public sector encourages us to explore “last mile” service delivery challenges by taking into account the principal-agent relationship that may exist between the local government leadership and frontline providers. This distinction is particularly relevant in countries where frontline facilities are not owned or operated by local governments themselves, or where frontline facilities have distinct *de jure* or *de facto* planning, budgeting, or administrative and managerial power.

Furthermore, successful local governments or local administrators need an engaged civil society, residents, and local business community, who participate in local affairs and hold local leaders and officials accountable for their performance. Ensuring community involvement in local affairs requires that mechanisms are in place for participatory and responsive local service delivery.

In addition, the analysis of multilevel governance systems needs to recognize that multilevel governance systems are traditionally separated into three important institutional dimensions or pillars, namely a political, an administrative and a fiscal dimension (Figure 2). With an eye on the increasing importance of the localization of public services and development interventions, it is further useful to separately consider the role of general public administration arrangements vis-à-vis sector-specific aspects of public sector administration across different levels of government or administration.<sup>3</sup>



When the political, administrative, sectoral and fiscal systems are considered at the four different levels of a local governance system (i.e., central, local, frontline and community), an assessment framework emerges that recognizes sixteen different elements of inclusive and efficient multilevel public sector management. The implicit hypothesis that forms the foundation for this analytical framework is that **a more effective multilevel governance system is achieved when each of these 16 elements of decentralized multilevel governance are effective, well-structured, and fit together well** (Figure 3).



<sup>3</sup> Compared to the earlier version of the LoGICA Framework (2015), the revised conceptual framework breaks out the sectoral aspects of administrative decentralization as a stand-alone dimension, while incorporating local facilities or front-line service delivery entities as a separate institutional level within the public sector.

Achieving inclusive and effective multilevel governance requires that these sixteen elements of multilevel public sector governance, administration and finance are appropriately balanced and inter-connected, both horizontally (at each government level or administrative tier) as well as vertically (across different levels, within each dimension of decentralization). In order to ensure that different levels and dimensions of multilevel governance work together in effective and coordinated manner, the LoGICA framework considers five overlapping institutional dimensions of decentralization and multilevel governance that impact the ability of a multilevel public sector to transform national and subnational policy goals into development results and improved local services on the ground:<sup>4</sup>



**Effective multilevel governance structure and assignment of powers and functions to the regional and local levels** – Does the overall multilevel governance structure allow for inclusive and responsive governance of the public sector? Are regional and local governments assigned the effective responsibility and authority to manage regional and local affairs? Does the nature of decentralized regional and local governance align with good governance principles? This first set of questions cuts across the four institutional dimensions of multilevel governance (political, administrative, sectoral, and fiscal) as identified above.



**Regional and local political space and dynamic and responsive subnational political leadership** – Are regional and local governments provided with adequate political space to respond to the preferences of their constituents? Are local political and electoral systems effective in ensuring that regional and local decisions reflect the preferences of their constituents? Are regional and local political leaders given the necessary incentives to identify and respond to the needs of its residents and the local business community? Do subnational political systems enable constituents to hold their elected officials accountable? This second set of questions falls within the political dimension of decentralization and multilevel governance, across all government levels or tiers.



**Regional and local control over subnational administration** – Does the political and administrative leadership at each level of the public sector have adequate control over the public administration systems in order to ensure efficient and responsive public administration and to respond to the service delivery needs of their residents and the local business community? For instance, can local officials hire, promote or fire local-level staff, and procure the inputs needed to perform their functions and deliver services? This third set of questions largely falls within the administrative dimension of decentralization and multilevel governance, across all government levels or tiers.



**Regional and local fiscal autonomy and effective subnational financial management** – Are regional and local governments assigned the appropriate mix of own source revenues and intergovernmental fiscal transfers; do they have adequate autonomy over their own source revenue instruments; and do they effectively administer their local finances? This fourth set of questions falls within the fiscal dimension of decentralization and multilevel governance, across all government levels or tiers.

<sup>4</sup> Note that the icons below reflect which part of the multilevel institutional systems is the focus of each of the components of the framework (indicated in dark blue).



**Inclusive, participatory, and responsive localized services and development** – Are appropriate participation and accountability mechanisms in place in order to ensure that local leaders and local officials are responsive to the need of local residents and businesses? In principle, this final set of questions deals with the governance of front-line service delivery in a way that cuts across the political, administrative and fiscal aspects of the local governance system.

If one of the five dimensions of the multilevel governance system is weaker than the other dimensions, this may have ramifications for the system as a whole. For instance, even if all other dimensions of the local governance system function well, if the local political and electoral systems fail to give local political leaders the necessary political space and incentives to identify and respond to the needs of its residents and the local business community, the local governance system as a whole may become less effective as platform for either deepening local democracy or as a mechanism for the improved delivery of localized services.

Therefore, a comprehensive, comparative analysis of a country's multilevel structure and regional and local governance systems will have to consider each of these five dimensions, evaluate the effectiveness of each dimension, and compare the effectiveness of each dimension of the subnational governance system with each other and with experiences from other countries.

***What is the purpose of the Local Governance Institutions Comparative Assessment (LoGICA)?*** The main purpose of the LOGICA framework is for country-level stakeholders to evaluate the state of multilevel governance and the effectiveness of regional and local governance institutions, and to assess the institutional factors contributing to the effectiveness of the vertical, subnational or intergovernmental aspects of the public sector. To this end, the assessment framework provides a set of detailed questions and indicators of the multilevel governance structure as well as regional and local governance institutions within a country's local public sector.

As a working definition, the local public sector can be defined as that part of the public sector that ***regularly and directly*** interacts with residents, civil society, and the private sector within a ***localized*** setting; it is where residents and businesses receive most services from the public sector and where residents interact with government officials. The local public sector broadly incorporates four different types of decentralized or localized interactions, including devolution, deconcentration, delegation and direct central government involvement in localized services. The distinguishing feature of being part of the "local public sector" is not the legal or organizational status of a public entity or institutional unit, but rather, whether the primary objective of the public entity, institutional unit or activity is to interact with the public within a localized setting, in terms of providing (or supporting) localized public services, regulation, and so on.

***What is the scope of the Assessment Framework?*** The LoGICA framework is designed to be applied the multilevel governance system in a single country or territory. Rather than analyzing a single regional or local (government) entity or a single regional or local (government) level, the assessment framework aims to consider the functioning of the multilevel governance system as a whole. As such, the LoGICA Profile covers all different types of subnational governance entities, ranging from deconcentrated regional and local administrations that are fully under the control of a higher-level government, to fully autonomous elected regional and local governments. As practices and experiences can differ across different regional and local government jurisdictions within the same country, the assessment generally seeks to evaluate the experience of "typical" subnational government jurisdiction at the different subnational levels or tiers

of the public sector.<sup>5</sup> To the extent that practices or experiences differ across the national territory of a country (for instance, across urban and rural jurisdictions), additional information and analysis may be provided in the LoGICA Assessment Report.

To the extent that the delivery of localized services involves more than one subnational governance level, the assessment framework may simultaneously capture practices and experiences at different levels or tiers of the local public sector. Likewise, to the extent that the delivery of localized services involves several local-level entities, the intent of the assessment framework is to evaluate the system as a whole.

Because the main focus of the assessment framework is the subnational public sector, the assessment framework only applies to formalized, public methods of service delivery and does not take into account private and/or informal service provision.

***Which subnational public services does the framework assess?*** The specific functions assigned to regional and local governments differ between countries, and sometimes, even between different regional and local governments within a country.

This assessment framework should generally only be applied to services for which the delivery is considered a “subnational affair”. This assumes that—in accordance with the subsidiarity principle—regional or local (government) entities are able to deliver the relevant regional and local services in an efficient manner. The subsidiarity principle states a function should be performed by the lowest (or most local) level of organization that can perform this function efficiently. The LoGICA Intergovernmental Context documents the assignment of functional responsibility and authority across the entire spectrum of public sector functions and services. In turn, the LoGICA Country Profile (in Segment 8) focuses on four important localized services: primary education services, basic health services, water and sanitation, and local roads and infrastructure. Annex 1 and Annex 2 provide further details in this regard.

***Does the framework assess the legal (de jure) situation or the actual (de facto) situation?*** Unless otherwise indicated, the assessment should be based on the actual or *de facto* situation in a country, rather than merely describing the legal (or *de jure*) situation. However, if applicable, it is imperative to note (as part of the comments to the Intergovernmental Context and Country Profile, and as part of the Assessment Report) the differences between the *de jure* and *de facto* situations, as the existence of a gap between the two tends to weaken local governance and contributes to inefficient localized services.

***Is the framework an assessment of the performance of local public sector entities or an assessment of the local governance system?*** The LoGICA Assessment Framework is intended to assess the functioning of the multilevel governance system as a whole. While the weak performance of regional or local governments may be caused by different factors, many of the questions and indicators in the assessment framework are geared towards determining whether empowering multilevel and intergovernmental systems are in place and whether the appropriate mechanisms for local participation and accountability are in place for the local governance system to function in an efficient, inclusive and responsive manner.

---

<sup>5</sup> In federal countries with asymmetric state-local arrangements, users may either opt to apply the framework to a particular state or province (in which case the findings of the assessment cannot necessarily be generalized beyond this state), or the framework can be applied to a representative or “typical” federal/state/local arrangements. Whenever it is possible, the latter approach is preferred.

### 3. The Local Governance Institutions Comparative Assessment (LoGICA) Framework: Intergovernmental Context and Country Profile

The LoGICA Framework’s Excel template is divided into three main parts: the *LoGICA Intergovernmental Context*, the *LoGICA Country Profile*, and the *LoGICA Score Card*.

Together, the *LoGICA Intergovernmental Context* and the *LoGICA Country Profile* capture detailed information about a country’s territorial-administrative organization and multilevel governance structure; about its functional assignments; its subnational political, administrative, and fiscal arrangements; as well as about the inclusive nature of localized service delivery and development. As such, the *LoGICA Intergovernmental Context* and the *LoGICA Country Profile* provide leading questions for a descriptive assessment of the state of decentralization and subnational governance.

**Figure 4. LoGICA Profile Excel Template: Screenshot**

LOCAL GOVERNANCE INSTITUTIONS COMPARATIVE ASSESSMENT (LoGICA) INTERGOVERNMENTAL CONTEXT: GENERAL COUNTRY INFORMATION			
General Country Information			Comment / Clarification / Source
<b>C1</b>	<b>Basic Country Information</b>		
C1.1	Country Name	[Country Name]	
C1.2	Information/Data for Year	[Year]	
C1.3	Total National Population		
C1.4	Percent Urban Population		
<b>C2</b>	<b>Central Public Sector Information</b>		
C2.1	Administrative tradition	...	
C2.2	System of government	...	
C2.3	Competitive elections at national level?	...	
C2.4	Parliament structure	...	
C2.5	Election of parliament (general assembly / lower house)	...	
C2.6	Election of parliament (upper house), if any	...	
<b>C3</b>	<b>Framework guiding subnational public sector and intergovernmental relations</b>		
C3.1	Intergovernmental political structure?	...	
C3.2	Overall territorial-administrative structure	...	
C3.3	Is the LPS structure uniform across urban and rural areas?	...	
C3.4	Are there (other) asymmetries in the structure of the LPS?	...	
C3.5	Recognition of principles of autonomy and subsidiarity?	...	
C3.6	Clear and consistent assignment of the powers?	...	
C3.7	Formal mechanism for intergovernmental coordination?	...	
C3.8	Experience with regular local elections?	...	

The *LoGICA Intergovernmental Context* (segments 1-4) are contained in the first four worksheets of LoGICA’s Excel template. These worksheets contain general country background information; provide an outline of the country’s territorial-administrative structure; summarize the nature of governance at different subnational levels or tiers; and capture the assignment of functional responsibilities:

**General country information and subnational governance overview.** The first three worksheets of the LoGICA Profile contain general country background information; provide an outline the country’s territorial-administrative structure; and summarize the nature of governance at different subnational levels or tiers.

**Functions and public service delivery responsibilities.** Next, the Functions worksheets of the LoGICA Profile captures information about the assignment of functional responsibility and authority for key public

services, as well as the regulatory authority of subnational entities and their authority to regulate and plan physical space.

The **LoGICA Country Profile** (segments 5-8) captures detailed information about the political, administrative, fiscal and service delivery arrangements for subnational governance institutions in a country. The Country Profile's detailed institutional segments cover four additional worksheets:

***Political, administrative and fiscal aspects of the subnational public sector.*** The fifth, sixth, and seventh worksheet of the LoGICA Framework collect details on the political, administrative, and fiscal arrangements at different subnational levels.

Political (decision-making) aspects of the subnational public sector captured by the LoGICA Profile include issues related to subnational and intergovernmental political power structures; the structure and quality of local electoral systems; the nature of political party systems; and subnational political participation and accountability.

Consideration of the nature of administrative arrangements at different subnational levels includes issues related to subnational human resource management and subnational procurement.

With regard to the fiscal aspects of the subnational public sector, the LoGICA Profile captures questions dealing with the assignment of revenue and subnational revenue administration; intergovernmental fiscal transfers; and subnational borrowing and debt. In addition, the LoGICA Profile seeks information on the relative importance of different funding instruments at different levels of the subnational public sector.

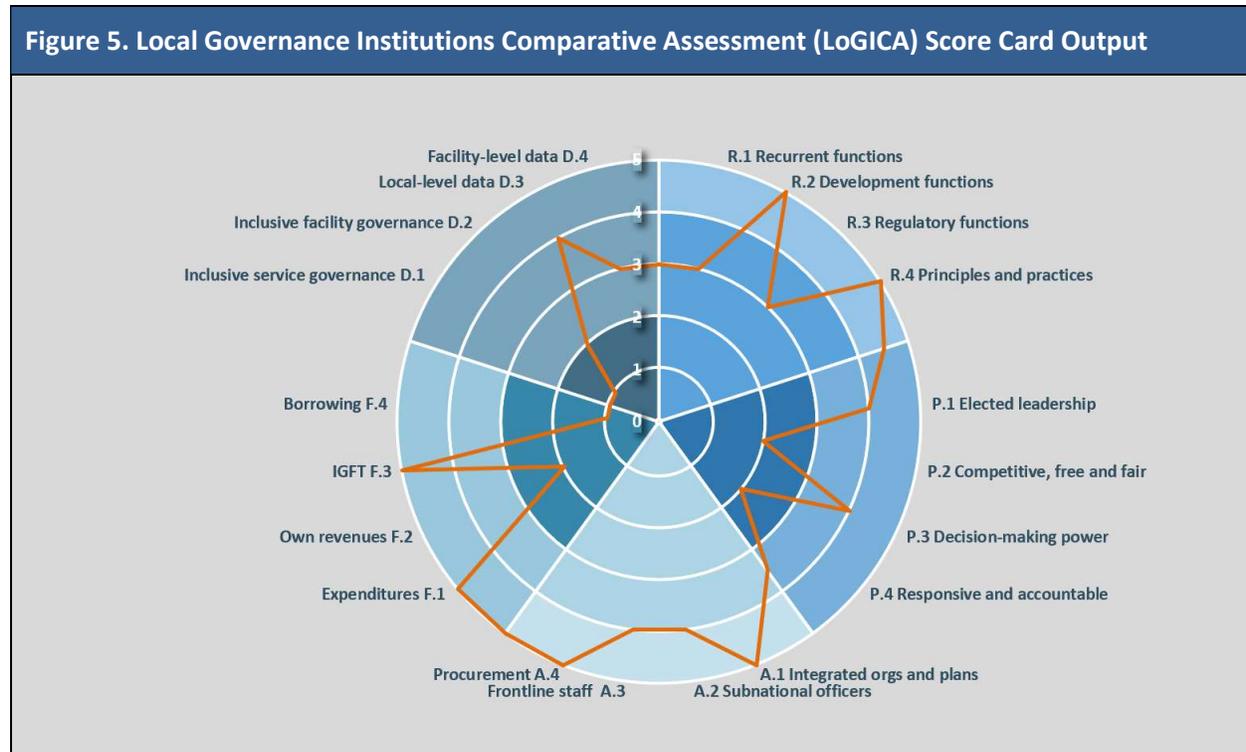
***Inclusive, responsive, and accountable local services and development (sector-specific services).*** Although local services are often dealt with uniformly in the context of decentralization policy discussions, in reality, the institutional and intergovernmental arrangement to deliver frontline public service in different sectors often varies considerably between sectors. Without taking account the specifics of different sectoral (or service delivery) arrangements, it is difficult to establish between the empowerment of local governance institutions and the inclusiveness and responsiveness of local public services. As such, the final segment of the LoGICA Country Profile captures information about the extent to which the multilevel governance structure supports inclusion with respect to specific local services and localized development, including—among others—the extent of local control and oversight over local facilities and frontline service providers, the extent to which disaggregated local-level and facility-level data are publicly available for key local services, public expenditures and localized development indicators. Disaggregated local- and facility-level data are needed to ensure that the public sector effectively targets its local service delivery and development efforts across its national territory where they are needed the most.

Annex 1 provides additional information and guidance on the preparation of the LoGICA Intergovernmental Context, while Annex 2 provides detailed guidance on the preparation of the LoGICA Country Profile. The results from the LoGICA assessment are written up in the LoGICA Assessment Report, discussed further in Section 5.

## 4. The Local Governance Institutions Comparative Assessment (LoGICA) Score Card

While the LoGICA Country Profile provides a detailed, in-depth assessment of the state of multilevel governance in a country (by reviewing the institutional arrangement of all subnational levels/tiers/types in detail), the LoGICA framework was also developed to allow countries to consider their multilevel governance arrangements in a comparative manner. With this in mind, the **LoGICA Score Card** allows for a somewhat “lighter touch” assessment of multilevel governance systems in a way that considers the extent to which subnational officials are empowered to respond to the priorities of their constituents by asking:

1. How empowered are subnational officials in responding to the priorities of their constituents in terms of their functional responsibilities and mandates?
2. How empowered are subnational officials in responding to the priorities of their constituents in terms of their authoritative or political decision-making power?
3. How empowered are subnational officials in responding to the priorities of their constituents in terms of their control over local public administration?
4. How empowered are subnational officials in responding to the priorities of their constituents in terms of their fiscal powers and resources?
5. How empowered are subnational officials in responding to the priorities of their constituents in terms of providing inclusive, responsive efficient and accountable services and development?



While the Country Profile generally probes the nature of subnational governance of a country in isolation, the perspective brought by the Score Card facilitates a comparative entry point into policy discussions surrounding the different dimensions or aspects of decentralization and multilevel governance arrangements.<sup>6</sup>

The five main questions or institutional dimensions of a country's local governance system are captured by the LoGICA Score Card on the basis of 20 individual indicators of subnational empowerment and effective multilevel governance.

Each score card indicator seeks to assess the functioning of an element of a country's multilevel governance system based on an ordinal indicator ranging from zero points to five points. For some indicators, fractions of points can be awarded.

The set of assessment indicators is focused on assessing the extent to which a country is effectively decentralized or localized on the basis of conceptual norms of effective localization and good local governance as well as existing good international practices. For each of the indicators, detailed guidance has been developed on what conditions would have to be met to warrant a certain score. As a rule, more points are awarded for multilevel governance arrangements that promote greater empowerment of the people through the empowerment of the local public sector.

Aggregate ***Dimension Scores*** are computed for each of the five institutional dimensions by aggregating the scores for the individual scorecard indicators in each category (with a maximum score of 20 points for each dimension). The aggregate score for a country on the LoGICA Score Card is referred to as its ***Scorecard Total***. The Scorecard Total ranges from zero points to a maximum of 100 points. It is important to recognize that *Dimension Scores* and the *Scorecard Total* are merely unweighted aggregates of the detailed Score Card Indicators. There is no underlying assumption that there is a linear relationship between the extent of overall subnational public sector empowerment and the underlying dimensions. In fact, there is considerable reason to expect that this relationship is complex and nonlinear in nature.

Care should be taken in interpreting scores on the LOGICA Score Card. While an inclusive, efficient, and responsive public sector requires public officials at all levels to be appropriately empowered, capacitated, and accountable for their performance, it is easier to measure some aspects of public sector governance and management in a cross-country context (such as the degree of authority or empowerment of subnational officials) when compared to other aspects of public sector governance and management (capacity; accountability). The LoGICA Score Card is geared towards aspects of multilevel governance that can be scored in an objective and consistent manner.

Furthermore, the LoGICA Score Card's aim is to capture the overall nature of a multilevel governance system, rather than trying to assess the granular nature of subnational governance at every level or tier in a country (which is done by the Country Profile). In some cases, this requires judgmental calls to be made (e.g., as to the appropriateness of intergovernmental systems) in the scoring of indicators. As such, by the very nature of the LoGICA Score Card, there is a greater potential degree of inconsistency or subjectivity in the scoring of Score Card Indicators when compared to the responses for LoGICA Country Profile questions. Whenever possible, country assessment teams are encouraged to rely on one or more

---

<sup>6</sup> Assessment teams are encouraged to complete the LoGICA Intergovernmental Context prior to completing the LoGICA Score Card.

appropriately qualified researchers or scholars to ensure an objective and dispassionate scoring of the LoGICA Score Card Indicators.

In addition, it is critical to note that while higher scores suggest a greater degree of decentralization or subnational empowerment or autonomy across different dimensions of the public sector, higher scores do not necessarily point to a more inclusive or effective multilevel governance system.

The ability of a local governance system to effectively localize the interaction between the public sector and the people is largely driven by a country's territorial-administrative structure, its level of economic development, and its administrative and governance traditions. As a result, different countries approach the localization of the public sector differently. Different institutional scores may thus reflect deliberate policy choices made by national political leaders based on the country's social, economic and governance context.

Interpreting the results of the LoGICA Dimension Scores and the Scorecard Total thus should recognize that multilevel governance systems defy "one-size-fits-all" prescriptions and that no assessment framework is able to capture every relevant detail or nuance of each country's local governance processes and institutions. Whereas lower scores on the different institutional dimensions generally reflect institutional arrangements that rely less on local-level discretion and less on local-level accountability, the effective localization of public services may be achieved differently in different countries. While the assessment indicators included in the LoGICA framework are general indicators or "pointers" of more effectively localized governance institutions and practices, the impact of specific institutions or practices on the effectiveness of the multilevel governance system as a whole can vary from country to country. As a result, it is impossible to determine a unique weighting scheme for different assessment indicators.

Annex 3 provides further information on the LoGICA Score Card as well as detailed guidance on the scoring for each of the 20 LoGICA Score Card Indicators.

## 5. The LoGICA Country Brief and the LoGICA Assessment Report

Both the LoGICA Country Profile and the LoGICA Score Card are completed in an Excel template format. The LoGICA Country Brief and the LoGICA Assessment Report offer the assessment team opportunities to present a written narrative and assessment regarding the nature and effectiveness of multilevel governance arrangements in a country.

The LoGICA Country Brief aims to present a succinct overview of the multilevel governance system in a country, based on the findings of the LoGICA Score Card (along with the findings of the first four segments of the LoGICA Profile, which describe a country's intergovernmental architecture). The LoGICA Brief is a short, written report, supplemented with a number of PowerPoint-based visuals.

The objective of the Local Governance Institutions Comparative Assessment Report (LoGICA Report) is to provide a narrative of the subnational governance system in a country based on the Country Profile's indicator-led analysis in a concise and standardized manner. Information provided by the LoGICA Report would feed into the dialogue between local governance stakeholders within a country, as well as into the dialogue central government and donor partners.

The LoGICA Report aims to provide a description and an assessment of the current multilevel governance system and does not intend to provide recommendations for reforms or action plans. In case the LoGICA Report is jointly or collaboratively prepared by different stakeholders (as further discussed in Section 6) and different views are held by different stakeholders with regard to the findings of the report, dissenting or supplementary opinions could be reflected in an annex of the report.

Annex 4 provides additional information and guidance on the preparation of the LoGICA Brief and the LoGICA Assessment Report.

## 6. The process of conducting a LoGICA Assessment

The Local Governance Institutions Comparative Assessment (LoGICA) Framework is a free, “open source” assessment methodology developed by the Local Public Sector Alliance. The methodology is available for any stakeholder to use in order to conduct an assessment of local governance institutions and the state of local governance in any country around the world.

***When to initiate a LoGICA Assessment?*** Dialogue on the need for a decentralization review or multilevel governance assessment is normally considered the starting point of the LoGICA assessment process. Such a dialogue often evolves from a discussion of the need to improve subnational or intergovernmental systems, which may be part of a broader decentralization reform process, an intervention to support public sector performance, or the result of strategic partnership arrangement with development partners. The dialogue may also be the result of an internal discussion within government or between government and development partners and/or civil society organizations/representatives. The members of the dialogue team may be considering a LoGICA Assessment to achieve a baseline understanding of the country’s multilevel governance arrangements, or they may be considering the need for a current assessment to follow one or more assessments completed in previous years.

***Towards a shared understanding of the multilevel public sector: stakeholders and audience.*** Given the important role that decentralization, multilevel governance and intergovernmental relations play in the functioning of the public sector, there are typically numerous stakeholders with a strong interest in better understanding (and strengthening) the multilevel or intergovernmental aspects of the public sector. These stakeholders typically include central government ministries (including the ministry responsible for local government or local development, but also the Ministry of Finance, as well as central sector ministries and other central stakeholder); local government officials and local government associations; public policy researchers at universities and research organizations; foundations, civil society organizations and other civil society stakeholders interested in promoting inclusive, community-led development; as well as regional or global development organizations.

Each of these stakeholders can benefit from a LoGICA Assessment, as an active participant in the preparation of the assessment, as a peer reviewer, or as part of the audience for the completed assessment.

***Different approaches to conducting a LoGICA Assessment.*** Public sector governance reforms—including those dealing with decentralization and multilevel governance—are defined by their purpose. Generally, public sector management reforms seek to achieve sustainable improvements to the effectiveness of the public sector by improving the “results chain” that connects upstream policy reforms to downstream improvements in frontline public services (World Bank 2012). They are not pre-defined by assumptions about the right place to start.

As an open assessment methodology, there are different ways in which the process of drafting, reviewing and publication of a LoGICA assessment can be initiated and conducted. These range from a single, well-positioned country-level stakeholder initiating and conducting a LoGICA assessment on its own accord; to a collaborative, country-level assessment; to the preparation of multiple LoGICA Profiles in a cross-country setting.

***Process for a collaborative, country-level LoGICA Assessment.*** The process and drafting, reviewing and publication of a LoGICA Profile, LoGICA Score Card, and LoGICA Report establishes the basis for a dialogue among stakeholders to examine the reasons for strong or weak performance of the multilevel governance arrangement in the public sector. The process highlights the dimensions of areas of decentralization and multilevel governance where reforms may be appropriate and provides an opportunity to start building consensus around prioritizing actions to address weaknesses that are identified. Other diagnostic tools—such as the Local Public Sector Alliance’s *Intergovernmental Fiscal and Expenditure Review*—may be applied to gain further insight into the vertical functioning of the public sector as part of the LoGICA assessment process.

There are different approaches describing how best to initiate and conduct a collaborative public sector review, including OECD Public Governance Review and the World Bank’s GovEnable framework. For the purpose of conducting a LoGICA Assessment, the Assessment Team may wish to draw from the assessment process recommended by the Public Expenditure and Fiscal Accountability (PEFA 2018) Handbook in the process of preparing PEFA assessments.

Whenever possible, country-level assessment teams are encouraged to rely on one or more appropriately qualified researchers or scholars to ensure an objective application of the framework at the country level. Assessment teams are further encouraged to seek external peer reviewers—who are experts in their filed—to validate their analysis.

Furthermore, draft LoGICA Assessments are to be submitted to LPSA’s Secretariat for a Quality Assurance Review before finalization.

## 7. The role of the Local Public Sector Alliance Secretariat

The Local Public Sector Alliance Secretariat has three roles in the process of applying the LoGICA framework at the country level: (i) methodological guidance and backstopping, (ii) quality assurance, and (iii) publication and knowledge sharing.

**Methodological guidance and backstopping.** In addition to the development of the LoGICA assessment framework itself, the Local Public Sector Alliance Secretariat provides methodological support, guidance, and backstopping during the implementation of the LoGICA framework.

**Quality Assurance.** As part of its backstopping role, and in order to ensure the reliability and validity of the information and comparative data generated by the LoGICA framework, the Local Public Sector Alliance Secretariat ensures the quality of LoGICA Assessments by providing in-depth Quality Assurance Reviews of draft LoGICA reports prepared in accordance with the Framework.

**Publication and knowledge sharing.** It is expected that LoGICA Country Profiles, LoGICA Score Cards, and LoGICA Country Briefs and Reports will be published by the teams that prepare them and made available to those interested within and outside the country covered by the report. The LoGICA Secretariat maintains a database of all LoGICA assessment reports submitted. All reports are also made publicly available to the public on the Local Public Sector Alliance website at [www.decentralization.net](http://www.decentralization.net).

**More information.** More information about the LoGICA assessment process—and the support provided by the Local Public Sector Alliance—is available online at [www.decentralization.net/resources/logica-framework](http://www.decentralization.net/resources/logica-framework) or by email at [logica@decentralization.net](mailto:logica@decentralization.net).

## Selected Background Readings

Boex, J.. 2012. *Measuring the Local Public Sector: A Conceptual and Methodological Framework*. Washington: The Urban Institute.

Boex, Jamie, Tim Williamson, and Serdar Yilmaz. 2022. *Decentralization, Multi-Level Governance, and Intergovernmental Relations: A Primer*. Washington, DC: Local Public Sector Alliance / The World Bank.

Charbit, Claire. 2011. "Governance of Public Policies in Decentralised Contexts: The Multi-level Approach", OECD Regional Development Working Papers, 2011/04, OECD Publishing.

International Monetary Fund (IMF). 2001. *Government Finance Statistics Manual 2001*. Washington, D.C.: IMF.

Ladner, Andreas. 2020. *Local Autonomy Index 2.0 and Coding Scheme*. Université de Lausanne.

Local Public Sector Alliance. 2022. *Intergovernmental Fiscal and Expenditure Review Handbook*. Washington: Local Public Sector Alliance. (Work in Progress)

OECD. 2019. *Making Decentralization Work: A Handbook for Policy-Makers*, OECD Multi-level Governance Studies. Paris: OECD Publishing. <https://doi.org/10.1787/g2g9faa7-en>.

PEFA Secretariat. 2016. *Framework for assessing public financial management*. Washington: PEFA Secretariat. <https://www.pefa.org/resources/pefa-2016-framework>

PEFA Secretariat. 2018. *PEFA Handbook, Volume I: The PEFA Assessment Process – Planning, Managing and Using PEFA*. Washington: PEFA Secretariat. [https://www.pefa.org/sites/pefa/files/news/files/PEFA-Handbook-Volume-1---second-edition\\_0.pdf](https://www.pefa.org/sites/pefa/files/news/files/PEFA-Handbook-Volume-1---second-edition_0.pdf)

UNDP. 2015. *A Users' Guide to Measuring Local Governance*. Oslo: UNDP Oslo Governance Centre. <https://www.undp.org/publications/users-guide-measuring-local-governance-0>

World Bank. 2012. *The World Bank Approach to Public Sector Management 2011-2020 : Better Results from Public Sector Institutions*. Washington: World Bank. <https://openknowledge.worldbank.org/handle/10986/22534>

Yilmaz, Serdar, Yakup Beris, and Rodrigo Serrano-Berthet. 2008. "Local Government Discretion and Accountability: A Local Governance Framework." *Social Development Working Paper No. 113*. Washington, DC: The World Bank.

**Annex 1**  
**The Local Governance Institutions Comparative**  
**Assessment (LoGICA)**  
**Intergovernmental Context**

## Annex 1: The Local Governance Institutions Comparative Assessment (LoGICA) Intergovernmental Context

This annex provides guidance regarding the preparation of the Local Governance Institutions Comparative Assessment - Intergovernmental Context (LoGICA Intergovernmental Context).

### Overview of the LoGICA Intergovernmental Context

Drawing on the Local Public Sector Country Profile methodology, the **LoGICA Intergovernmental Context** captures basic information about the different aspects of a country's subnational governance structure and its subnational public sector (Boex, 2012). The Intergovernmental Context consists of four separate segments or worksheets, capturing different aspects of the country's multilevel governance structure and arrangements.

The first four segments of the LoGICA Framework deal with the country's intergovernmental architecture, subnational governance structure and functional assignments. Jointly, these four segments may be referred to as the **LoGICA Intergovernmental Context**:



**1. General country information.** The first worksheet of the LoGICA Profile provides general country background information. (C – Country information)



**2. Territorial organization and administrative structure.** Next, the LOGICA Profile captures information about the country's territorial-organizational structure, providing details about the number of levels or tiers of governance or administration in a country, and the number of jurisdictions at each level or tier for (up to) eight main levels, tiers, or types of subnational jurisdictions. (S – Structure)



**3. Subnational governance.** Third, the subnational governance profile captures the main institutional and governance features of regional and local entities by asking questions about the legal, institutional governance, and budgetary nature of subnational entities. This information helps to determine whether jurisdictions at each level or tier are devolved local governments, deconcentrated local administrative units, or any other type of local body. (G – Governance)



**4. Functions and public service delivery responsibilities.** Fourth, the Functions worksheets of the LOGICA Profile (4a and 4b) capture basic information about the assignment of responsibility and authority for key service delivery functions, as well as the regulatory authority of subnational entities and their authority to regulate and plan physical space. (R – Responsibilities)

Detailed guidance is provided in this annex on how to complete each of the indicators / questions contained in each segment of the LoGICA Intergovernmental Context.

The subsequent four segments of the LoGICA Framework (segments 5-8) deal in detail with the country's political, administrative, fiscal, and service delivery systems at each level or tier. These four segments are referred to jointly as the **LoGICA Country Profile** and are discussed in further detail in Annex 2.

The **LoGICA Intergovernmental Context** is to be completed in the Excel template. In most case, responses should be provided in two parts. First, assessors are expected to select a discrete response from the

choices offered. In some cases, assessors are required to select from options such as “[Yes]/[No]/[Other]”, “[Yes]/[No]/[Mixed/Other]”, or the list of government levels / tiers / types. In other cases, discrete responses may offer options specific to the indicator / question at hand. In a few cases, indicators / questions are open-ended (e.g., the names of relevant laws).

Second, whenever necessary, assessors are expected to clarify or qualify their discrete responses or information sources in the Comments / Clarifications / Notes section. When possible, assessors are encouraged to prepare a LOGICA Country Brief or Assessment Report, which allows the assessment team to provide a full description and assessment of the country’s multilevel governance structure, intergovernmental systems, and local governance institutions.

In order to achieve an assessment that is meaningfully comparative across different country systems, it is important for the assessor to apply a consistent, strict and unbiased interpretation of the assessment indicators. For instance, the response “Yes” should only be selected when the indicator / question (or every part of the question) can be answered affirmatively, without further qualification. When this is not the case, the appropriate answer is typically “No”, and further clarification should be provided as to why the indicator question is not—or only partially—true.<sup>7</sup>

Reliance on responses such as “Partial” or “Mixed” should be kept to a minimum. These responses are included because the framework should be applicable to 195 countries and territories, which might offer unforeseen situations. These responses should primarily be used in federal countries or asymmetrically organized countries, where institutional practices at the same level may vary considerably between different states or provincial governments.

## 1. General country information

**Basic country information (C1).** The General Country Information Section provides basic country information for the LOGICA Profile, starting with country name, reporting period (year), and national population. The Country Name (C1.1) can be the country’s commonly used “short form” (rather than a country’s longer, more formal name). Next, because local governance institutions change over time, time coding of the LOGICA information is important. Typically, a Country Profile will seek to collect information for the latest year for which relevant information is available. This calendar year is to be indicated for C1.2.

The total national population is to be entered in persons (i.e., not in thousands or millions). If possible, this amount should reflect the estimated national population mid-year. In addition, the country’s urbanization rate (i.e., the urban population as a percent of total population) is to be entered into the profile in order to provide country context.

Among others, the population figure can be used to determine the average size of local jurisdictions. Country-specific demographic estimates can vary considerably. When recent census counts or reliable

---

<sup>7</sup> Responses may be answered in the affirmative even in cases where minimal qualification is required. For instance, the response to the question “Is the United States of America full sub-divided into States?” should technically be “No” if the Federal Capital District (Washington, D.C.) is considered. However, 99.8% of Americans live in one of the country’s 50 States. As such, with this minor qualification made, the most appropriate response would be “Yes”.

census-based estimates are unavailable, the preferred data source for population is World Population Prospects, or other related UN data sets (e.g., <https://population.un.org/wup/Country-Profiles/>).

**Central public sector information (C2).** The second element of the General Country Profile is a segment on Central Public Sector Information. The information gathered about the central public sector is not intended to be comprehensive, but rather, seeks to provide some information about possible political and institutional incentives that the central public sector might face in its interactions with the subnational public sector.

*C2.1 What is the administrative tradition of the country (at the central government level)?* This question requires an open-ended response, if pertinent. Contemporary public administration tends to reflect not only current ideas about how the public bureaucracy should be organized and function, but it also reflects its historical roots. For instance, within Western Europe, distinctions can be made between British, Napoleonic, Germanic, Scandinavian and Latin-Napoleonic administrative traditions. In many countries in Africa, Asia, and the Americas, colonial administrative traditions and influences (including British, French, German, Portuguese and Spanish) continue to be present. In other countries, other historical and traditional practices (e.g., Ottoman; Islamic; Soviet) may continue to influence contemporary public administration practices.

*C2.2 What system of government does the country have at the central government level?* Possible options include ‘Presidential’, ‘Parliamentary’ and ‘Other’. A presidential system reflects a system where the President (typically the Head of State and Head of the Executive Branch) is directly elected. A parliamentary system reflects a system where parliament elects the Prime Minister, who acts as the Head of the Executive Branch.

*C2.3 Do competitive elections take place at the national level?* Valid responses include ‘Yes’, ‘No’ or ‘Mixed/Other’. The intent of this question is to capture the existence of a strong and effective democratic tradition that results in meaningful change in political power at the central government level through electoral processes. As such, the existence of competitive, multi-party elections at the national level is considered a necessary but not a sufficient condition for a competitive electoral system. Instead, we would like to observe regular elections over the past twenty years (one election at least every seven years), whereas we would expect at least one democratic transition from one political party to another to have taken place (either in the legislative branch or in the executive branch) as proof of the *de facto* competitive nature of the political system over the past twenty years.

*C2.4 How is the central government’s parliament structured?* Appropriate responses include ‘Unicameral’, ‘Bi-cameral’, or ‘Other’.

*C2.5 / C2.6. What electoral process is used in the election of the general assembly / lower house and senate / upper house (if any) of parliament?* Options for these two questions include ‘Proportional Representation (Party List)’, ‘Single-Member Constituency (First Past The Post)’, ‘Other Direct Election’, ‘No Direct Election’, or ‘Mixed System’. Please record “Mixed” (and clarify in the Country Profile Notes) if there are special/appointed seats in parliament (e.g., the military, labor unions, societal organizations, and so on) alongside “regular” elected seats. If there are set-aside seats in parliament for women, but all other members of parliament are directly elected, please select the main electoral process (rather than selecting “Mixed”). The “Other Direct Election” option includes different direct election mechanisms, such as Multiple-Member Constituencies. The option “No Direct Election” includes indirectly elected

parliaments as well as countries where there is no elected institution that holds legislative power. If there is no upper house of parliament (as indicated in C2.4), simply leave the answer for C2.6 blank.

**Framework guiding local public sector and intergovernmental relations (C3).** The third segment of the General Country Information considers the constitutional and legislative framework guiding the local public sector. Whenever necessary, please clarify responses in the LOGICA Report.

*C3.1 What is the country's intergovernmental political structure?* Valid responses to this question include 'Federal', 'Unitary' or 'Partially/Mixed/Other'. A federal country is a country where the constitution assigns certain powers to state or regional governments, which cannot be unilaterally abrogated by the national government. In contrast, a unitary country is a state governed as one single unit in which the central government is supreme and any subnational units (whether local administrative units or local governments) exercise only powers that their central government chooses to transfer or 'delegate'. Many states in the world have a unitary system of government. There are only a select number of federal countries in the world (see the Forum of Federations, <http://www.forumfed.org>).

It should be noted that decentralization (devolution) is possible in both federal as well as unitary countries. Indeed, many unitary countries (particularly in the industrialized world) are quite decentralized (in terms of the share of public expenditures that takes place below the central level). Although the degree of expenditure decentralization within federal countries varies considerably, federal countries often have a higher share of sub-central expenditures than unitary countries.

*C3.2 Overall territorial-administrative structure.* This indicator seeks to summarize the overall nature of the subnational public sector, based on the predominant approach(es) to decentralization and localization within the public sector. Appropriate responses include 'Devolved subnational governments', 'Hybrid subnational governance institutions', 'Horizontal (territorial) deconcentration'; 'Vertical (sectoral) or other deconcentration'; 'Other institutions'; or 'Mixed'. Detailed definitions of each classification / subnational institutional type are provided as part of indicator G.4.

If there is a single dominant subnational government level, the overall territorial-administrative structure should reflect the nature of the dominant subnational governance level / tier / type. If there is more than one dominant subnational government level, tier, or type (which may disproportionately be the case in (quasi) federal systems) the assessor will need to select the option that most closely reflects the institutional nature of the two most dominant levels.

Note that this question does not assess the overall importance of subnational institutions in the public sector, which may be either limited or extensive. Instead, the question focuses on the overall nature of territorial-administrative institutions.

Unless the main subnational levels or tiers in a country are of the same institutional type, it may be difficult to capture the overall nature of a country's territorial-administrative structure in a single category. 'Mixed' should be selected if the public sector relies on two (or more) different types of subnational governance institutions or systems. Clarifications should be provided in the comment section (and in the Country Brief / Assessment Report) to clarify or qualify the selection as needed. It may be necessary to revisit the answer to this question after completing the segment on Subnational Governance (G1-G4).

*C3.3 Is the structure of the LPS uniform across urban and rural areas?* Appropriate responses include 'Yes', 'No' and 'Partially/Mixed/Other'. In Mozambique, for example, elected municipal governments operate



in urban areas, whereas rural areas are administered by deconcentrated offices of the state administration. Similarly, in Turkey, there are 5 types of municipalities with asymmetric arrangements in service delivery responsibilities, revenue sources, and transfers. If the territorial-administrative structure of the local public sector is not uniform across urban and rural areas, this issue will likely be addressed as part of the Organizational Structure segment of the Intergovernmental Context (for instance, by possibly listing urban and rural institutions as separate entities). Whenever necessary, please clarify the response in the LoGICA Country Brief or Assessment Report.

*C3.4 Are there (other) asymmetries in the structure of the subnational public sector?* Beyond any possible asymmetries between urban local government and rural local governments, are there any (other) asymmetries in the structure of the subnational public sector? Examples of such asymmetries may include the presence of “Autonomous Regions” in a country (with different powers, functions or revenues when compared to other entities at the same level), or asymmetries caused by different states in a federation relying on vastly different local government systems. Appropriate responses include ‘Yes’, ‘No’, and ‘Partially/Mixed/Other’. If there are asymmetries in the territorial-administrative structure of the subnational public sector, this issue needs to be clarified and discussed as part of the Territorial Organizational and Administrative Structure Profile. Whenever necessary, please clarify the response in the LoGICA Country Brief / Assessment Report.

*C3.5 Does the central government recognize local self-governments and the principle of autonomy and subsidiarity?* This question refers not only to the *de jure* (legal) context, but also to the *de facto* situation. Appropriate responses include ‘Yes’, ‘No’ and ‘Partially/Mixed/Other’. Most constitutions (and/or the relevant legislative framework) recognize the existence of local governments. This does not necessarily mean that central governments recognize local self-governments and the principle of autonomy and subsidiarity. Instead, the concept of local self-governance requires the recognition that local governments are not primarily agents of the central government, but rather, that local governments have their own decision-making space and that local bodies exist primarily in order to promote the priorities, interests and wellbeing of its constituents. Recognition of the principles of autonomy and subsidiarity is demonstrated when local autonomy is protected by constitution or law and respected by central government, with central supervision confined to *ex post* verification of the legality of local government decisions.

*C3.6 Does the constitution or the legal framework provide a clear and consistent definition of the powers and responsibilities of different government levels, and is this assignment of functional responsibilities adhered to in practice?* Appropriate responses include ‘Yes’, ‘No’ and ‘Partially/Mixed/Other’. An affirmative response should be provided when existing legislation is on the whole clear and precise on the roles and responsibilities of different local government levels and is adhered to in practice. A negative response should be provided when no legislation exists; when there are unclear or contradictory laws and regulations; or when the legislated expenditure assignment is not consistently adhered to. The answer to this question should be consistent with the more detailed analysis of (de jure and de facto) assignment of functions and expenditure responsibilities, which is discussed in greater detail in the fourth segment of the Profile.

*C3.7 Is there a formal mechanism for intergovernmental coordination?* Appropriate responses include ‘Yes’, ‘No’ and ‘Partially/Mixed/Other’. An affirmative response should be given if there is a formal institutional mechanism that brings together representatives from central, regional (as appropriate) and local governments in order to coordinate intergovernmental (financial) issues, and/or to serve as a

platform for intergovernmental dispute resolution.<sup>8</sup> Examples as such institutions include Germany's Financial Planning Council, South Africa's Fiscal and Financial Commission (FFC), Kenya's Commission on Revenue Allocation (CRA), Nepal's National Natural Resource and Fiscal Commission (NNRFC) or Uganda's Local Government Finance Commission (LGFC). A negative response should be provided if no formal organizational mechanism exists to bring together representatives from different government levels to provide a platform for dialogue and/or for dispute resolution. For instance, this is the case in the United States (where the Advisory Commission on Intergovernmental Relations was abolished in 1996). Other countries may provide mixed or other systems. For instance, in India and Pakistan, Intergovernmental Finance Commissions are formalized commissions that are periodically constituted to guide reforms of the intergovernmental fiscal system. In other countries, local government association may play a more or less formalized role in vertical intergovernmental coordination (e.g., the Netherlands).

*C3.8 Does the country have experience with regular local elections?* This question applies to the main elected subnational government level (if any). Options include 'Yes', 'No', and 'Partially/Mixed/Other' in accordance with the following standards:

- Yes – regular local elections have been held consistently over the past 20 or more years, with intervals of less than 7 years between local elections.
- No – local elections have been held regularly over the past 15-20 years, with intervals of less than 7 years between local elections.
- No - local elections have been held at least once in the past seven years (but have not yet been held on a regular basis over a period exceeding 15 years).
- No – local election have never been held, or local elections were held more than seven years ago.
- Partially/Mixed/Other – should only be used when there are different experiences at different subnational government levels, or when there are different experiences in different parts of the country (e.g., within federal countries).

*C3.9 Does the timing of central and local elections coincide (or are elections at different levels timed sequentially)?* Appropriate responses include 'Yes', 'No' and 'Partially/Mixed/Other'. Turnout can be expected to be higher when central and local elections are held concurrently. In contrast, sequencing of elections (e.g., local government elections prior to center elections) may allow political parties to build on gains in local elections as a springboard to national elections.

*C3.10 Recent or ongoing decentralization reforms?* The final question with regard to the framework guiding intergovernmental relations asks whether a major decentralization reform took place during the years preceding the preparation of the Profile. Appropriate responses to this question are 'Yes', 'No', and 'Mixed/Other'. Only answer 'yes' if a major decentralization reform is actually being implemented in a way that is resulting in a major change in the structure, functioning or financing of the (subnational) public sector. Typically, such reforms are the result of a constitutional reform or major public administration reforms. Do not answer 'yes' if a new constitution or decentralization act was adopted, but without the accompanying reforms being (at least, in part) implemented prior to the year for which the LoGICA Profile is being completed. Decentralization reforms and local government reform efforts of lesser magnitude can be indicated using the 'Mixed/Other' designation, with further detailed provided in the LoGICA Report.

---

<sup>8</sup> This question does not pertain to the election of an upper house of parliament, which may or may not be constituted to represent the interest of subnational jurisdictions at the central level.

**Main decentralization / subnational / intergovernmental legislation (C4).** What is the name/year of the main law(s) guiding structure and finances of the local public sector? Please respond with the name of the legislation, and the year in which the current legislation was enacted. Please start with any references to the country's intergovernmental or subnational governance structure contained in the constitution or Basic Law. Typically, the establishment and the legislative framework for the operation of local governments is guided by a Decentralization Law, a Local Government Act, or Municipal Law. It is not unusual for local government finances, local public service management, (local) elections, and (local) procurement to be addressed by separate legislation. In countries with a deconcentrated public sector structure, the relationship between different administrative tiers is often codified as part of a Local Administration Act.

**Key stakeholders in multi-level governance policy (C5).** The final section of the country background information seeks to identify stakeholders at different government levels that might have an interest in decentralization, or that ought to be part of policy debate on multilevel governance. Please respond with the name of the organization or organizational mechanism—and where relevant, the department or unit—that deals with decentralization, multi-level governance, or intergovernmental relations. As part of the LoGICA Report, further detail may be provided on each of these organizations. Whenever possible, these entities should be invited to be part of the LoGICA Assessment process as team members; key informants; or peer reviewers.

C5.1 Central ministry responsible for subnational governance/administration?

C5.2 Does Finance Ministry have dedicated subnational division/department?

C5.3 Do vertical sectoral coordination mechanisms exist?

C5.4 Intergovernmental coordinating bodies/commissions?

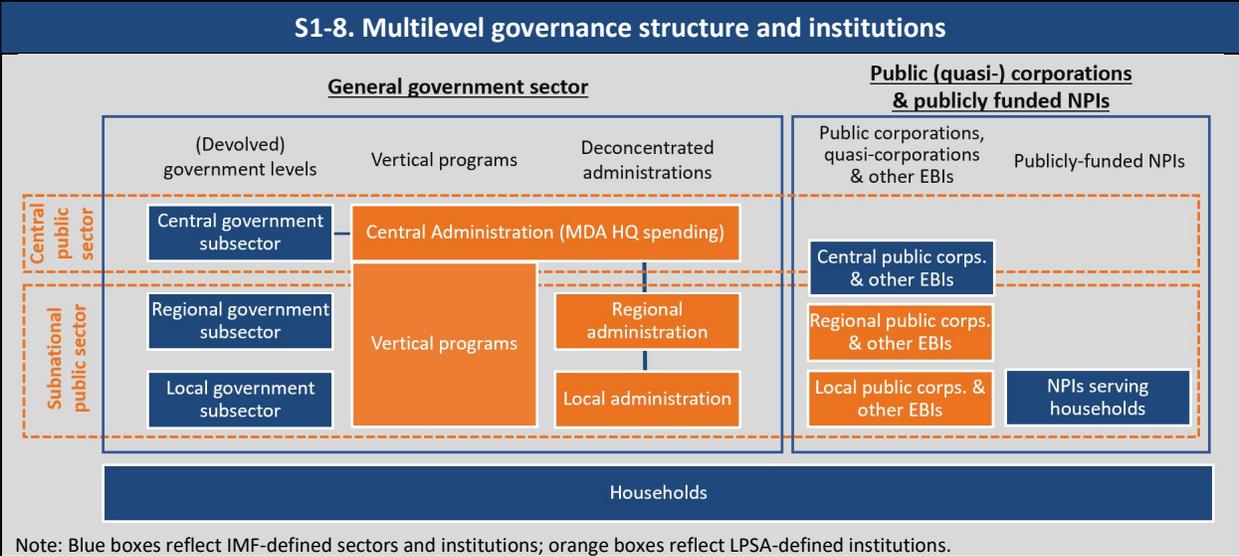
C5.5 Local government association(s)?

C5.6 Civil society stakeholders or policy/research organizations involved in decentralization discussions?

## **2. Territorial organization and administrative structure**

The Local Public Sector Territorial Organization and Administrative Structure Profile accommodates up to six sub-central or subnational levels or types of territorial-administrative governance or administration, which could either be subnational (regional and/or local) general purpose governments, subnational (deconcentrated) administrative tiers, and/or special-purpose subnational government types (such as elected water boards or school district governments). The Organizational Profile (S1-S8) records the existence of each government level, administrative tier, or subnational governance types; the number of jurisdictions that are present at each level/type, and a number of other basic territorial-administrative characteristics.

The LoGICA Framework is based on the IMF's framing of the public sector, with some minor modifications. According to the IMF's System of National Accounts (1993) and Government Finance Statistics (e.g., 2001), the total economy of a country can be divided into five sectors, with each sector consisting of a number of institutional units. The five sectors are (1) non-financial corporations, (2) financial corporations, (3) general government, (4) non-profit institutions serving households, and (5) households. The general government sector can be divided into three subsectors: the Central Government Subsector; the State Government Subsector; and the Local Government Subsector. The public sector is defined to include all units of the general government sector plus all public (financial and non-financial) corporations.



The IMF considers deconcentrated regional or local administration units as part of the central government subsector.<sup>9</sup> In contrast, the LoGICA Framework considers regional and local deconcentrated administrative units as part of the subnational public sector as long as they are identifiable of subnational sub-organizations in the central government budget. A comparison of the features of a “textbook” devolved local government versus a “textbook” deconcentrated local administration is presented in the table below). The LoGICA Framework in principle also recognizes that certain other central government programs (“vertical programs”) should be considered as part of the subnational public sector.

Devolution versus deconcentration		
	Devolution	Deconcentration
<b>Local entity</b>	Subnational government	Subnational administration
<b>Legal status</b>	Corporate body	Part of national / state administration
<b>Political status</b>	Own political leadership (elected local council and/or local executive)	No political decision-making power (advisory council, if any)
<b>Admin. status</b>	Appoints own officials and has discretion over own human resources	Local staff are hierarchical part of national civil service
<b>Fiscal status</b>	Has its own budget (separate from center); adopts its own budget Has own budget accounts, and retains own revenues in own budget	Budget is part of national budget as (sub-) organization Finances are part of Consolidated Treasury Account; any revenues belong to central government

Similarly, while the IMF’s institutional framework acknowledges that public corporations, public quasi-corporations, and other extrabudgetary institutions (EBIs) can exist at all government levels, its consideration of subnational public corporations and other subnational extrabudgetary entities is scant.

<sup>9</sup> According to the IMF (2001, Chapter 2: 14): “[i]f a government entity operating in a state is entirely dependent on funds from the central government, and if the central government also dictates the ways in which those funds are to be spent, then the entity should be treated as an agency of the central government.”

The LoGICA Framework specifically acknowledges that some central government owned public corporations and similar extrabudgetary institutions (e.g., national roads authorities) play an important role in localized development and frontline service delivery, and that regional and local-level public corporations and similar entities (e.g., municipal water companies; etc.) should similarly be recognized.

As per the IMF's definitions, in addition to all government units, the general government sector also includes all nonmarket non-for-profit institutions (NPIs) that are controlled and mainly financed by government units. Given that the governance and oversight of these entities is likely quite different from regular regional and local government departments, the LoGICA framework considers such entities as being more similar to public (quasi-) corporations.

With this general background, the LoGICA Organizational Structure Profile should include the levels, tiers and/or types of subnational governance or administration that are relied on in a country. This could include multiple regional (intermediate) levels and/or multiple local levels (e.g., district government; municipal government; village government). If there are more than eight subnational governance levels, tiers, or types, the assessment team should prioritize the most important ones, while describing the complete territorial-administrative structure in the LoGICA Country Brief or Assessment Report. In countries with a devolved public sector structure, this often include one or more levels or types of general-purpose government levels at the regional and local government levels.<sup>10</sup> If possible, major tiers or types of special-purpose subnational governments (e.g., elected school district governments; water boards) should generally be included as a separate level / tier / type in the territorial-administrative structure of the public sector if they represent a non-trivial amount of public spending (more than 1 percent).

In countries with a deconcentrated public sector structure, the territorial-administrative structure should include all major tiers of deconcentrated administration. Unlike subnational governments, deconcentrated departments or units are merely a hierarchical part of the next-higher government level. This means that deconcentrated local governance institutions are not corporate bodies; do not have their own political leadership; cannot own their own assets or engage in financial transactions; and cannot sue or be sued in their own name. Nor do deconcentrated jurisdictions have their own budgets: instead, their budgets are typically contained as sub-organizations within the budget of the higher government level.

In countries with a mixed (devolved and deconcentrated) public sector structure, the Organizational Structure Profile may include a combination of deconcentrated administrative tiers as well as subnational government levels. In fact, in some countries with a hybrid public sector structure, residents may be served by a deconcentrated subnational administration (for some services) as well as by an elected subnational government (for other services) each covering the same territorial jurisdiction. (For instance, this is common in traditional French public administration systems). In this case, it may be necessary to include the same territorial level in the Organizational Structure Profile twice: once reflecting the subnational administration institutions, and once reflecting the subnational government institutions.

Similarly, some countries have different subnational governance structures in urban areas and in rural areas. Among these countries, in some, urban and rural jurisdictions are essentially equivalent in how they operate, despite the different label. In other countries there are only relatively minor differences in functions and operation of urban and rural local governments, whereas in yet other countries, urban and

---

<sup>10</sup> Note that in most countries, wards are a political subdivision of the local government level, rather than a consolidated administrative subdivision. If wards function primarily or exclusively as a political subdivision, they should not be included as a separate level/tier in the territorial-administrative structure.

rural structures are completely different and unrelated. After careful consideration of the country's territorial administrative structure, the researcher or research team should use his or her discretion to determine whether the main and alternate structures are sufficiently different in nature to warrant assigning separate status in the organizational structure profile. For instance, urban and rural (district) local authorities may be empowered by two different laws, but for all intents and purposes, have the same functions and governance structures.

In completing the organizational profile, it should further be noted that in some countries there may be parallel systems that are not necessarily hierarchical, or that do not necessarily follow the hierarchical structure of the main territorial-administrative system. For instance, in Mozambique, elected municipal governments operate in urban areas alongside the hierarchical state administration system. In such cases, it may be practical to list the parallel structures as a separate government level/tier/type below the hierarchical structures, or to clarify the relationship (or lack of relationship) between different territorial-administrative levels in the LoGICA Report.

Some countries have a territorial-administrative structure that includes devolved as well as deconcentrated bodies at different government levels (e.g., a district council alongside a district administration). Other countries have a territorial-administrative structure that includes urban as well as rural institutions at different government levels.

In these cases, the assessment team has the option to use the hidden 'Alternative Structure' worksheet (**2 Alt Structure**) instead of the regular territorial-administrative structure worksheet (**2 Structure**). Both worksheets have the same functionality: the assessment team may use the worksheet that they feel presents the territorial-administrative structure the clearest (and hide the unused worksheet).

In countries with more than eight significant levels, tiers, or types of subnational governance institutions or entities, the LoGICA Country Brief or Assessment Report should include a description of the remaining level, tiers, or types.

Please note that the territorial-administrative profile should not include extrabudgetary entities, public corporations, or other autonomous public sector institutions (such as corporatized public service providers or front-line service delivery units or facilities) as a separate government level / tier / type. Given the principal-agent relationship between the parent government and the service delivery provider, such entities (whether public schools, public health facilities, water utilities or providers, and other public corporations or frontline service providers) should be considered as part of their parent government (i.e., the government level or entity that own, controls and/or operates them).

Despite their often-important role, international donors or development partners should not be understood to be part of their host country's public sector, and as such, should not be included as a separate level in the territorial-administrative structure. To the extent that development partners (directly or indirectly) support programs and public sector entities at the central, regional, and local government levels, these activities should be included in those respected government levels / tiers / types.

Care should be taken that the Organizational Structure Profile captures territorial-administrative institutions, rather than reflecting geographical territorial divisions. For instance, in some countries, provinces or districts are grouped into territorial regions for data reporting or oversight purposes, without these regions having their own (significant) institutional status or administrative structures. In such,

instance, “regions” should not be included in the Organizational Profile. The details of the Territorial Organization and Administrative Structure Profile should further portray the *de facto* situation, rather than reflecting the legislated system.

In addition to indicating the names of the different **subnational governance levels / tiers / types** and the **number of subnational governments** or territorial-administrative entities at each level (or of each type), four additional questions are asked about subnational institutions at each level, tier, or type:

- Does the subnational level or type provide **complete territorial coverage** of the next-higher level? In other words, are territorial-administrative jurisdiction at the next-higher level fully subdivided into contiguous subnational territorial-administrative units, so that every part of the higher-level jurisdiction is covered by lower-level jurisdictions?<sup>11</sup>
- Does the subnational governance level or tier have a **uniform institutional structure**? The correct response would be “no” if there is a substantial differences or asymmetry between government institutions at the same level (e.g., numerous “special” or “autonomous regions” 12th different governance arrangements) or if the same territorial-administrative level includes several different types of subnational government (e.g., urban / rural local governments) that are not further broken out in the territorial-administrative structure.<sup>12</sup>
- **What territorial-administrative level** should each subnational territorial-administrative level, tier or type be designated as: central, regional, or local? The IMF Government Finance Statistics Manual (2001: Chapter 2) provides extensive guidance on the definition of central, regional (provincial or state), and local government subsectors. Please note that it is possible to designate multiple territorial-administrative levels as either regional or local. For instance, both district governments and village governments could be considered local institutions; similarly, municipal governments and school district governments may both be considered local in nature.
- The **institutional nature** of each institutional level/tier/type is automatically completed in Segment 2 after the assessment team determines the subnational governance institutional type as part of indicator G4 (Segment 3).

Finally, please note that the LoGICA Framework does not explicitly ask assessors to explore the average population size or the population distribution among subnational jurisdictions. However, this element might be included in a LoGICA Country Brief or Assessment Report if such population data is available (as it is a useful input in assessing adherence to the subsidiarity principle). In most countries, the information contained in the Intergovernmental Context allows the assessment team to determine the average population size of subnational governance institutions at different levels. In addition, if the assessment team is conducting both a LoGICA assessment as well as an Intergovernmental Fiscal and Expenditure

---

<sup>11</sup> Incomplete territorial coverage may occur when there are certain non-uniform or asymmetric subnational institutional arrangements. For instance, county jurisdictions in the United States are generally not completely subdivided into municipalities below the country level: while urban places are often incorporated as municipal/town governments, other less densely populated places often remain unincorporated (thus resulting in incomplete territorial coverage). Similarly, in Bangladesh, Upazilas (Sub-Districts) are divided into two types of local government jurisdictions: Unions (rural areas) and Pourashavas (municipalities). As a result, Upazilas are not fully subdivided into Unions, even though Unions are the next-lower level of local governance jurisdictions in the territorial-administrative structure.

<sup>12</sup> If the subnational institution is generally uniform except for a single (or very limited) exception, such as a national capital territory, the institutional level can be marked as uniform, and the exception can be explained in the notes (and further discussed in the LoGICA Report).

Review (InFER), it should be noted that the completed InFER Framework contains data about the distribution of the population across regional and local jurisdictions.

Within the Organizational Structure Profile worksheet, the assessor (or assessment team) is given an opportunity to indicate which subnational government levels, tiers, or types will be included in the LoGICA Country Profile and the LoGICA Score Card (Columns N and O). While the Organizational Structure Profile allows (maximum) eight subnational governance levels / tiers / types, the LoGICA Country Profile can be completed for up to six levels/tiers/types. The LoGICA Score Card should be based on the most dominant (1-2) subnational governance levels or tiers. These columns do not have to be completed until the rest of the Intergovernmental Context is complete. Annex 2 and Annex 3 provide further guidance on the completion of the Country Profile and Score Card (and on the selection of relevant subnational governance levels / tiers / types), respectively.

### 3. Subnational governance

#### G1. Main institutional features of subnational entities

Question G1.1 –G1.9 ask elementary questions about the organizational nature, legal status, and basic governance of the (up to) six main levels/tiers/types of local entities. Appropriate responses to these questions include ‘Yes’, ‘No’ and ‘Mixed/Other’.

Rather than simply classifying local entities as either devolved local governments, deconcentrated local administration bodies or some other type of local entity, the first batch of questions seeks to capture the main organizational, legal and governance characteristics of local bodies. As such, the methodology does not impose a single specific definition of what constitutes a local (government) body. This approach recognizes the reality that not all countries have ‘pure’ local governments or ‘pure’ deconcentrated administrative entities. Instead, in many countries, local entities combine features of semi-autonomous elected local governments and deconcentrated local administrative units.

*G1.1 Are local jurisdictions at this level/type organized as integrated institutional units?* The first thing we want to know about regional or local jurisdictions is whether they are organized as integrated institutional units. For the purpose of this question, an institutional unit is either an administrative entity or a governance entity that has a single administrative structure and has a single budget. For instance, elected local governments are generally defined as legally formed as corporate bodies with their own budgets, and therefore function as institutional units (e.g., IMF 2001). In addition, in some deconcentrated countries, deconcentrated local bodies are also organized and funded in a territorial manner as integrated institutional territorial units, with a degree of administrative and budgetary discretion or autonomy (e.g., provincial administration in Mozambique). In these cases (i.e., devolution or territorial deconcentration), the answer to Question 1.1 should be ‘Yes’.

In other deconcentrated or more centralized countries, however, regional or local administrative line departments (along with their service delivery units) may be organized and/or funded vertically as part of national/sectoral/vertical programs deconcentrated units of their respective line ministries (e.g., provincial administration in Cambodia). In these cases (sectoral or vertical deconcentration), we cannot speak of integrated institutional units at the regional or local level. In these cases, the answer to Question 1.1 should be ‘No’. In yet other cases, deconcentration takes on a mixed or hybrid form (e.g., Governorates in Egypt).



*G1.2 Are regional or local entities at each level/tier/type corporate or legal bodies? Is the local entity a separate corporate body or legal entity, which is not fully controlled by the central (or higher-level) government? Typically, corporate bodies can own and transact property in their own name, open and manage their own bank accounts, and can sue and be sued in their own name?*

*G1.3 Do regional or local entities at each level/type engage in governance functions? Does the subnational institution have binding decision-making authority over one or more public functions within its jurisdiction territory? For instance, does it provide public services or infrastructure; regulate the use of public or private space or other common resources; provide public order or dispute resolution; engage in civil or local administration; engage in other activities for the common good of the jurisdiction; and/or does the jurisdiction engage in taxation? If the entity or jurisdiction at hand does not engage in any of these public sector / governance functions, it should not be considered a public sector entity that should be considered as part of LoGICA's Organizational Governance structure.*

*G1.4 Do regional or local entities at each level/type have their own political leadership? Political leadership is considered to exist if a degree of decision-making power is vested in regional or local leaders over deciding the affairs of their subnational jurisdiction. When a subnational jurisdiction or entity has its own political leadership, it is often (but not always) the case that part or all of the subnational political leadership is elected.*

It is important to note that a subnational institution should only be considered to have its own political leadership when the leadership (e.g., the local council) has a degree of authoritatively binding decision-making power over its own affairs (including its own revenues, expenditures, as well as its executive or regulatory functions). By contrast, the presence of an (elected) advisory council or supervisory council which does not hold binding executive or legislative authority over administrative offices at the regional or local level should not be designated as regional or local political leadership.

*G1.5 Do regional or local entities at each level/type prepare/adopt/manage their own budgets? Answer 'Yes' if the local entity prepares, approves and manages its own (operating and/or capital/development) budget. For the purpose of this question, the regional or local body must have authoritative decision-making power over its own budget. Please do not consider "deconcentrated budgets" as "own budgets" if the budget for an entity is prepared and/or approved by a higher government level, and then contained (as an organization or sub-organization) in the budget of the higher level. Likewise, a subnational entity should not be considered to have authoritative decision-making power and control over its own budget if the budget requires approval by—or can subsequently be modified by—higher-level government officials.*

*G1.6 Are regional or local entities entitled to own assets and raise funds in their own name? When local entities raise funds through local revenues, are they allowed to deposit these funds in their own accounts and decide over the use of these funds? Furthermore, at the end of the financial year, are local entities permitted to carry forward their own financial resources from one financial year to the next?*

*G1.7 Are regional or local entities able to incur liabilities by borrowing on their own account? Are local entities able to incur liabilities by borrowing on their own account? For the purpose of this question, it is irrelevant whether such borrowing requires approval by a higher-government level. Borrowing issues are further explored as part of LoGICA Score Card (under Segment 7: Administrative aspects of the subnational public sector).*

*G1.8 Are regional or local entities able to appoint their own officers?* Regional or local officers include the senior executive or administrative staff of the regional or local entity, including the chief executive officer, the chief administrative officer and/or the chief finance officer of the regional or local body, as well as the heads of the main regional/local departments. Answer ‘Yes’ if the local political or administrative leadership of the local body is able to select and appoint its own officers to these positions. Answer ‘No’ if the people in these positions are typically hired or appointed (e.g., seconded) by central government or someone other than the subnational political or administrative leadership. Answer ‘Partially / Mixed / Other’ if only part of the local executive team is regionally/locally appointed.

*G1.9 Are regional or local entities able to employ, hire/fire/promote their own staff?* Answer ‘Yes’ if local entities are able to determine their own organizational structure and staff contingent, and are generally able to employ, hire, fire, promote and manage their own staff, without direct involvement of (or requiring approval from) higher-level government officials. Local human resource management issues are explored in greater details as part of LoGICA Profile (under Segment 6: Administrative aspects of the subnational public sector).

## **G2. Governance of devolved and hybrid subnational entities**

Questions G2.1-G2.7 only pertain to devolved (and hybrid) subnational entities, which are regional and local entities that meet the definitional conditions of a subnational *government* (as opposed to a subnational *administration*), based on the characteristics explored in Question G1.<sup>13</sup> These questions should not be completed for subnational entities that are considered to be deconcentrated or other non-devolved local entities (even if they have an advisory/oversight council).

*G2.1 If (G1.4) yes, is the regional or local political leadership (at least in part) locally elected?* If local entities have their own political leadership, is the local political leadership (at least in part) locally elected? In most countries with devolved local governments, local bodies have either an elected executive or an elected council, or both.<sup>14</sup> Answer ‘Yes’ if any part of the local political leadership (i.e., either the local executive or the local council/legislative) is (directly or indirectly) elected by popular vote. The researcher should be reminded that the political leadership of a local entity is comprised of those local organs that have authoritative decision-making power over the affairs of the local jurisdiction; the presence of an (elected) advisory council which does not hold executive or legislative authority at the local level should not be considered to be part of local political leadership.

*G2.2 Does the subnational political leadership include elected subnational councils?* In many countries with devolved local governments, the power to make political decisions (as reflected by the power to adopt local legislation or regulations, and/or the power to adopt the local budget) is vested in an elected local council. Although local entities in some countries have an executive-type council (which may consist of either appointed or elected officials or leaders), this question refers more narrowly to a council that

---

<sup>13</sup> Devolved local governments are typically understood to (i) be corporate bodies that perform public functions within their territorial jurisdictions; (ii) have their own (often elected) political leadership; (iii) control and manage their own officers and staff; and (iv) prepare and approve their own budgets.

<sup>14</sup> In a handful of countries, local governments are led by appointed (unelected) local political leaders, who nonetheless retain a certain degree of autonomy from those who appointed them.

hold legislative-type decision-making power.<sup>15</sup> Answer ‘Yes’ if the local political leadership includes –or is formed by- local (legislative) councils that are either directly or indirectly elected. Direct elections include electoral mechanisms by which local voters choose the local council members directly, for instance, through proportional representation or first-past-the-post elections. Indirect elections take place, for instance, when local councilors are elected by the elected representative of a lower government level. Further details about subnational political structures and electoral systems will be considered as part of the political profile of the subnational public sector.

*G2.3 Does the subnational governance structure include (in)directly elected executive?* A regional or local political executive is considered to be (directly or indirectly) elected when he or she is elected in direct election by popular vote (regardless of electoral mechanism), or when he or she is elected indirectly, for instance, by being elected or selected by the local (legislative) council (presuming that the council in turn is directly or indirectly elected). Answer ‘No’ if the local executive is appointed by a higher-level government.

*G2.4 Do subnational government budgets require approval by the central government?* An important test whether subnational government institutions truly have authoritatively binding decision-making power is to consider whether subnational government decisions (including their budgetary decisions) require approval by the central government (or a higher-level government). Subnational governments budgets require approval by the central government when one or more of the following situations takes place:

- The Local Government Act (or similar legislation) requires subnational entities to submit their budgets to the Minister of Local Government (or another Minister) for review and approval. In this case, the subnational government does not have authoritatively binding decision-making power.
- After the subnational council approves the subnational budget, the subnational budget is included in the national budget and submitted to parliament for approval.<sup>16</sup> In this case, the subnational government does not have authoritatively binding decision-making power.
- After the subnational council approves the subnational budget, budget negotiations or “budget scrutiny” take place with the central government (e.g., Ministry of Finance or Ministry of Local Government) to ensure that the subnational budget adheres to central government policies and priorities.<sup>17</sup> In this case, the subnational government does not have authoritatively binding decision-making power.
- As part of the subnational budget formulation process, the higher-level government will determine its grant allocation to each subnational jurisdiction in a discretionary manner (e.g., through a negotiated revenue sharing rate or through earmarked discretionary grants) to ensure that the subnational budget plan only includes expenditures that have been approved by central officials. In this case, the subnational council does not have authoritatively binding decision-making power.

---

<sup>15</sup> Depending on the local political structure, such a council may or may not also hold executive power.

<sup>16</sup> It is customary and appropriate for intergovernmental fiscal transfers to be included in the higher-government budget. In a devolved system, it is not customary or appropriate for the central government to review and approve the entire local government budget (including spending from own revenue sources, shared revenues, and/or unconditional grants).

<sup>17</sup> In rare instances, a budget review process may be required exclusively to confirm compliance with legal or presentational requirements of the subnational budget. In this case, the budget review should generally not result in an increase or decrease in subnational expenditures or the re-allocation of intergovernmental fiscal transfers.

If a subnational institution meets the textbook criteria of a subnational government, but lacks authoritatively binding decision-making power, the institution should be considered a hybrid institution (an institution that possesses features of devolution as well as deconcentration).

*G2.5 Do subnational institutions/units have dual subordination?* If a subnational institution meets the textbook criteria of a subnational government, but its constituent units have (*de jure* or *de facto*) dual subordination not only to the subnational institution itself but also to a ministry, department or agency at a higher government level, the institution should be considered a hybrid institution (an institution that possesses features of devolution as well as deconcentration). In this case, the subnational governance institution generally lacks authoritatively binding decision-making power.

Although *de facto* dual subordination can occur in weakly devolved countries, formal or *de jure* dual subordination is rare in most global regions.<sup>18</sup> The practice was once common in Eastern Europe and Central Asia. Under the former Soviet Union, and in other socialist countries, it was common for lower administrative bodies to act under the simultaneous and direct leadership of both a corresponding local representative government body (or administrative body of general jurisdiction) and a higher body of general (or specialized) jurisdiction. For example, in the USSR, the oblast (regional) agriculture administration worked under the direct leadership of both the Executive Committee of the oblast (region) as well as under the Ministry of Agriculture of the corresponding Republic.

*G2.6 Are subnational institutions limited in the exercise of their powers and functions?* In some cases, subnational institutions fully meet all the textbook definitions of a local government and have extensive functional responsibilities. In other cases, subnational institutions are considered to meet the textbook definitions of a local government (and even be found to have authoritative decision-making power), but with clear limitations—in a way that distinguishes them from the purest forms of devolution (with extensive powers and autonomy). At the extreme, the administrative or fiscal powers of an elected subnational government may be so curtailed that they are sometimes described as a “post office” (merely passing messages and resources from higher government levels to service delivery units).

Subnational institutions should be considered limited in the exercise of their powers and functions if—while being the statutory employers of their own officers or staff—in reality, subnational institutions have only limited control over human resources (for instance, with HR functions and decisions *de facto* being made in part by a higher government level). Similarly, subnational institutions should be considered limited in the exercise of their powers and functions if they lack revenue autonomy and the vast majority of their activities are funded by highly earmarked conditional grants that leave limited (or no) discretion to the subnational governance institution’s leadership in the pursuit of its statutory functions.

*G2.7 Do subnational institutions have limited functional responsibilities?* In addition to (or separate from) limits on their political, administrative or fiscal powers, subnational governance institutions may have limited functional responsibilities. For instance, in the Netherlands, a water board (*waterschap* or *hoogheemraadschap*) is a subnational governing body solely charged with the management of surface water in the environment (e.g., to prevent flooding). These subnational governance institutions operate

---

<sup>18</sup> *De facto* dual subordination may be indicated by central ministries regularly seconding their own officers as subnational officers or department heads; subnational government officials being required to have their plans approved by the central government ministry before submitting to council; or by central line ministries being heavily involved in the placement and transfer frontline of sectoral staff that are notionally employed by subnational governments.

independent of other governance bodies like provinces and municipalities. Similarly, most States in the U.S. rely on public school districts for the provision of elementary or secondary education. School district governments are elected special-purpose local government entities that typically operate independent of other local governments (such as a cities or counties).

In cases where single-purpose or special-purpose subnational governments exist, when possible, they should be included in the Intergovernmental Context if they account for a non-trivial amount of public spending (e.g., more than 1 percent). The assessment should not include subnational public corporations or public quasi-corporations that have one or more service delivery functions, where the public entities functions as an agent of one or more general government entities.

### **G3. Governance of non-devolved subnational entities**

If (G1.5) is 'No' (i.e., if subnational entities do not prepare, approve and/or manage their own budgets), it is highly likely that the subnational entity under consideration is not a devolved regional or local government, but rather a non-devolved (e.g., a deconcentrated or delegated) entity. Questions G3.1-G3.5 only pertain to non-devolved subnational entities, which are regional and local entities that do not meet the definitional conditions of a subnational *government*. Non-devolved entities may include deconcentrated territorial administrative entities, sectorally or vertically deconcentrated administrative units, or other subnational institutions (institutions that are not elsewhere classified).

#### *G3.1 Are regional or local entities budgetary units (or budgetary sub-units) of the higher-level government?*

The budgets of local government entities are typically not part in the budget of the higher-level government. In contrast, the budgets of deconcentrated administrative units consistently form part of the higher-level government budget. In fact, in some deconcentrated countries, local entities are formally recognized in the national Chart of Accounts as budgetary units or budgetary sub-units of the higher-level government. Answer 'Yes' if subnational entities are recognized as budgetary units within the higher-level government budget, or when subnational line departments are recognized as budgetary sub-units of their respective higher-level government ministries or agencies.

#### *G3.2 Are subnational entities planned and managed as integrated territorial-administrative units? Are*

*subnational entities planned, financed, and managed as consolidated or integrated territorial-administrative units? This question is closely related to Question G1.1. In a non-devolved contexts (e.g., in a deconcentrated system), this requires the head of the subnational administration head to have regular coordinating meetings with his/her respective department heads; have a degree of administrative control over its departments; and have a role in preparing plans and budgets for the institution as a whole.*

#### *G3.3 If (G3.1) is answered 'Yes', are subnational departments budgetarily organized sectorally or*

*territorially? When a deconcentrated line department is a budgetary sub-unit of its respective central line ministry (and therefore, when the line department's budget is part of its central ministry budget), then this is known as sectoral (or vertical) deconcentration. When subnational or territorial jurisdictions are primary budget entities in the higher-level budget and the budgets of subnational line departments are contained within the budget vote or budget organization of these territorial administrative jurisdictions, then this is known as territorial (or horizontal) deconcentration.*

#### *G3.4 If (G3.1) is answered 'No' (i.e., if subnational units are not identifiable as budgetary units or sub-units in the higher-level government budget), are regional or local entities non-budgetary sub-units of the higher level?*

*Deconcentrated local entities are not always recognized in the national Chart of Accounts as*



budgetary units, or as budgetary sub-units of the higher-level government. In fact, local entities in some deconcentrated countries are merely organizational (but not budgetary) sub-units of their parent organization at the central level. Of course, in the absence of their own budget space, such non-budgetary (organizational) sub-units have little or no opportunity for discretionary decision-making. Answer 'Yes' if local entities at the level/tier under review are merely organizational (non-budgetary) sub-units of the higher level.

**G3.5** *Is there a subnational advisory / supervisory council?* An (elected or appointed) advisory council is a council or deliberative body that does not hold executive or legislative authority, but that primarily has an advisory or supervisory role. The responsibility of such bodies may include the provision of input into local planning processes and/or oversight and monitoring of the execution of local responsibilities. Since these councils do not hold meaningful executive, budgetary, or legislative powers, such councils should not be considered to provide political leadership (as they do not hold authoritative decision-making power).

#### G4. Nature of subnational governance institutions

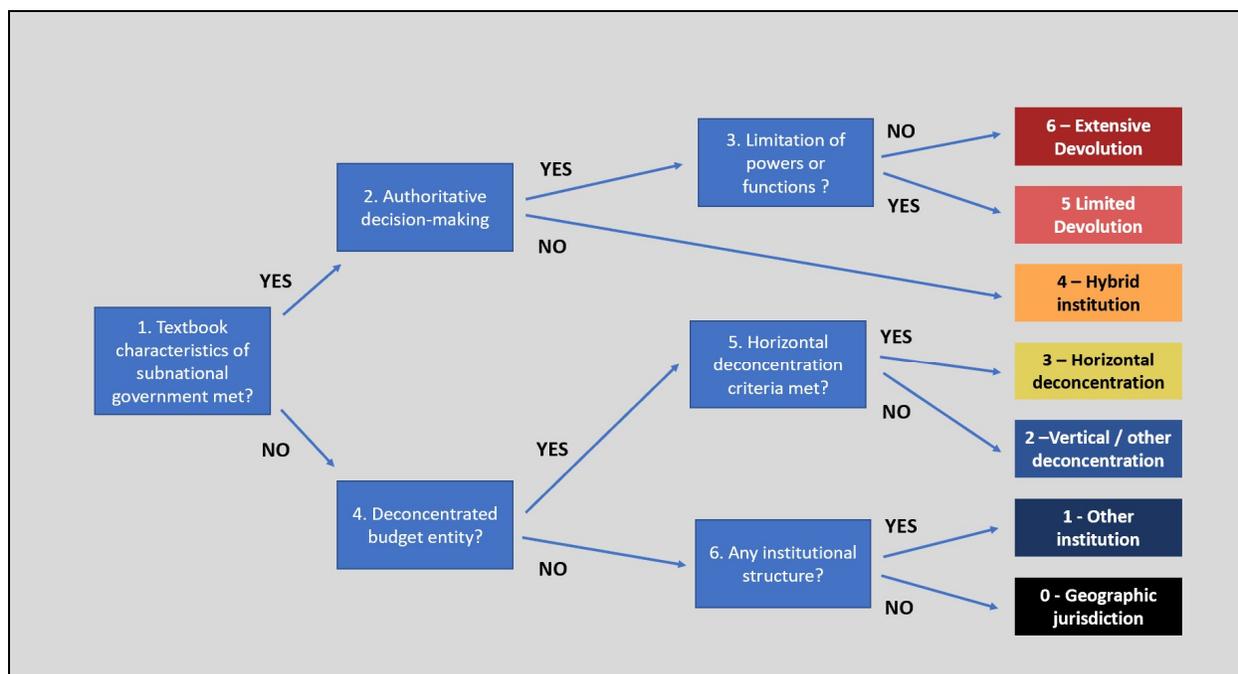
The final indicator in the subnational governance section of the *Intergovernmental Context* summarizes the nature of the subnational governance institutions at each level / tier / type based on six main institutional classifications, ranging from no formal institutional structure to fully devolved subnational governments with extensive powers (as indicated in Table G.4).

G4. Nature of subnational governance institutions						
Geographic jurisdictions	Other subnational institutions	Vertically (sectorally) or other deconcentrated institutions	Horizontally (territorially) deconcentrated institutions	Hybrid subnational governance institutions	Devolved subnational government (limited powers)	Devolved subnational government (extensive powers)
Subnational subdivisions lack formal institutional structure	Subnational subdivisions have other institutional structure	Subnational unit is administratively and budgetarily a hierarchical part of a higher-level government		Institution combines elements of devolution and non-devolved inst.	<ul style="list-style-type: none"> <li>- Institution is corporate body</li> <li>- Own (elected) political leadership</li> <li>- Control over officers and staff</li> <li>- Own budget and accounts</li> </ul>	
Subnational subdivisions that lack (any / clear / formal) institutional structure	Subnational subdivisions with other institutional structure (e.g., coordinating authority)	Subnational units are part of their respective central line ministry budgets  Subnational institutions / units lacks consolidated administrative structure	Subnational subdivisions are included in central budget territorially and are administered as consolidated or integrated territorial-administrative units	<i>Pro forma</i> subnational governments that lack <i>de facto</i> authoritative decision-making power  Subnational entities with formal dual subordination	General-purpose governments that are limited in one or more aspects of local governance  Special-purpose government (i.e., limited in functional responsibilities)	General-purpose governments with elected leadership that fully adhere to IMF definition of subnational governance, and have extensive functional responsibilities

As was noted before, in order to achieve an assessment that is meaningfully comparative across different country systems, it is important for the assessor (or assessment team) to apply a consistent, strict and unbiased interpretation of the classifications.

In most cases, in response to indicator G4, it is possible to definitively and unambiguously identify the institutional category to which a subnational governance institution belongs. Categorization should be made on the basis of subnational institutions fully adhering to all of the conditions of each category. The

tolerance for deviations from each category’s stated requirements should be deemed minimal.<sup>19</sup> The following decision-tree may be useful in determining the nature of subnational governance institutions at each level or tier (or of each institutional type):



In response to indicator G4, the category “Mixed” should be used extremely sparingly. In virtually all circumstance, if the assessor believes that the institutional types of a subnational governance institutional level / tier / type falls in between two consecutive categories, the lesser empowered of the two categories should be assigned, and extensive clarification should be provided as to the combination of institutional characteristics that are observed.

For instance, Governorates in Egypt might be considered a hybrid between vertical deconcentration and horizontal deconcentration. While Governorates have a territorial budget structure, Governorates lack an integrated planning mechanism (i.e., there is no joint planning or coordination across all Governorate-level Directorates), and in practice, individual Governorate Directorates prepare and negotiate their own budget plans with the Ministry of Finance). In this case, Governorates in Egypt should be designated as “Vertical / other deconcentration” with appropriate qualifications made in the Comments/Clarification (and/or Country Brief/Assessment Report).

Finally, it should be noted that the spectrum of institutional arrangements available for indicator G4 does not include separate recognition of deconcentrated administrative systems where elected subnational bodies exist and have *de jure* oversight responsibilities while lacking *de facto* power over subnational

<sup>19</sup> For instance, in the Netherlands, municipalities (“gemeenten”) meet all definitional conditions of a devolved local government (corporate body; extensive local governance functions; own elected council; own officers and staff; own budget and accounts) except that the Mayor is formally appointed by the Ministry of Home Affairs (on behalf of the Crown) at the recommendation of the municipal council. This qualification should be deemed sufficiently small for Dutch municipalities to be considered “devolved local governments – extensive powers”.

administration. As noted in G3.4, the presence of a subnational advisory or supervisory council—while likely being a welcome accountability mechanism, to be noted in the comments and clarifications—does not fundamentally change the nature of the underlying territorial-administrative structure.

The institutional classifications used for indicator G.4—based on the definitions summarized in the Table—should also inform the completion of indicator C3.2. After completing G1-G4, you may wish to revisit S1-S8, to verify that you have identified the institutional nature of each institutional level/tier/type correctly.

#### 4. The assignment of powers, service delivery functions and regulatory responsibilities

In the Excel template, two worksheets are dedicated to the assignment of powers, service delivery functions and regulatory responsibilities. The first worksheet on functional responsibilities (4a) seeks to establish or identify the *de facto* responsibility for the provision of frontline public services in a country (i.e., “in reality, who does what?”). The second worksheet on functional responsibilities (4b) seeks to assess and evaluate the assignment of powers, functions and responsibilities in greater detail.

***Identifying the de facto responsibility for the provision of frontline public services (4a).*** The functional assignment section of the LoGICA Profile seeks to capture which government level(s) or administrative tier(s) are primarily responsible for the delivery of key public services, including public education, public health services, road infrastructure, and so on. The main overview of functional assignments that is prepared as part of the LoGICA Profile intends to capture the actual (*de facto*) functional assignments in a country by considering the government level/type that is primarily (and as relevant: secondarily) responsible for the recurrent and capital (development) aspects of different public services. In addition, this worksheet seeks to determine whether Extrabudgetary Institutions and/or Public Corporations play a substantial role in public service delivery for each function or responsibility.

In order to ensure that the functional assignment segment of the LoGICA Profile is completed in a consistent manner, it is useful to establish some conceptual background on functional assignments before providing specific guidance on how to complete the template:

The Classification of Functions of Government (COFOG). The Classification of Functions of Government (COFOG) is a detailed classification developed by the IMF (2001) of the functions that governments seek to perform through various kinds of expenditures or outlays. Statistics on public expenditures for health, education, social protection, and environmental protection can be used to study the effectiveness of government programs in those areas and permits examination of trends in government expenditures on particular functions over time. The IMF’s COFOG classification scheme is the most commonly used classification of government functions. COFOG contains ten main functional divisions:

701 General public services	706 Housing and community amenities
702 Defense	707 Health
703 Public order and safety	708 Recreation, culture, and religion
704 Economic affairs	709 Education
705 Environmental protection	710 Social protection

Within each division, there are several sub-groups, such as “Pre-primary and primary education” (7091). Within each of these groups, in turn, there are one or more classes, such as “Pre-primary education” (70911) and “Primary education” (70912). All three classification levels and detailed descriptions of the



contents of each functional class are provided in the IMF (2001) Government Finance Statistics Manual. Unless otherwise noted, the overview of functional responsibilities captured in the LoGICA Profile (R1.1-R1.27) generally follows COFOG functional classifications. Public sector functions indicated with a (\*) reflect specific sub-functions or activities that do not represent an official COFOG function or activity.

Unbundling the delivery of public services. Note that the LoGICA Profile concerns itself with the government level or administrative tier that is responsible for the *provision* or *delivery* of a service (in other words, which entity is responsible for making sure the service gets delivered?). These questions do not pertain to whether a higher-level government sets *policy standards*, *regulates* the service, or *provides financing* for the service (through intergovernmental fiscal transfers). It should also be noted that the responsibility for *provision* of a service does not necessarily imply that the LG or SDD *produced* the service, as the production of the service may be contracted out to a private sector provider.

If all the dimensions associated with the delivery of a good or service are assigned to the same government level, this is referred to as an “exclusive” (central or local) government function. In contrast, when the dimensions associated with the delivery of a publicly provided good are assigned to different government levels, this is referred to as a shared, joint or “concurrent” function.

As noted before, the territorial-administrative profile should not include extrabudgetary entities, public corporations, or front-line service delivery units or facilities as a separate government level. To the extent that services are delivered by public service providers that are separate entities from the government level that is responsible for provision, such providers (potentially including public schools, public health facilities, water utilities or providers, other public corporations of frontline services, and possibly community-based providers supported by the public sector) should be considered to be part of their parent government (i.e., the government level or entity that own, controls and/or operates them).

Economic inputs to be considered. In identifying which local governance level is responsible for the provision of a function or a public service, it is important to recognize that the “production” of a service is achieved by combining a series of different inputs in order to deliver a specific output. In some countries, different government levels of different public entities are responsible for providing different inputs into the service delivery process. In obtaining a complete picture of functional assignments, it is useful to consider five different types of service delivery inputs that together form “the responsibility” for the delivery of a public service:

- **Human resources or “functionaries” (HR).** Which subnational governance body (or bodies) has responsibility for providing frontline service delivery staff as a servicedelivery input? In other words: what government level/tier/type is the statutory employer and pays “frontline bureaucrats” such as teachers, health workers, law enforcement personnel, firefighters, and so on? (Additional questions regarding the management of subnational human resources are dealt with in the Country Profile under Administrative Decentralization).
- **Operation and maintenance (O&M).** In addition to subnational human resources and wage expenditures, the provision of a function typically requires a series of other (non-wage) recurrent expenditures, which are also referred to as “operation and maintenance” expenditures. Which entity (or entities) has the responsibility for (and authority over) recurrent service delivery operation, maintenance and related expenditures?
- **Supplies.** Some public services involve the direct provision of certain supplies to beneficiaries/households, such as medical supplies, school books, learning materials, seeds and

fertilizer, and other such inputs.<sup>20</sup> It is not unusual for sectoral supplies to be provided and funded through a mechanism that is different from other goods and services. What governance level / tier/ type is responsible for (and has the authority to) procure and provide the supplies that are provided directly to clients as part of the service delivery process?

- **Capital / development expenditures (“facilities”).** Which subnational governance body (or entities) has responsibility and authority for service delivery infrastructure (school buildings and health facilities)? Who procures them? Who is the legal owner of the buildings? Who maintains or rehabilitates them?
- **Management of frontline services; community engagement, coordination, and monitoring.** Which entity (or entities) has the responsibility and authority for coordinating the other four input streams, for performance monitoring of front-line services, and for community mobilization? For instance, who is the local health officer in charge of coordinating the provision of health services? Although in many cases, the governance entity responsible for employing the frontline service delivery staff is also responsible ensuring the management of service provision, this is not always the case.

The *de jure* assignment of functional responsibilities. A country’s constitution or the legislative framework establishing local governments normally gives an important indication what the functional responsibilities of local governments are expected to be.

The legal or *de jure* assignment of the “functions”, “responsibilities”, “mandates” or “powers” of local governments is often captured in a list –sometimes included as a separate schedule to the constitution or local government act—which details the specific activities or functions that are to be the responsibility of local government authorities. For instance, a common way in which the *de jure* assignment of functional responsibilities may be assigned is for the relevant law to state that local governments are assigned the responsibility for the “provision and maintenance of primary education” (Nigeria); the responsibility “to operate and manage health centers, health posts and sub-health posts” (Nepal); or the function to “establish, erect, maintain and control slaughter houses” (Tanzania).

It should be noted that in some countries, the legal assignment of functional responsibilities does not make clear distinctions between the different types of service delivery inputs for which local governments are responsible. For instance, the responsibility to “operate and manage health centers” can reasonably be understood to include all facets of recurrent health provision (i.e., functionalities, operation and maintenance, supplies and community engagement), but leaves unresolved whether local governments are also responsible for the construction of additional health facilities. It is also not unusual for decentralization (local governance) legislation to be inconsistent with sectoral legislation regarding the assignment of functions, resulting in lack of clarity with regard to functional responsibilities.

The *de facto* functional responsibility. The degree of *de facto* responsibility that a level or tier has over a function corresponds closely (although certainly not perfectly) to the degree to which each level or tier has budgetary control over the expenditures related to that function. In fact, a government entity or administrative tier cannot have effective responsibility (or functional control) over a service or public function unless the entity has control or authority over the resources needed to perform that function. Thus, the pattern of local public sector expenditures—which administrative tier or local government entity funds what—often provides important insights into who is *de facto* responsible for the delivery of public

---

<sup>20</sup> In the case of conditional cash transfers or other social protection programs, the cash transfer (or similar support) may be considered a sectoral supply.

services in a country. In line with this guidance, unless a local government (or local administrative body) has budgetary authority over a specific aspect of localized service delivery (e.g., unless a local government actually pays for the wages of local teachers or has control over the budgetary resources to procure school books or other supplies), it would generally not be prudent for that entity to be assigned the primary *de facto* responsibility for the corresponding function in the LoGICA Profile.

Budgetary general government units versus public corporations, extrabudgetary institutions, and other public sector entities (PCEBIs). In some cases, public services are provided directly by “budgetary general government” units or sub-units. For instance, this is the case when public services are provided by frontline facilities or service providers that are institutionally part and parcel of a central government ministry or directorate, a regional government department, or a local government department or unit. Based on the guidance below this case, it is relatively easy to designate which government level is *de facto* responsible for service provision.

In some cases, frontline service provision is done by entities that are not general government units, such as an public corporations, or some other dependent public sector entities (abbreviated here as PCEBIs). For instance, the provision of clean drinking water may be the responsibility of a public water company; higher education may be provided by universities that are parastatal organizations; tertiary health services may be provided by hospitals that are parastatal public sector entities; construction and maintenance of major roads may be the responsibility of a Road Funds Authority; while urban development may be the responsibility of an urban development authority.

Even though these entities may have some degree of autonomy—e.g., their own corporate governance structure (e.g., Board); their own accounts and revenue sources (collection of user fees); and their functions may even have been enshrined in legislation—these public sector entities are owned and/or ultimately accountable to one or more general government units. For dependent PCEBIs, the “parent” general government is typically determined as the entity that appoints its Board and/or appoints its chief executive. The parent government is also typically (but not always) the government entity that provides the majority of (supplemental or total) funding of the dependent PCEBI.

For the purposes of determining the functional assignment as part of the Intergovernmental Context, public universities; hospitals and other public health facilities; water utilities or providers; and other dependent public corporations or frontline service providers should be considered as part of their parent government (i.e., the government level or entity that own, controls and/or operates them). After all, although the provider (or “producer”) has a degree of administrative responsibility, the parent government is the government entity that has governance responsibility for the performance of the dependent service delivery entity.

Similarly, when public service provision is contracted out to a private provider (e.g., solid waste collection), the responsibility for service delivery should be understood to be with the government level that ensures provision (and not with the contractor). Likewise, when the public sector opts to regulate a public sector functions (i.e., a local government regulating private solid waste management services and responsibilities, rather than the local government itself providing the service directly or indirectly), the relevant subnational government level / tier / type should still be considered to be responsible for ensuring provision of the relevant public service (as the parent government is still the government entity that has governance responsibility for the performance of the service).

**Primary (and secondary) de facto responsibility for functions and services (R1).** The first worksheet of the functional assignment segment of the LoGICA Country Profile (*4a Functions*) is descriptive in nature, and asks: which government level, tier, or type is *de facto* responsible for the recurrent provision and capital/development aspects of different public services? For each function listed, the assessor or assessment team should select the government level that has primary responsibility for providing the inputs that together constitute each function or public service.

Generally, the government level/tier/type that is *de facto* responsible for recurrent provision of services is the government level/tier/type that employs the frontline service delivery staff that delivers the services, since the provision of human resources tends to form the main input into the ongoing provision or production of public services. For instance, if primary school teachers are employed by the local government, then the local government is *de facto* primarily responsible for the recurrent provision of human resources in primary education (70912). Alternative, if primary school teachers are employed by the central government (e.g., Ministry of Education), then the central government is *de facto* primarily responsible for the recurrent provision of human resources (HR) in primary education.

Next, the assessment identifies the general government level / tier / type that is *de facto* responsible for operation and maintenance; supplies; capital development; and service delivery management. Primary responsibility is typically best identified on the basis of which government level / tier / type typically pays for an input. For instance, if a local government pays for the custodial staff of a school and/or funds the maintenance and minor repairs of primary school facilities, the local government should be understood to be responsible for the operation and maintenance for primary education. If the central government directly supplies textbooks and other learning materials in kind (whether funded from its own sources or from donor funds), then the central government is *de facto* responsible for supplies. By contrast, if the local government procures books and learning materials (even if these purchases is funded by higher-level government funds), then the local government should be understood to be responsible for this aspect of service provision.

Likewise, if most primary schools buildings or classrooms are constructed by a national program implemented by the Ministry of Education (without the funds being passed down to local governments for local governments to engage contractors to construct the building), then the central government has primary *de facto* responsibility for capital development in primary education. Similarly, if water pipes are laid by “local” water utility companies that are controlled by the national Ministry of Water (or a national authority that reports to the Ministry), then water supply is *de facto* a central government function.

Finally, management of frontline services refers to the managerial oversight of frontline service provision, which is typically done by one or more field officials that are placed immediately above frontline service facilities in the administrative hierarchy, such as local education officers, district health officers, Director of Public Works, or similar titles.

The assessment team completing the LoGICA Profile should assign the primary responsibility for the different recurrent and capital inputs for each of the 25 functions listed in the functional assignment segment (R1.1-R1.27) by selecting either “C” (central government) or “S1” through “S8” as identified in the Organizational Structure worksheet.<sup>21</sup> In principle, all services have an HR aspect and capital aspect (i.e., “functionaries” and “facilities”); ideally these columns should be completed for each of the 25

---

<sup>21</sup> The original Local Public Sector Handbook (2012) included 27 functional categories. The revised framework consolidated several economic activities, resulting in responsibilities R1.6 and R1.10 being eliminated.

services listed. Assessment teams should skip entries that are not relevant to a particular service (e.g., only a handful of public services require “supplies”).<sup>22</sup> In relatively devolved countries, it is not unusual for all aspects (inputs) of a devolved service to be the responsibility of local or regional governments.

To the extent that there is more than one government levels/tiers/types substantially involved in the provision of public services (either on the recurrent and/or capital development side), the assessment team may need to indicate which government level/ tier/type is responsible for different inputs involved in frontline service provision. In other cases, the assessment team may need to designate secondary responsibility for the recurrent and/or development aspects of functional responsibilities in the appropriate columns (for instance, when the majority of school construction is done by a centrally-managed government program, while local governments also engage in the construction of new schools or classrooms as well). Secondary responsibility only needs to be indicated for functions or services where multiple government levels are substantively involved in the same aspect of service delivery. Further clarifications and explanations may be provided in the comment section and/or in the LoGICA Report.

In addition to indicating the primary (and where relevant, the secondary) responsibility for the provision of each government function or public service, the assessment team should identify whether Extrabudgetary Institutions, Public Corporations, extrabudgetary institutions and/or other service delivery providers (PCEBIs) are involved in the provision or production of public sector functions or services. If the public service is fully provided and produced directly by the government level/tier/type indicated in the earlier column, then the appropriate response is ‘No’. If a public service is provided or produced in part or in full by a dependent public sector entity that is institutionally not identical to the general government level/tier/type indicated in the earlier columns (e.g., a public corporation, parastatal company, community-based organization supported by the government level/tier/type or another dependent public sector entity), then the appropriate response would be ‘Partial’ or ‘Yes’. In that case, further clarifications and explanations may be provided in the comment section and/or in the LoGICA Report.

***Subnational authority to regulate; subnational authority to plan physical space (R2).*** In addition to the power and authority to deliver certain public services, subnational bodies are often also given a certain degree of administrative power to initiate local laws and regulations on issues affecting their jurisdiction. In theory it is argued that the local governments are more effective regulators and can improve allocative efficiency because they are better able to ascertain and aggregate their constituents’ preferences than regional or central governments. In administratively decentralized systems, regulatory discretion of the subnational government often extends to areas including local economic development, land use planning and management, zoning, as well as some aspects of public safety, public health, social protection, education, and environmental protection (World Bank, 2008). In addition to the *de facto* ability to regulate, subnational governments would also need the *de facto* authority to sanction non-compliance to ensure enforcement of these regulations, for example through administrative penalty.

For these regulatory responsibilities, the assessor or assessment team should again select either “C” (central government) or “S1” through “S8” as identified in the Organizational Structure worksheet.

R2.1 Land use planning and zoning

R2.2 Land assignment, acquisition and transfer

R2.3 Land conservancy; environmental protection

R2.4 Building and construction regulation; building permits

R2.5 Traffic and parking

---

<sup>22</sup> Note that “supplies” are narrowly defined here as inputs that are provided directly to clients as part of the service delivery process.

- R2.6 Local tourism promotion
- R2.7 Billboards and the display of advertisements in public places
- R2.8 Cemeteries, funeral parlors and crematoria
- R2.9 Regulation of local markets and street vendors
- R2.10 Regulation of local businesses (barbers, salons, retail, and food consumption)

### **Assessment of the responsibility for provision of frontline public services (4b)**

The second part of the functional assignment profile (worksheet *4b Functions*) seeks to provide additional information about the nature of functional assignments in a way that is somewhat more normative in nature. In addition to clarifying whether higher-level governments are involved in (i) policy and standard-setting for each public service or (ii) providing intergovernmental financial support for provision of frontline services, worksheet 4b asks the assessment team to make judgments about the nature of functional assignments, including an assessment whether the *de jure* and *de facto* functional assignments match; whether the assignment of powers and functions is in line with the subsidiarity principle; and whether there is balance between functional responsibilities and powers.

Are higher-level governments involved in policy, standard-setting and financing? While worksheet 4a considers the assignment of responsibility for the provision of public services, this is only one aspect of functional assignments. In fact, the assignments of functions can be unbundled into the responsibility for (i) policy formulation, standard-setting and regulation; (ii) financing; (iii) provision; and (iv) production.

The first two columns of *4b Functions* interrogates whether higher-level governments or higher-level officials are involved with policy formulation, standard-setting and regulation of each service, and whether higher-level governments are involved in funding the service (for instance, through conditional grants). Appropriate responses include ‘Yes’, ‘No’ and ‘Partial’. As usual, the specific context of such policy / standard-setting or financing by higher-level governments should be clarified in the comment section and/or in the Country Brief.

Does the *de jure* assignment match *de facto* assignment of functional responsibilities? In some countries, there is a difference between the legislated functional responsibilities of local (government) bodies and the actual or *de facto* assignment of functions. As noted, the main segment of the functional assignment segment of the LOGICA Profile should be completed in line with the actual or ‘*de facto*’ assignment of functional responsibilities. The Profile should further indicate the extent to which the *de facto* situation matches the *de jure* situation, or whether there are inconsistencies between the legal and actual situation.

A gap between the legal assignment of functions and the actual situation may arise when a local government level (or a local administrative tier) is assigned the responsibility or mandate over a particular function or service, while the power, authority or discretion over the service delivery inputs are not actually transferred to that local government level. For instance, notwithstanding constitutional, legal or regulatory provisions that may *de jure* assign the responsibility for primary education to the local government level, in practice, primary school teachers and other local education staff may continue to be employed and managed by the Ministry of Education or by deconcentrated line departments. In that case, the *de facto* responsibility for providing primary education human resources continues to rest with the center or with the relevant deconcentrated administrative tier.

Does the assignment of powers and functions adhere to the subsidiarity principle? As noted in Section 2 of the LoGICA Framework, the subsidiarity is an important guiding principle in decentralization and multilevel governance in many countries. This principle states a function should generally be performed by the lowest level of territorial administration or governance that can perform this function efficiently. Part of the assessment of functional assignments in Segment 4 of the LoGICA profile is to not only to determine whether the *de jure* assignment of functions matches the *de facto* assignment of functions, but whether the overall assignment of functions adheres to the subsidiarity principle across the full range of public service delivery functions.

In determining whether a subnational entity would be able to perform a certain function efficiently (i.e., in accordance with the subsidiarity principle), the framework should mainly focus on the expected minimum efficient scale for service provision for each function or service. Because subnational capacity development and operational efficiency are often an “chicken and egg” issue, it would generally not be appropriate to judge the potential ability to deliver services in an efficient manner based on current capacity constraints or institutional arrangements. For instance, one could argue that a regional or local government is “unable” to provide certain services efficiently based on the current level of administrative capacity, or because the existing political and social accountability mechanisms might fail to hold local leaders accountable for their service delivery performance. In reality, however, regional or local governments *would* often be able to deliver certain services in an efficient manner if subnational political incentives would be introduced and administrative capacity would be developed.

Although village- or commune-level governments in many countries may be too small to deliver local public services in an efficient manner (above the necessary minimum efficient scale), local and regional governments or administrations in most countries exceed the minimum efficient scale for delivering basic municipal and community services, such as local road construction and maintenance, solid waste management services, local drinking water systems, sanitation, and other subnational infrastructure and services. In addition, local jurisdictions in many countries are of a sufficient size and capacity to deliver basic social services within their jurisdictions, such as primary education, primary health services, and so on.<sup>23</sup>

Please be reminded that the LoGICA assessment concerns itself with the entity that is responsible for the *provision or delivery* of a service (in other words, which entity is responsible for making sure the service gets delivered). The issue of subsidiarity should not be applied to whether a higher-level government sets *policy standards, regulates* the service, or *provides financing* for the service (through intergovernmental fiscal transfers). It should be noted that the responsibility for *provision* of a service does not necessarily imply that the local entity *produced* the service, as the production of the service may be contracted out to a private sector provider.<sup>24</sup>

---

<sup>23</sup> The minimum efficient scale for subnational public services and infrastructure is typically determined by a combination of the production function of the publicly provided good or service in question, along with a subnational governments’ population size, population density, and the level of economic development/activity in a country.

<sup>24</sup> The ability of regional and local governments to efficiently deliver a public service should be judged under optimal administrative arrangements and accountability mechanisms. The ability of local governments to *deliver* these services does not imply that local governments should be in a position to *finance* these services. Nor does the assignment of the service delivery (provision) responsibility to the local level imply that the central government does not retain the responsibility for policy formulation and standard setting.

Does the responsibility for functions match the powers? The traditional definition of decentralization suggest that decentralization involves the transfer of both the **responsibility** as well as the **power** over public functions and resources from higher-level governments to lower-level governments or other subnational entities. With regard to each function or service delivery responsibility, the assessment team is asked to consider whether there is a balance between the assignment of (*de jure* and/or *de facto*) responsibility for each function, and the assignment of *de facto* power or authority for performing the function in an efficient manner? Ideally, of course, there would be a match between functional responsibilities and service delivery powers. For instance, a local government may be responsible for water and sanitation services, and is given the power to appoint the board of the municipally-owned water utility. In other cases, there is an imbalance between responsibilities and powers. For instance, a local government may be assigned the functional responsibility to operate public primary schools in their jurisdiction and may even be the formal employer of the public school teachers, but may lack the (*de facto*) authoritative power to hire or fire school teachers. In this case, there would be a gap or mismatch between the local government's **responsibility** for the service delivery function and the **powers** necessary to perform this function efficiently and effectively.

# **Annex 2**

## **The Local Governance Institutions Comparative Assessment (LoGICA) Country Profile**



## Annex 2: The Local Governance Institutions Comparative Assessment (LoGICA) Country Profile

This annex provides guidance regarding the preparation of the Local Governance Institutions Comparative Assessment Country Profile (LoGICA Country Profile).

### Overview of the LoGICA Country Profile

Building on the LoGICA Intergovernmental Context, the **LoGICA Country Profile** captures detailed information about the political, administrative, fiscal and service delivery arrangements for subnational governance institutions in a country. The **LoGICA Country Profile** consists of four additional segments or worksheets, capturing different aspects of the country’s multilevel governance arrangements. Segments 5-8 of the LoGICA Framework deal in detail with the country’s political, administrative, fiscal, and service delivery systems:



**5. Political aspects of the subnational public sector.** Fifth, the LoGICA Profile collects details of the political (decision-making) arrangements at different subnational levels, including issues related to subnational and intergovernmental political power structures; the structure and quality of local electoral systems; the nature of political party systems; and subnational political participation and accountability. (P – Political aspects)



**6. Administrative aspects of the subnational public sector.** Sixth, the LoGICA Profile addressed the nature of administrative arrangements at different subnational levels, including issues related to subnational human resource management and subnational procurement. (A – Administrative aspects)



**7. Fiscal aspects of the subnational public sector.** Next, the LoGICA Profile captures details of the fiscal aspects of the subnational public sector. This includes questions dealing with the assignment of revenue and subnational revenue administration; intergovernmental fiscal transfers; and subnational borrowing and debt. In addition, the LoGICA Profile seeks information on the relative importance of different funding instruments at different levels of the subnational public sector. (F – Fiscal aspects)



**8. Inclusive, responsive, and accountable local services and development.** The final segment of the LoGICA Country Profile captures information about the extent to which the multilevel governance structure supports inclusion with respect to local services and localized development, including—among others—the extent to which disaggregated local-level data are publicly available for key local services, public expenditures and localized development indicators. Disaggregated local-level data are needed to ensure that the public sector effectively targets its local service delivery and development efforts across its national territory where they are needed the most. (D – Development)

Detailed guidance is provided in this annex on how to complete each of the questions contained in each segment of the LoGICA Country Profile.

As was the case in the Intergovernmental Context, to achieve an assessment that is meaningfully comparative across different country systems, it is important for the assessor to apply a consistent, strict and unbiased interpretation of the assessment indicators. The response “Yes” should only be selected

when the indicator / question (or every part of the question) can be answered affirmatively, without further qualification. When this is not the case, the appropriate answer is typically “No”, and further clarification should be provided as to why the indicator question is not—or only partially—true. Reliance on responses such as “Partially/Mixed/Other” should be kept to a minimum. These responses should primarily be used in federal countries or asymmetrically organized countries, where institutional practices may vary between different states or provincial governments.

The LoGICA Country Profile is to be completed in the Excel template. Whenever necessary, please clarify responses or information sources in the LoGICA Country Profile Comments / Notes. When possible, preparing a LoGICA Assessment Report alongside the LoGICA Profile allows the assessment team to provide a full description and assessment of the country’s multilevel governance structure, intergovernmental systems, and local governance institutions.

***The assessor or assessment team does not necessarily have to complete the Country Profile for every subnational governance level / tier / type in the country’s territorial-administrative structure.*** For instance, the assessor may have included all subnational governance levels, tiers or types in territorial-administrative structure (segment 2) but may prefer to focus the Country Profile on the most important subnational governance levels, tiers or types (thus excluding relatively unimportant subnational governance levels, tiers or types from the Country Profile).

In fact, whereas the territorial-administrative structure accommodates up to eight subnational governance levels (or tiers or types), the Country Profile only permits up to six subnational governance levels. In the Structure worksheet (Column N), the assessor or assessment team can indicate which subnational government levels, tiers, or types should be included in the Country Profile. The Excel template will automatically update the column headings for worksheets/segments 5, 6 and 7a.

## 5. Political aspects of the subnational public sector

Political decentralization is the primary mechanism through which citizen preferences are represented in the local decision-making process, and is therefore essential to an effective system of decentralization. The purpose of this part of the Country Profile is to elucidate components of a well-designed political system and is aimed at assisting stakeholders to evaluate the political decentralization efforts in any given country. It should be noted that the basic governance features of each government level and/or administrative tier are already highlighted in the Governance Profile (see Section 8).

It should be noted that some (or in fact, many) of the questions regarding the subnational political power structure are not relevant for deconcentrated budgetary or organizational levels. In that case, the corresponding answers can be left blank (‘...’) or marked as not applicable (‘-’). With exceptions, the questions under P1-P3 are generally not applicable for deconcentrated local administrative bodies.

***Subnational political power structures (P1).*** Separation of powers means that the legislative, executive and judicial branches of government are independent in the exercise of their discretionary powers. A well-designed political decentralization system requires that the roles and functions of elected and non-elected branches of government are clearly identified and local councilors are independently able to carry out the oversight function of the local executive bodies. In addition, the vertical separation of power –between different government levels- prevents the monopolization of power at any government level and allows

for additional checks and balances within the public sector. The segment on the subnational political power structures (P1) seeks to capture the political relationships at the local level, as well as between the government level and its higher-level government.

It should be noted that the questions dealing with local councils refer to a local legislative or deliberative body, and not a local executive council, which is formed in some countries as a coordinating body by the local chief executive, department heads, and/or other members of local executive departments.

*P1.1 What is the subnational power structure?* There are four major institutional arrangements that define the division of authority and responsibilities between the elected council and the executive. These are (i) a strong executive, (ii) a strong council, (iii) a council-manager system and (iv) a commissioner system. The table below (at the end of Question P1) briefly discusses the main characteristics, benefits, risks and country examples of each arrangement of power.

The next two questions seek to further clarify the political power relationship between the local executive and the local (legislative) council, and can be answered with ‘Yes’, ‘No’ and ‘Partially’.

*P1.2 Does the subnational executive have veto power over council decisions?*

*P1.3 Can council remove subnational executive by no-confidence vote?*

<b>Institutional Mechanism</b>	<b>Main characteristics</b>	<b>Benefits</b>	<b>Risks</b>	<b>Country-Examples:</b>
Strong Executive	The mayor is directly elected; he/she typically dominates the decision making process and has a strong symbolic role in representing the locality.	Mayor can undertake swift public policy measures.	Local councils are often marginalized.	Cote d’Ivoire, Uganda, Pakistan, Philippines, Ethiopia
Strong council (parliamentary system)	Mayor is elected by the council.	Local council retains the major decision making authority.	Decision making process may not be very efficient.	Rwanda, Guinea, Angola, India (Kerala), Tanzania, Indonesia
Council-Manager	The council appoints and contracts with a politically neutral administrator to run and manage the city.	Combines the strong political leadership of elected officials with the strong managerial experience of an appointed administrator. Such an arrangement can preclude politically motivated patronage.	Requires high capacity level among government to institute such a mechanism.	Canada, Australia, Netherlands, New Zealand
Commissioner	The commissioners are both legislators and department chairs.	All have equal powers even though one commissioner may have the title of mayor.	The system violates the principle of separation of powers.	India

Source: World Bank (2009).

## Vertical and intergovernmental political power structure (P2)

The indicators included in P2 deal with the “vertical” or intergovernmental political relationship between subnational governance institutions and their higher-level government, and can be answered with ‘Yes’, ‘No’ and ‘Partially’. These indicators drawn in part on the Local Autonomy Index 2.0 (Ladner 2020). Clarifications and details regarding the responses should be provided in the relevant comment/clarification section as appropriate.

*P2.1 Do subnational governance institutions have autonomy over their functional mandates?* Answering yes is appropriate when subnational governance institutions authorities are free to take on any new tasks (residual competencies) not assigned to other levels of government, while a negative answer is appropriate when subnational governance institutions can only perform mandated tasks, or subnational governance institutions can choose from a predefined scope of tasks.

*P2.2 Are subnational governments free to decide their own political organization and electoral system?* Select “Yes” if subnational government can decide the core elements of their own political system (e.g., determine their own electoral districts, number of seats, electoral system, etc.).

*P2.3 Do subnational governments have constitutional or legal mechanisms to assert their autonomy?* In some countries, higher-level governments are able to unilaterally change the boundaries of—or amalgamate or eliminate—subnational entities without their concurrence. Unless subnational governments have specific constitutional or legal mechanisms to guarantee or assert their autonomy, they effectively exists at the whim of the higher-level government. Examples of specific constitutional or legal mechanisms that allows subnational government to assert their autonomy include: (a) constitutional clauses or other statutory regulations protecting local self-government; (b) recourse to the judicial system through constitutional courts to settle disputes with higher authorities; or (c) other constitutional or legal protections of subnational autonomy exist (e.g., higher-level governments are prevented from forcing subnational government to merge).

*P2.4 Can subnational jurisdictions use the legal system against higher-level government?* Please only answer affirmatively if any subnational government has in fact used the legal system against the higher-level government in the previous three years.

*P2.5 Are decisions made by subnational governance institutions subject to administrative supervision and/or higher-level approval?* Note that authoritative decision-making power is one of the hallmarks of devolved local government institutions. As such, subjecting decisions made by subnational governance institutions to administrative supervision by a higher-level government may (in extreme cases) be indicative of a lack of subnational authoritative decision-making power. For instance, the Botswana Local Government Act states that “Every Council ... shall submit the [council-approved budget estimates] together with a copy of the resolution **for the approval of the Minister ...**” [emphasis added]. This means that *de jure* (and *de facto*), local councils in Botswana lack authoritative decision-making power over their budget, and should be considered hybrid local governance institutions rather than devolved local governments (G4).

For the purpose of completing indicator P2.5, use the following guidance for different situations (and clarify as appropriate):

Yes – Subnational decisions are (*de jure* and/or *de facto*) subject to higher-level approval;



Yes – Administrative supervision is required and reviews both the legality as well as the merits/expediency of municipal decisions. For instance, administrative (or budgetary) supervision during budget formulation and/or budget execution cover details of subnational accounts and spending priorities;

Yes – Administrative supervision exists (and is higher-level approval is required) but only aims at ensuring compliance with law (legality of local decisions). *Note: the degree of administrative supervision is more limited here than in the previous cases, but still provides an opportunity for the exercise of vertical power. (The relatively less obtrusive nature of top-down supervision and approval should be noted in the qualitative portion of the response);*

No – There is no (or very limited) administrative supervision (e.g. the higher authorities may review subnational decisions for legal compliance, but are not empowered to unilaterally suspend subnational decisions without judicial intervention)

*P2.6 Can higher-level remove local executives [or other local officials] without judicial intervention?*

Please only answer affirmatively if a higher-level government has in fact removed a local executive or local official without judicial intervention in the previous three years.

**Structure and quality of subnational electoral systems (P3).** Electoral systems shape the incentives of both the elected officials and the citizens and make elected officials more responsive to citizens' preferences. In this capacity, elections can act as an empowerment tool, as competition among local politicians increases the chances for vulnerable groups to be included in decision-making. The two most common electoral arrangements – a proportional representation (PR) or party-list system and a first-past-the post (FPTP) or single-member constituency system- are explained in more detail with their benefits and risks in the table below.

*P3.1 How are subnational councilors elected?* Possible responses include 'Direct/FPP (majority)', 'Direct/FPP (plurality)', 'Direct/PR', 'Indirect election', 'Appointed council', 'Mixed or Other' or 'No council'. If a number of 'special seats' on the council is set aside for women or minorities (as raised under question P3.7), in this case, please answer this question for the election of 'regular' councilors (rather than answering 'Mixed or Other'). Of course, in other cases, where the council is a mix of elected and appointed councilors (e.g., as is the case in Ghana), the researcher should select 'Mixed or Other'.

In the case of direct, first-past-the-post (FPP) elections, the difference between the first two responses is that in a first-past-the-post majority system a majority of votes (in excess of 50 percent) is required in order to win the election, whereas under a first-past-the-post plurality system, the candidate with the most votes wins (even if a majority is not obtained). In contrast, other countries have direct proportional representation (or 'party list') elections at the local level. In yet other countries, local councils may be elected indirectly (e.g., each village council may send one or two representatives to the district council, and so on); this is currently the case in countries including China and Cambodia.

Electoral arrangement	Main characteristics		Benefits	Risks	Country examples
Proportional representation-	Voters generally vote for a party rather than a specific candidate. Electoral districts have multiple representatives. The share of votes received by a party is translated by a fixed formula into the number of seats to be held by that party.		More inclusive of minorities and women candidates compared to first-past-the-post system.	Independent candidates with no political affiliation can become marginalized. Accountability can be compromised in favor of representation.	South Africa, Indonesia, Turkey, Germany, Sweden, Burkina Faso, Ethiopia, Guinea
First-past-the-post	Single candidate is elected from each constituency based on plurality		Voters have greater clarity of the individual they are voting for  which leads to better accountability	Minority candidates may not be electorally represented.	United Kingdom, Canada, United States, Uganda, Tanzania, Pakistan
Mixed systems	Mixture of PR and nomination of district representatives.		May guarantee territorial representation, creates a transition period between other two established systems (PR and FPP).	May create confusion in representation of local candidates.	Rwanda, Angola

*P3.2 For what term are subnational councils elected (years)?* This question is open-ended, and should be answered in the number of years for which councilors hold office according to the appropriate legislation. If the actual practice deviates from the legislation, please note this in the Country Brief or Assessment Report.

*P3.3 What is the level of citizen participation in subnational elections?* Voter turnout can be an important indicator of citizen participation in local election.<sup>25</sup> Valid responses for this question include:

- Low – Voter turnout is below 35 percent of eligible (registered) voters.
- Average – Voter turnout is between 35-60 percent of eligible (registered) voters.
- High – Voter turnout is over 60 percent of eligible (registered) voters.

<sup>25</sup> It should be noted that voter turnout might be influenced by a variety of factors, such as the methods used for registering voters, the timing of local elections (e.g., higher turnout is common in many countries when local elections coincide with national elections) or by compulsory voting requirements.

- The response should be ‘Other’ if voter turnout is unknown or not applicable to the situation (and clarification provided as appropriate).

*P3.4 How are subnational political executives elected?* Valid responses include ‘Direct/FPP (majority)’, ‘Direct/FPP (plurality)’, ‘Direct election (other)’, ‘Elected by council’, ‘Centrally appointed’, ‘Council-Manager’, and ‘Other appointed’.

*P3.5 For what term are subnational (political) executives elected (years)?* This question is open-ended, and should be answered in the number of years for which (political) executives hold office according to the appropriate legislation. If the factual practice deviates from the legislation, please note this in the Country Brief or Report.

*P3.6 Are subnational council elections party-based?* Electoral dynamics may be different when independent (non-party based) candidates are permitted to run in local elections, vis-à-vis a situation where only party-based candidates are allowed to stand for local election. Appropriate responses include ‘Yes’ (only party-based candidates permitted), ‘No’ (only independent candidates permitted), and ‘Partially/Mixed’ (both party-based and independent candidates permitted).

The last three questions in indicator P.3 seek to identify if there are additional electoral mechanisms in place to empower voters. Valid answers include ‘Yes’, ‘No’, and ‘Partially / Mixed’.

*P3.7 Are there electoral quotas at the subnational level for women candidates or minority candidates?*

*P3.8 Do recall provisions exist for subnational elected officials?*

*P3.9 Are there term limits for subnationally elected officials?*

Question P3.7 should be answered in an affirmative manner if special seats or set-aside council seats (or possibly, set-aside local executive positions) exist for either women or minority candidates. Likewise, P3.8 and P3.9 should be answered in an affirmative manner if any of these provisions exist, either for local councilors or for the local executive officials.

***Nature of political party systems (P4).*** A key factor that influences party systems is the partisanship of subnational elections. Although multi-party elections are widely accepted to be more competitive than single party systems, some countries only allow national parties to run in subnational elections in order to prevent regional political fragmentation. However, research on the role of regional political parties on overall political stability is not yet conclusive. Similarly, not enough research is available to be able to make definite conclusions regarding when partisan or non-partisan local elections are more effective. Some research suggests that a party-based election system at the local level may promote patronage by identifying the support base of the candidate, while elected officials may be more concerned with taking measures to ensure their promotion and advancement within the internal party structure, rather than in passing policies that benefit the community. On the other hand, holding local elections on non-party basis can exclude a large cadre of political workers that form the base of the political parties, thereby restraining political development in the country. Other features of the political party system at the local level –such as the selection of candidates through primary elections or funding rules for political parties- may further enhance the responsiveness and accountability of locally elected officials.

*P4.1 Can multiple parties run in subnational elections?* Possible answers include ‘Yes’, ‘No (single party system)’, ‘No (non-partisan elections)’, or ‘Mixed or Other’. Please ensure that the answer reflect the *de facto* situation; e.g., in a single-party regime, the ruling party may notionally permit some marginally independent parties to contest local election; this should still be considered a single-party system.



*P4.2 Can only national parties run in subnational elections?* Options for responses include ‘Yes, national parties only’, ‘No, registered local political parties can run’, ‘No, only local parties or non-partisan elections’ or ‘Other’. For the purpose of this question, local political parties are political parties that do not contest national elections, and limit their platforms to local issues. If in practice only national political parties exist (although the law does not specifically prohibit local political parties), please select ‘Yes, national parties only’ and clarify in the Country Profile Notes.

*P4.3 How are party candidates for subnational council elections selected?* Valid responses include ‘Primary election’, ‘Selected by party’, or ‘Mixed / Other’. The option ‘Selected by party’ can include both selection by the central party apparatus as well as by local party officials.

The final two parts of question P4 can be answered with ‘Yes’, ‘No’ and ‘Partially’ :

*P4.4 Are there established rules for (subnational) political party financing?*

*P4.5 Does the ruling national party have a dominant position in subnational elections?*

With regard to question P4.5, a dominant position in subnational elections is considered to be a situation in which the national ruling party is able to leverage its political strength at the national level in order to ensure that more than 75 percent or more of regions/localities or locally elected positions (councils and/or executives) are consistently won by ruling party candidates.

***Subnational political participation and accountability (P5).*** Participation and accountability are not automatic outcomes of increased discretion of the local government level. Specific mechanisms should be designed to ensure that citizens and higher officials are able and willing to hold local governments accountable for their discretion. Political accountability can be the result of public accountability mechanisms as well as social accountability. These accountability mechanisms may be imposed by the central government for elected local governments as well as for deconcentrated administrative jurisdictions.

All parts of question P5 can be answered with ‘Yes’, ‘No’ and ‘Partially’. Please only answer affirmative if, in addition to the legal requirement to be participatory, accountable or transparent in a specific manner, the requirement is widely practiced. In contrast, if the law exists but is not widely followed, answer ‘Partially’ or ‘No’ depending on the degree of adherence.

*P5.1 Are all council meetings (required to be) open to the public?*

*P5.2 Are subnational records and documents (required to be) available to the public?*

*P5.3 Is the council (required to) engage in an open, participatory planning process?*

*P5.4 Are alternative participatory mechanisms used, such as referendums?*

## **6. Administrative aspects of the subnational public sector**

Local governments as well as local administrative jurisdictions need to be endowed with administrative autonomy in order to be able to respond to local needs effectively. Two broad powers can be identified as being crucial for local governments to be administratively autonomous: the power or authority (i) to manage its own human resources, and (ii) to procure its own inputs. The objective of this sixth segment in the LoGICA Profile is therefore to evaluate the components of an administrative decentralization system in order to ascertain, first, whether subnational jurisdictions have the necessary degree of authority and

administrative discretion, and second, whether the necessary systems are in place to ensure that subnational officials act in an accountable manner.

Please continue to ensure that the responses in the profile of administrative institutions reflect not just the legal situation in the country, but rather, the actual practice.

***Subnational human resource management and administration (A1).*** Human resource management forms a crucial link in sound public sector management by aligning public sector activities and the human resources needed to engage in these activities. According to the definition contained in the IMF Government Finance Statistics Manual (IMF, 2001: 14), local (and state) governments must be institutional units that are “able to appoint their own officers independently of external administrative control.” In many countries, however, (both those considered deconcentrated as well as devolved), a substantial amount (if not full) of responsibility for managing local human resources is retained at the central government level, making it hard for local governments to respond to specific local needs and reducing the incentive for local bodies to manage their human resources efficiently.

Local government authority over human resources and employment policies ranges from the authority over pay policy (setting overall wage rates as well as local hardship and remote allowances), budget transparency (paying staff from one’s own budget), budget and establishment control (controlling staff numbers and authority to remove surplus staff), recruitment autonomy (recognition as the formal employer), career management control (vertical and horizontal mobility, including transfers to other units within the local government system), and performance management (directing and supervising activities and tasks, conducting evaluations, and exercising the ability to discipline and fire).

The most fundamental question regarding local human resource management (Question A1.1) regards the nature of the legal framework for frontline sector staff. Are local staff part of the national civil service (under the same legal arrangement as central government officials); do local staff belong to a separate local civil service (which is often similar in nature to the national civil service, but with a parallel organization for local staff, which does not necessarily allow local civil servants to flow into central government cadre); or do local staff rely on other legal or contractual arrangements? As an example of the latter arrangement, in some countries, local government employees do not have any specific civil service protections, but simply work under the same labor laws as corporations and other private sector entities. To the extent that different legal frameworks apply to different local government staff, please answer the question as relevant for the largest number of staff at the local level.<sup>26</sup>

In addition to the constraints that local governments in many countries face over the discretion in the management of personnel working within their purview, intergovernmental institutional arrangements may further limit the authority of the local political leadership to appoint their own chief executive or administrative officer and/or local department heads, thereby reducing the effective control by the local political leadership over local administrative affairs.

---

<sup>26</sup> For instance, in some countries, the senior management of local governments may be hired and fired at the discretion of the local government’s leadership, without civil service protections, whereas all other workers (teacher, health staff, and so on) may be covered under regular (either national or local) civil service systems. As another example, in some countries, local day laborers and other temporary employees are similarly excluded from (local) civil service protections.

In regard to the latter point, the profile should indicate whether it is the local executive, the local council, or higher-level authorities who appoint the *Chief Administration Officer (CAO)* and department heads. For the following questions, please note the extent to which subnational governments or administrations have authority and discretion over their human resource management processes. Possible answers to the following questions include ‘Yes, ‘No’ and ‘Partially/Mixed/Other’. Please only answer affirmative if, in addition to possessing the legal authority, the authority is regularly or widely exercised in practice at the local level.

*A1.2 Does subnational executive (/council) appoint Chief Administration Officer (CAO) and department heads?*

*A1.3 Are wages paid/disbursed by subnational officials / from subnational treasury?*

*A1.4 Do RLGs [have binding authority to] determine staff numbers/type by department (establishment control)?*

*A1.5 Do RLGs have binding authority to set wage rates?*

*A1.6 Do RLGs have binding authority to set local incentives, bonuses, top-ups?*

*A1.7 Do RLGs have binding authority to recruit/hire?*

*A1.8 Can higher level authorities [or other entities] recruit/hire/transfer on local jurisdiction behalf?*

*A1.9 Do RLGs have binding authority to dismiss staff (e.g., underperforming / surplus staff)?*

If a more granular understanding of subnational HRM is desired than is offered by these indicators, the assessment team could opt to prepare an additional matrix, which considers each of the functions included in the functional profile (worksheet 4a) as role, while listing indicators A1.1- A1.9 as columns in this additional matrix. While preparing such a detailed matrix may not be necessary in countries where human resource responsibilities are clearly and consistently assigned, this additional detail may be useful in countries where the administrative powers and responsibilities are less clear.

**Subnational procurement (A2).** In addition to regulatory authority, local government also needs discretion to procure goods and services from the private sector or other entities to ensure efficient service delivery to citizens. Beyond the basic procurement of infrastructure or goods and services, procurement contracts can take many forms including service or management contracts, leases, concessions, joint ventures, and full or partial ownership. (These latter types of procurements are often not catered for, thereby limiting the flexibility with which local government can deliver public services). The legislative framework guiding public procurement should provide clear guidance on the roles of different branches and levels of government in all of the various steps of procurement processes, which involves preparing the specification of goods and services to be procured; designing the contract; selecting suppliers; appraising the technical and financial qualification of the bidders; managing the bid process; finalizing the bid process; and contract management. In a decentralized procurement process, local entities or officials are involved in all of these stages.

Since procurement processes provide a potent opportunity for corruption of local governments, citizen involvement in the process can be helpful in mitigating some of these risks. For example, in some countries, the legislative framework guiding local procurement requires the establishment of special bodies in which user groups or other accredited nongovernmental and community-based organizations have a role in the pre-qualification, bid, award, and management of local contracts. Some examples of user group committees are school management committees, water user groups and health facility boards.

For the following questions, please note whether local government has the authority to engage in procurement, and whether public and social accountability mechanisms are in place (and generally being

followed) with regard to local procurement processes. Possible answers to the following questions include 'Yes', 'No' and 'Partial'. Please only answer affirmative if, in addition to the legal authority to engage in procurements (and the legal requirement to be participatory, accountable or transparent in a specific manner), the authority is widely exercised. In contrast, if the law exists but is not widely followed, answer 'Partially' or 'No' depending on the degree of adherence.

*A2.2a Authority to procure capital infrastructure / supplies?*

*A2.2b Authority to engage in lease / concessions / management contracts?*

*A2.2c Is there a local procurement threshold / ceiling?*

*A2.2d Follows national or international competitive bidding standards?*

*A2.2e Legal mandate to make procurement information public?*

The PEFA PFM Performance Measurement assessment manual is instructive regarding the rigor of public accountability and control mechanisms that can be expected within the (local) public sector. In this regards, PEFA Performance Indicator 19 sets specific standards for the transparency, competition and complaints mechanisms in procurement.

## **7. Fiscal aspects of the subnational public sector**

Intergovernmental fiscal relations are traditionally defined into four aspects or “pillars”. These pillars include: (i) the assignment of expenditure responsibilities; (ii) the assignment of revenue sources; (iii) the provision of intergovernmental fiscal transfers; and (iv) the institutional framework surrounding subnational borrowing and debt. The first of the four dimensions or pillars of fiscal decentralization is the assignment of functions and expenditure responsibilities. Rather than including questions about expenditure assignments in the fiscal institutional profile, questions regarding the assignment of functions and expenditure responsibilities have already been included in an earlier portion of the Country Profile, namely the functional profile of the public sector (Segment 4). The remaining fiscal aspects of the subnational public sector are explored in the seventh segment of the LoGICA Profile.

***Nature of revenue assignment and subnational revenue administration (F1).*** Revenue assignment and subnational revenue administration is often considered to be the second pillar of fiscal decentralization and intergovernmental finance. Regional and local governments in many countries rely on a number of own source revenues including taxes (for example, property taxes) as well as non-tax revenues including regulatory fees (for instance, for licenses and permits), rent on local government property (for example, building and equipment) and user fees (for example, market fees or tolls on roads and bridges owned by the subnational government). Complete subnational revenue autonomy would be accomplished when subnational governments are able to assess and set the tax base, set the tax rate and collect revenue from respective sources. Many countries assign a more limited degree of revenue discretion, whereby subnational tax bases are defined centrally, but perhaps allow subnational government to vary subnational tax rates within certain limits. Perhaps more important is for subnational governments to have discretion over the utilization of subnationally-raised funds. In addition to considering the discretion of subnational governments to collect own source revenues, it is often necessary to assess subnational governments' incentives, administrative capacity and enforcement powers over subnational revenue administration.

Some have argued that in order to achieve some of the efficiency benefits of decentralization (in terms of matching the costs and benefits for subnational public services), substantial subnational revenue authority is required (e.g., Bahl, 1999). The disadvantage of low discretion on the part of the subnational

government to raise own-revenues –or the inability of the subnational government to collect revenues when they have the discretion– is that it could result in excessive reliance on transfers from central government authorities. Excessive reliance on central government transfers may discourage subnational governments from exploiting their own resources. It may also reduce subnational responsiveness and accountability as higher degrees or reliance on transfers may create incentives for subnational governments to respond to the demands of the central authorities rather than their own constituencies.

While subnational revenue autonomy is highly desirable in order for subnational governments to operate as efficient subnational platforms for collective decision-making and service delivery (where there is a match between the benefits of local expenditure programs and their tax costs), there are a number of good (and some not so good) reasons why higher-level governments may curtail the revenue autonomy of subnational governments.<sup>27</sup>

A good reason for denying subnational governments revenue autonomy over one or more revenue instruments would be if subnational taxation would result in public sector inefficiency or economic inefficiency. For instance, whereas the administrative cost of major central taxes may be as low as a few percentage points of the revenue yield, the cost of subnational revenue collection is often much higher. As such, one may consider applying the subsidiarity principle to the assignment of revenue powers by assigning revenue instruments to the lowest government level that can collect different revenue sources in an efficient manner. Given the general ability of taxpayers to potentially avoid or evade subnational taxes; the redistributive intent of some tax instruments (e.g., progressive income taxes), along with scale economies involved in tax collection and tax enforcement, it is often the case that the central government is the lowest government level that is able to collect different taxes efficiently.

Background: what is a subnational revenue source? The legal status of a revenue source is not a critical factor in determining what is a subnational revenue. For instance, in the Russian Federation, the personal income tax is a shared revenue source which is collected by federal tax authorities, although a pre-determined share of revenue collections is shared with subnational governments on a derivation basis. While the law refers to this revenue as a ‘subnational revenue source’, the subnational government has no control over the tax base, tax rate, or collection. As such, this should be considered as an intergovernmental transfer (shared revenue) rather than as a subnational revenue source.

For devolved entities, a subnational revenue source is generally a revenue source which is collected by the subnational jurisdiction itself and which is deposited in its own account (over which it has spending discretion).

In a few cases, a revenue source that is not collected by a subnational government entity itself (but rather, by a higher-level local government) may still be counted as a subnational revenue source. In these cases, the collection must be performed on an agency basis, and the subnational government must still have some discretion over the tax rate and/or the tax base. For instance, a subnational income tax (or subnational sales tax or property tax) that is collected as a “piggy-back” tax by a higher-level tax authority can be considered a subnational revenue source as long as the lower level has some degree of discretion over the tax rate (or tax base).

---

<sup>27</sup> Not-so-good reasons for revenue centralization include the desire by central revenue officials to retain highly productive revenue sources for themselves, while assigning less productive, low-yielding, unpopular or difficult-to-administer revenue sources to subnational governments.

For deconcentrated entities, subnational officials are often required to deposit “subnational” revenue collections in the central government’s general revenue account. In selected cases, in deconcentrated systems, local officials are allowed to retain (certain) locally collected revenues in accounts under their own control. Please note this in the Country Profile Notes if this is the case. For the purpose of the LoGICA profile, both of these types of revenues are considered “subnational” (albeit to different degrees).

In some cases, deconcentrated entities collect both types of “subnational” revenues: some revenues are deposited in the national treasury account, while others are retained subnational. In Egypt, for instance, most subnational revenues are deposited into the national treasury, while specific non-tax revenues are deposited into a Local Service Delivery Account (controlled by Governor). In such cases, the report of subnational revenues reflects an aggregation of the two types of revenue collections.

Overall nature of revenue assignments and subnational revenue administration. The first set of questions with respect to revenue assignment deals with the overall nature and structure of revenue assignments. To what degree do subnational entities have authority to determine their own revenue structure? In some countries, a pre-determined, fixed list of revenue sources is determined by higher-level authorities which local entities are allowed to collect. Such “closed list” systems are very different in nature from “open list” systems, where subnational entities are fundamentally allowed to define their own revenue sources (even though subnationally-defined revenue instruments might still be subject to higher-level approval). Note that the nature of revenue assignments in a country sometimes makes the distinction between subnational tax revenues and non-tax revenue instruments. In some countries, the authority of subnational entities to legislate or define its own tax instruments (F1.4) is more constrained than the subnational authority to regulate or define non-tax revenue sources, such as user fees, and so on (F1.5).

For questions F1.1 –F1.5, the possible responses include ‘Yes’, ‘No’ and ‘Partial’. Use the response ‘...’ if the question is not relevant or does not apply.

*F1.1 Subnational entity collects (any) own revenues?*

*F1.2 Subnational revenues from subnational revenue instruments are retained in own accounts?*

*F1.3 Revenue assignment is 'closed-list'*

*F1.4 Subnational entity has the authority to establish own tax instruments?*

*F1.5 Subnational entity has the authority to establish own non-tax instruments?*

Degree of subnational control over rate (F1.6). The remaining questions dealing with the institutional structure of subnational revenue assignments and collections address individual (or categories of) revenue sources. For this purpose, the list of revenue sources is based on the IMF revenue classifications.

Note that in some countries, there might be multiple subnational revenue sources that fall within the same revenue code at a specific local level. In that case, please consider the main revenue source (the revenue instrument yielding the greatest amount of revenue) in the respective category to determine the degree of subnational discretion over the tax rate.

Question F1.6 considers whether for each subnational revenue source, the subnational jurisdiction has control over the tax rate. This question is posed separately for (a) Taxes on income (111); (b) Taxes on property (113); (c) Taxes on goods and services (114); and (d) Non-tax revenues sources, such as administrative fees (1422). For questions F1.6, the possible responses include ‘Yes’, ‘No’ and ‘Partial’. Control over the tax rate is considered to be partial if the local entity is constrained by higher-level legislation in the setting of local tax rates or fee rates.

Degree of local control over base (F1.7). Question F1.7 considers whether for each local revenue source, the local jurisdiction has control over the tax base. This question is posed separately for (a) Taxes on income (111); (b) Taxes on property (113); (c) Taxes on goods and services (114); and (d) Administrative fees (1422). For question F1.7, the possible responses include ‘Yes’, ‘No’ and ‘Partial’. Note that control over the tax base deals with both the definition and measurement of the tax base. Full local control over the definition and measurement of the tax base exists if the legal basis for the tax base is defined by local regulation and legislation. Partial control over the tax base exists in several cases, for instance, if the local entity does not define the local tax base, but if it measures it (for instance, by assessing property values to be taxed), or if the local entity is entitled to give tax exemptions to local taxpayers.

***Intergovernmental fiscal transfers (F2).*** Following the subsidiarity principle, in virtually every country around the world, the expenditure responsibilities assigned to subnational government levels exceed the own revenue sources assigned subnational governments. As such, intergovernmental fiscal transfers are an important and permanent part of any sound multilevel governance system. In non-devolved multilevel governance systems, intergovernmental fiscal transfers take on the shape of subnational resource allocations that are made within the context of the central government budget.

Four elements of the intergovernmental transfer system have important implications for subnational government efficiency, discretion and accountability: (i) rules that determine the total amount of transfers—also referred to as the vertical allocation of resources or the determination of the distributable pool; (ii) rules that govern the “horizontal” allocation of distributable pool among eligible subnational governments; (iii) the degree of conditionality of the grant (i.e., an unconditional general purpose grant versus a conditional specific transfer); and finally (iv) the degree to which the provision of the transfer is dependent on (or intended to) incentivize or promote certain local expenditures or behaviors. This last dimension of the transfer schemes is particularly relevant for matching grant schemes and performance-based grants.

The nature of the overall grant system should be reflective of the country’s desired intergovernmental ambitions. Whereas revenue sharing or unconditional grants allow greater local discretion (which is appropriate where there is strong accountability to subnational constituents), conditional grants allow central line ministries or departments to provide stronger guidance (or exercise control) over local administrative departments or governments (which may be appropriate in the absence of strong local accountability relationships).

A (vertically and horizontally) rule-based transfer system brings greater stability and predictability, and thereby promotes good local planning and efficient service delivery effort. This is why some countries define the vertical allocation of resources (or the distributable pool) as a fixed percentage of budgetary resources or based on some other vertical allocation criterion. Similarly, this is why many countries adopt a formula-based grant system. On the other hand, if the distributable grant pool is determined by the central government in an *ad hoc* and opaque manner, it likely creates allocative inefficiencies and gives rise to uncertainty at the local level regarding the receipt of the transfer revenues. This uncertainty leads to poor budgeting practices and weakens the accountability linkage between local governments and citizens. Similarly, restrictions on the use of funds transferred to the local government also diminish the ability of the local governments to respond to the preferences of the citizens.

With regard to the nature of the grant—or the degree to which the provision of the transfer is or intended to incentivize or promote certain local behaviors-, we note that introducing a matching grant or a

performance-based grant is intended to reward certain subnational decisions, and is therefore understood to be an incentive for certain subnational choices. Therefore, the provision of a matching grant or the introduction of performance-based conditions is understood to introduce incentivize criteria in the allocation of intergovernmental fiscal transfers.

Nature, composition, and management of intergovernmental fiscal transfer system (F2.1). Prior to exploring the vertical and horizontal allocation of transfer resources, it is useful to understand the overall nature, composition, and management of the intergovernmental fiscal transfer system as a whole. Possible responses for this composite question include ‘Yes’, ‘No’ and ‘Partial’:

- a. Given the strengths and weaknesses of political, administrative and fiscal institutions at all levels, does the transfer system provide an appropriate mix of general-purpose (unconditional) and conditional grants? (F2.1a)
- b. Does the structure and timing of the budget formulation process across different levels effectively empower subnational governments to plan with a clear hard budget constraint? In other words, are transfer ceilings authoritatively determined by the higher-level government at least 1-2 months prior to the beginning of the budget year, with sufficient time to allow subnational government to prepare their own plans and budgets within the context of a hard budget constraint? Alternatively, do central authorities negotiate transfer ceilings with subnational governments during or after the subnational budget formulation process, and thereby reduce subnational governments from exercising meaningful discretion in expenditure prioritization? (F2.1b)
- c. A final question with regard to the intergovernmental transfer system as a whole is whether transfers are (mostly) being provided by the higher-level authority (or authorities) in a complete, timely and consistent manner. In other words, during budget execution, are transfers fully disbursed compared to the budgeted amount? Are transfers released in a timely manner? Are transfers disbursed in accordance with the allocation formula or the disbursement pattern determined in the budget? (F2.1c).

Intergovernmental fiscal transfers: ruled-based vertical allocation of resources? (F2.1). In order to explore and clarify the composition and nature of different intergovernmental fiscal transfer schemes, the LoGICA Framework recognizes seven types or categories of intergovernmental fiscal transfers, ranging from General Revenue Sharing and Unconditional (or General Purpose) Grants to different types of conditional (categorical or specific) recurrent and capital development grants.<sup>28</sup> Note that in some countries, there might be multiple transfer schemes that fall within the same transfer category. In that case, please consider the main grant scheme (the transfer instrument that provides the greatest amount of revenue) in the respective category to determine the nature of the transfer scheme.

Question F2.2 considers whether the country’s main intergovernmental fiscal transfer schemes determine the vertical allocation of resources in a ruled-based manner? The set of possible responses includes ‘Yes’, ‘No’ and ‘Partial’. As relevant, this question is answered separately for (a) General Revenue Sharing; (b) General Purpose (or Unconditional) Grants; (c) Conditional wage grants; (d) Conditional non-wage

---

<sup>28</sup> We should note that funding provided to deconcentrated local units should not be considered as intergovernmental fiscal transfers, but rather, as budgetary allocations to budget entities at different administrative levels. This section of the Country Profile can still be used to assess the rule-base vertical allocation of budgetary resources, as well as the formula-based or norm-based horizontal allocation of subnational budgetary allocations.

recurrent grants; l Other conditional recurrent grants; (f) Conditional capital grants; and (g) Cross-sectoral capital grants.

Intergovernmental fiscal transfers: formula-based horizontal allocation of resources? (F2.3). Question F2.3 considers whether the horizontal allocation of transfer resources is determined in a formula-based (or norm-based) manner? The set of possible responses includes ‘Yes’, ‘No’ and ‘Partial’. This question is answered separately for the same categorization of intergovernmental fiscal transfers noted above.

***Subnational borrowing and debt (F3).*** Subnational borrowing can act as a significant source of revenue for regional and local governments, especially in countries where own source revenues and intergovernmental transfers fall short of responding to regional or local investment needs. However, irresponsible borrowing practices or excessive reliance on subnational borrowing can put macroeconomic stabilization at risk. The possibility of subnational defaults based on the expectation of a bail-out by the central government creates a moral hazard problem for subnational officials, which could potentially result in inefficiency and over-spending at the subnational level unless appropriately addressed by the institutional framework. Therefore, subnational government borrowing, if allowed, should be adequately overseen by the central government by devising precise rules and procedures of borrowing. Consequently, in developing and transition countries, many central governments limit, control, or prohibit the issuance of debt by local governments.

Different countries rely on different types of subnational borrowing controls. For instance, Ter-Minassian and Craig (1997) suggest that countries generally rely on one (or a combination) of five subnational borrowing controls, including: market discipline, rule-based controls, cooperative control, administrative control, or outright prohibition of subnational borrowing. Market discipline refers to the reliance on market forces and private credit rating agencies to impose discipline over local borrowing (as in the presence of a functioning local capital market, irresponsible local borrowing results in higher borrowing costs for individual local governments). At the other extreme is direct administrative control of subnational government borrowing, in which the central government directly controls subnational borrowing, by requiring central approval of specific subnational government investment projects and their terms of finance, requiring limiting local government borrowing exclusively through a centrally-controlled financial intermediary (such as a municipal investment bank or local government loans board), and/or other specific central government controls.

Rule-based controls refer to the need for local entities to comply with certain quantitative and qualitative rules and limits regarding their ability to borrow (for instance, quantitative limits on borrowing related to own source revenues, and limitations on the use of borrowed funds). Cooperative controls refer to a situation in which limitations on subnational government borrowing are generated in a negotiation process between central government and subnational governments.

For the questions under F3, possible responses generally include ‘Yes’, ‘No’ and ‘Partial’:

*F3.1 Do local entities have the authority to borrow without higher-level approval?*

*F3.2 If the answer to F3.1 is negative, do local entities have the authority to borrow with higher-level approval?*

*F3.3 Local borrowing takes place extensively (local borrowing is practiced by more than one-third of local entities).*

*F3.4 Subnational government bond issuance allowed/practiced?*<sup>29</sup>

*F3.5 Rule-based constraints are imposed by higher-level authority legislation on subnational borrowing (for instance, limits exist on the size or use of borrowed resources)?*<sup>30</sup>

*F3.6 Specific electoral or subnational accountability constraints exist on borrowing? (For instance, subnational borrowing may only take place after approval in a referendum).*

*F3.7 A subnational borrowing institution (such as a Municipal Infrastructure Bank, a Local Government Loans Board or a similar institution) exists?*

*F3.8 Vertical coordination takes place between central and subnational authorities on the aggregate level of local borrowing and/or local fiscal rules?*

In addition to the exploration of fiscal institutions at different government levels, the LoGICA framework explores a country's general subnational funding structure as part of the fiscal segment of the LoGICA Profile. The questions contained in the LoGICA Profile do not require an in-depth quantitative fiscal analysis, and thus only provide a rough or crude overview of the country's subnational funding structure. If the assessment team wants to explore the intergovernmental fiscal structure with greater precisions and in greater detail, it is encouraged to prepare an LPSA Intergovernmental Fiscal and Expenditure Review (InFER) at the same as the LoGICA Framework.

The first table to be prepared regarding the country's subnational funding structure explores the vertical share of public expenditures and revenues (F4). In the first column of the table, the assessment team is requested to indicate the share of direct public expenditures made by each government level/tier/type.<sup>31</sup> In principle, total direct expenditures across all government levels (i.e., the column total) should add up to 100%. For each government level, the assessment team should select from the following categories: None (0-1 %); Very Low (< 5 %); Low (< 10 %); Moderate (10-20%); Substantial (20-30%); or High (> 30%). These categories indicate the relative importance of each government level/tier/type in making (direct) public expenditures.

The second column of the same table is to be completed by indicating the share of total public revenues collected by each government level/tier/type. In principle, total public sector revenue collection across all government levels (i.e., the column total) should add up to 100%. The assessment team should rely on the same categories. These categories indicate the relative importance of each government level/tier/type in revenue collections across all government levels/tiers/types.

The second table capturing the country's subnational funding structure explores the funding of public expenditures at each subnational government level/tier/type (F5). As such, the table explores how the expenditures at each government level/tier/type are funded. Following the four "pillars" of fiscal decentralization, in each row, the assessment team should indicate the relative importance of own-source revenues; intergovernmental fiscal transfers (including shared revenues; unconditional transfers; and conditional transfers) as well as borrowing (debt) and other revenue sources at each government level. In principle, the contribution of the different funding sources at each government level/tier/type (i.e., each row) should again add up to 100%. In completing each row of the second table, the assessment team should rely on the same categories as described above.

---

<sup>29</sup> For this question, possible responses include 'Allowed and practiced'; 'Allowed, but not practiced' and 'Not allowed'.

<sup>30</sup> Likewise, some countries impose limits on borrowing in the year prior to the next local election.

<sup>31</sup> Direct expenditures are total expenditures minus intergovernmental fiscal transfers (sometimes referred to as intergovernmental expenditures).

## 8. Inclusive, responsive, efficient and accountable services and development

Inclusive, responsive, efficient and accountable services and development are achieved when global and national development objectives are transformed into inclusive communities, improved livelihood conditions and better local public services for the people at the grassroots level. Enablers of inclusive local services and development include inclusive and responsive subnational public administration systems and processes (D1); inclusive and responsive subnational governance systems and processes; inclusive and responsive subnational fiscal systems and processes; inclusive and responsive facility-level / provider administration (D4); and public availability of disaggregated subnational and facility-level data (D5 and D6).

Since different public services may be delivered through different multilevel governance arrangements, the final segment of the LoGICA Profile focuses on four specific services: primary education, basic (outpatient) health services, water and sanitation, and local roads and infrastructure. To the extent that different service delivery mechanisms are used in different parts of the country (e.g., in urban versus rural local governments, or in other asymmetric situations), this Profile should focus on the most prevalent service delivery approach and highlight alternative mechanisms in the Comments/Notes and in the LoGICA Report. The assessment team may wish to consider additional public services as desired and appropriate in the LoGICA Report.

***Inclusive and responsive subnational public administration (D1).*** Although there are both advantages and disadvantages to centralized service provision, many centralized public sector systems find it difficult to effectively deal with the vertical or intergovernmental (multilevel governance) aspects of public service provision and development. As such, the presence of more inclusive, responsive, effective, and accountable subnational public administration is likely to increase the chance that public services and development are more inclusive, responsive, efficient, equitable and sustainable.

Question D1 focuses on whether there is a regional/local administrative departments or units in the delivery of public services. Regional and local departments may either be deconcentrated administrative units or part of devolved local governments. To the extent that services are provided/produced by a separate or semi-autonomous provider (rather than by facilities and staff that are part of the department itself), this question focuses on the role of the regional/local administrative department (i.e., the municipal water department, not the municipal water company) . Unless otherwise noted, appropriate responses include 'Yes', 'Partial', 'No' or 'Other'. Answers should be provided for each of the four different local services.

***D1.1 Is the recurrent service provision the responsibility of a regional/local department?***

In other words, does the regional/local department play a meaningful role in the *de facto* recurrent provision and/or production (or control the provision/production) of each of the four local services? The responses should align with Segment 4 (functional assignment).

***D1.2 Do clear and affordable sectoral service delivery standards exist?***

National or "minimum" service delivery standards are service delivery standards and norms set by the central government that guide the delivery of localized services. National service delivery standards aim to ensure a minimum standard of local service provision across the national territory, and make it easier for residents to hold local officials accountable for their performance. National service delivery standards may guide the (maximum or average) distance between residents and facilities; the ratio between clients

and providers (e.g., a minimum student-teacher ratio); minimum qualifications for providers; norms on the availability/provision of supplies (e.g., textbooks or medical supplies); guidance on user fees; standards of access for poor residents; and so on.

In order for such standards to be meaningful, the standards should be set in a way that they are affordable/achievable by most—if not all—regional or local administrative bodies. Since these standards are mandated by the central government and national in nature, affordability should generally be judged by the availability of adequate intergovernmental fiscal transfers rather than by (the strength or weakness of) local own source revenue efforts. If standards exist but are generally not affordable or not followed, then the appropriate response would be ‘Partial’ or ‘No’ based on the extent to which the service delivery standards are meaningful in guiding service delivery efforts.

*D1.3 Does the department/unit prepare a service delivery / operation & maintenance plan?*

Does the department/unit prepare its own (written) service delivery (and/or operation and maintenance plan) as the basis for its service delivery activities, or does the department/unit merely implement/execute plans prepared and imposed by higher-level governments or administrative tiers? Alternatively, the regional/local department may have the authority to prepare its own written service delivery (or operation & maintenance) plan, but may simply fail to do so. (If the plan has been prepared by a provider that is an agent of the subnational department, the plan must have been appropriately reviewed, vetted, and approved by the local department in order to answer affirmative).

*D1.4 Does the department/unit prepare infrastructure plan?*

Likewise, does the department/unit prepare its own (written) capital infrastructure plan (and/or investment plan) as the basis for its infrastructure spending, or does the department/unit merely implement/execute plans prepared and imposed by higher-level governments or administrative tiers? Alternatively, the regional/local department may have the authority to prepare its own written service delivery (or operation & maintenance) plan, but may simply fail to do so. (If the plan has been prepared by a provider that is an agent of the subnational department, the plan must have been appropriately reviewed, vetted, and approved by the local department in order to answer affirmative).

*D1.5 Is there a local performance framework in place (being applied) for the service?*

In contrast to national (or minimum) service delivery standards (which are set centrally), a local performance framework is a public agreement between citizens and their local administrative that clearly codifies expectations and standards with regard to local services. Such local performance frameworks typically set specific service delivery standards or targets, such as timetables, user fees for services, and options for grievance redress. A local Citizen Charter is the most common form of a local performance framework. This question evaluates the presence and effectiveness of local performance frameworks; less credence is placed in performance standards or charters that are imposed on subnational actors by central government agencies without the full buy-in of local officials.

*D1.6 Does the department/unit monitor service delivery performance metrics?*

*D1.7 Is there an effective administrative mechanism to receive and resolve service complaints?*

***Inclusive and responsive subnational governance systems and processes (D2).*** The presence of more inclusive, responsive, effective, and accountable subnational governance systems and processes is expected to increase the likelihood that public services and development are more inclusive, responsive, efficient, equitable and sustainable.

National service delivery standards, local performance frameworks and citizen engagement may be relatively less effective unless elected subnational officials monitor the performance of subnational departments or frontline service delivery providers. Meaningful and effective monitoring of service delivery performance of local services by an elected subnational government or by a subnational advisory/supervisory council requires more than the creation of Standing Committees as a paper exercise. It requires transparency (e.g., the release of information regarding the department or unit's performance against its performance framework) and the opportunity for residents and local stakeholders to participate in the assessment process (e.g., through a public hearing).

*D2.1 Do elected subnational officials systematically/regularly monitor service delivery performance?*

*D2.2 Is there a subnational (sub)committee that provides guidance and oversight?*

*D2.3 Is there an inclusive political mechanism to receive and resolve public complaints?*

***Inclusive and responsive subnational fiscal systems and processes (D3).*** The presence of more inclusive, responsive, effective, and accountable subnational governance systems and processes is expected to increase the likelihood that public services and development are more inclusive, responsive, efficient, equitable and sustainable.

A transparent and accountable local budget process is an important element of an accountable local governance system. An open local government budget process ensures (1) timely availability of budget information to the subnational public; (2) clarity and relevance of the information contained in the main budget reports available to subnational citizens; (3) effective mechanisms are used to disseminate budget information among citizens; (4) effective channels are established for participation of citizenship in the review and monitoring of the budget documents. Even though many countries have open document laws or freedom of information legislation that are applicable to local governments, in practice, public access to local government budget information is often quite limited (International Budget Partnership, 2013).

Note that to the extent that public services are partially or wholly funded off-budget (e.g., funded from tariff revenues through a municipal utility company), the responses should reflect the nature of the provider's budget.

*D3.1 Is subnational spending on this function identifiable in the (publicly available) subnational budget?*

*D3.2 Is subnational spending on this function budgeted in a performance-based manner?*

*D3.3 Are local budgets and finances managed in a participatory and transparent manner?*

***Inclusive and responsive facility-level / provider administration (D4).*** Citizens typically receive public services from frontline facilities (e.g., schools, health clinics), while in other cases services are delivered by public, community-based, or even private providers (e.g., municipal water company; community-based water provider; private solid waste management contractor). In yet other instances, services may be provided by ward-level service delivery units. Responsive local services arise not only from citizen participation at the level of regional or local administration itself. Instead, the opportunity for citizen engagement is greatest at the facility level. Many countries have School Management Committees, Health Facility User Committees, Water User Groups, and similar mechanisms to engage in facility-level (or provider-level) participatory planning, social accountability, and public oversight.

The presence of more inclusive, responsive, effective, and accountable facility- or provider-level systems and processes is expected to increase the likelihood that public services and development are more inclusive, responsive, efficient, equitable and sustainable. (This question can be skipped /left blank when

public services are delivered directly by the subnational department or unit without relying on facilities, providers, or sub-units).

*D4.1 Do facilities/providers prepare service delivery / O&M plans?*

*D4.2 Do facilities/providers have their own budget?*

*D4.3 Do facilities/providers have a degree of administrative or managerial discretion?*

*D4.4 Do facilities/providers have their own oversight body / committee?*

*D4.5 Do facilities/providers have their own participatory planning process?*

*D4.6 Do facilities/providers have their own public performance/accountability process?*

**Subnational data availability (D5) and facility-level data availability (D6).** In order to monitor that development objectives are achieved across a country's national territory, it is critical that the public sector not only collects key development indicators, public sector performance metrics, and public expenditure indicators at the national level, but that government agencies collect and disseminate data that is disaggregated at different subnational administrative-territorial levels. The greater degree the disaggregation of such data, the better the public sector will be able to target its public service delivery efforts and to ensure sustainable and inclusive human development at the local level.

While there is an ambition to localize the global Agenda for Sustainable Development by more rigorously monitoring disaggregated sustainable development indicators at the regional and local level, this presumes that domestic reporting mechanisms are in place to collect and report on such data. Little is currently known, however, about the public availability of regular, authoritative, disaggregated data for jurisdictions at different levels in countries around the world. While some countries have open budget systems and open data systems that provide highly detailed local-level data, many other countries do not provide such disaggregated, local-level data. Different countries have introduced reporting mechanisms for regional and/or local performance on the SDGs. It should be noted that in order to be truly disaggregated and meaningful for (local) public sector decision-making, data should not just be reported for "urban areas" and "rural areas" in aggregate within a country, but rather, data should be reported for all urban and rural jurisdictions at a specific territorial-administrative level. Similarly, in order for local officials to make effective service delivery decisions (and for effective public oversight to take place), service delivery data should typically be disaggregated at the facility level.

#### **D5. Subnational data availability**

*D5.1 Information about by number of service delivery facilities (within each subnational jurisdiction) is publicly available?*

*D5.2 Information about by number of service delivery staff (within each subnational jurisdiction) is publicly available?*

*D5.3 Information about number of clients/households served (within each subnational jurisdiction) is publicly available?*

*D5.4 Information about service delivery performance (within each subnational jurisdiction) is publicly available?*

#### **D6. Facility-level / provider data availability**

*D6.1 Information about the location of each service delivery facility (within each subnational jurisdiction) is publicly available?*

*D6.2 Information about by number of service delivery staff by facility (within each subnational jurisdiction) is publicly available?*



*D6.3 Information about number of clients/households served by facility (within each subnational jurisdiction) is publicly available?*

*D6.4 Information about service delivery performance by facility (within each subnational jurisdiction) is publicly available?*

# **Annex 3**

## **The Local Governance Institutions Comparative Assessment Score Card**

## Annex 3: The LoGICA Score Card

The LOGICA Score Card includes an assessment of (i) the assignment of functional responsibilities to subnational governance institutions; (ii) political aspects of subnational governance; (iii) administrative aspects of subnational governance; (iv) fiscal aspects of subnational governance al(e) inclusive and responsive local service delivery and development.

The table below provides an overview of the LoGICA Score Card. Whereas the LoGICA Country Profile provides a more in-depth diagnostic assessment of subnational governance institutions in a country, the LOGICA Score Card provides a (relatively) light touch comparative assessment of the five main dimensions of a multilevel governance system. Details on how to score each of the 20 score card indicators are provided in this Annex.

SCI	Score Card Indicator	Type	Max
<b>R</b>	<b>Assignment of responsibilities / functions to the subnational level</b>		
R.1	Extent of recurrent functions assigned to subnational governance institutions	Scalar	5
R.2	Extent of capital functions assigned to subnational governance institutions	Scalar	5
R.3	Extent of regulatory functions assigned to subnational governance institutions	Scalar	5
R.4	Degree to which functional assignment adheres to principles and good practices	Detail	5
<b>P</b>	<b>Political aspects of subnational governance</b>		
P.1	Subnational institutions have own (elected) leadership	Scalar	5
P.2	Subnational leadership elections are competitive, free and fair	Detail	5
P.3	Extent of subnational authoritative (political) decision-making power	Detail	5
P.4	Political structures results in inclusive, responsive and accountable governance	Detail	5
<b>A</b>	<b>Administrative aspects of subnational governance</b>		
A.1	Subnational administrations are integrated institutions and prepare own plans	Scalar	5
A.2	Subnational administrations are led by subnationally appointed officers	Scalar	5
A.3	Subnational administrations have control over HRM of frontline staff	Scalar	5
A.4	Subnational administrations have control over subnational procurement	Scalar	5
<b>F</b>	<b>Fiscal aspects of subnational governance</b>		
F.1	Extent of subnational autonomy over subnational expenditure responsibilities	Detail	5
F.2	Extent of subnational autonomy over revenue raising	Detail	5
F.3	Effectiveness of IGFT system in funding inclusive services	Detail	5
F.4	Effectiveness of subnational borrowing and capital finance framework	Detail	5
<b>D</b>	<b>Inclusive service delivery and development</b>		
D.1	Inclusive and responsive local service delivery governance	Detail	5
D.2	Inclusive and responsive facilities /providers	Detail	5
D.3	Extent of local-level data availability	Detail	5
D.4	Extent of facility-level / provider data availability	Detail	5
	<b>Scorecard Total Score</b>		<b>100</b>

For every institutional dimension included in the Score Card, four questions or score card indicators (SCI) are presented. Each SCI should be assigned a score ranging from zero to five points, following an ordinal scale from 0-5 points, with zero points representing multilevel governance systems do not facilitate the empowerment the local public sector (nor facilitate the empowerment of the people over the public sector), while a full score (5) represents multilevel governance systems that extensively enable the empowerment of the local public sector and the people. In some cases, the SCI score is determined based on a single question, while in other cases, a number of more detailed statements need to be evaluated

(as true/not true) in order to arrive at the SCI score. Guidance is provided below on how to score each individual score card indicator. While SCIs are generally evaluated and scored on a five-point scale, in some cases, half points may be awarded. The LoGICA Score Card also allows the assessment team to manually override the SCI scores as needed.

**LoGICA Dimension Scores (0-20).** Once all of the 20 score card indicators are assessed, an aggregate score for each of the five main institutional dimensions is computed as the sum of the score on the score card indicators in each dimension (based on a twenty-point scale). An assessment score of zero for a specific dimension indicates weak subnational governance institutions (i.e., subnational governance institutions with little or no authority, autonomy, discretion, and accountability), while a score of 20 is indicative of subnational governance institutions that are more highly empowered, responsive and effective with respect to the specific dimension of subnational governance under consideration.

**LoGICA Scorecard Total (0-100).** The aggregate score for a country on the LoGICA Score Card is referred to as the Scorecard Total. The Scorecard Total ranges from zero points to a maximum of 100 points. Higher scores generally reflect a greater degree of decentralization or subnational autonomy across different dimensions of the public sector, although we expect that there is a complex, non-linear relationship between overall degree of subnational public sector empowerment and its constituent dimensions.

**The LoGICA Score Card focuses on the dominant subnational government level/tier/type.** Compared to the LoGICA Country Profile, the LoGICA Score Card provides a relatively “light touch” comparative assessment of the five main dimensions of a multilevel governance system. While the Country Profile provides an in-depth diagnostic assessment of up to six subnational governance levels / tiers / types separately, generally, the LoGICA Score Card does not require a separate assessment of each governance level/tier/type. Instead, in most cases, the LoGICA Score Card Indicators should be completed with the most important subnational governance level / tier / type in mind. This is typically the regional or local governance level / tier / type that plays the greatest role in public service delivery and/or the subnational governance level / tier / type that engages in the highest level of spending. The assessment team should agree on the dominant subnational governance level / tier / type before commencing the LoGICA Score Card.

If a country has two important levels, tiers, or types of subnational governance institutions—for instance, a federal country, or a large unitary country where two or more subnational governance levels / tiers / types (each of which exceed 15-20 percent of public sector spending), different parts of the Score Card can be based on the *two* most important subnational governance levels / tiers / types. This option may be especially appropriate for federal countries that have important differences between the regional (or state) government level and the local government level, and where both of these levels play an important role in subnational service delivery and development.

The assessment team should determine in advance whether the LoGICA Score Card should only be applied to the single-most important subnational governance level / tier / type, or whether the second-most important subnational governance level / tier / type is sufficiently important that the LoGICA Score Card should take into account the top-two most important subnational governance institutions. In this latter case, a separate worksheet (ScoreCard2) is included in the Excel template as a hidden worksheet.

It should be understood that by completing the Score Card, a trade-off is made between the useability of the assessment instrument (i.e., the time and effort required to complete the Score Card) versus the completeness and granularity of the assessment. By focusing on the dominant level, tier, or type of

subnational governance institutions, the instrument will not incorporate the functioning or features of secondary levels, tiers, or types of subnational governance. For instance, in completing the Score Card, the role and functioning of regional governance institutions or village-level governance institutions may be disregarded by the Score Card if these subnational governance institutions play only a relatively minor role in the multilevel governance system.

Whenever possible, the assessment team is encouraged to complete the full LoGICA Country Profile—in addition to the LoGICA Score Card—to more fully explore the complexities and nuances of multilevel governance at all levels or tiers of subnational governance.

**Assessing institutional *de jure* versus *de facto* conditions.** In some countries, there is a gap between the legal framework and actual practice with regard to subnational governance and local service delivery. The intent of the LoGICA Score Card is to capture the actual or *de facto* situation in the jurisdiction of a regional or local government, rather than necessarily capturing the legal (*de jure*) situation. As such, even if certain conditions exist “on paper”, the assessment should generally only award points when these conditions exist in reality. Any gaps between the legal and actual situation could be clarified in the LoGICA Brief or the LoGICA Assessment Report.

For instance, in terms of functional assignments, the actual or *de facto* assignment of functional responsibilities is typically revealed by determining the governance level/tier/type that is responsible for employing the frontline staff that delivers a service (recurrent functional responsibility) and the governance level/tier/type that is responsible for constructing service delivery facilities (functional responsibility for development or infrastructure).

**Regional and local governments in federal versus unitary countries.** This assessment framework is equally applicable to subnational governments in unitary countries and federal countries. Note that the terms ‘higher-level government’ or ‘central government’ refer to the national-level government in unitary countries, while these same terms may refer to any higher-level government (either national-level government or intermediate / provincial /state government) in federal countries, as appropriate.

As noted, the Score Card contains a separate worksheet (ScoreCard2) that allows assessment teams to pick up more of the nuances of a federal system (or any multilevel governance system that has two dominant levels, tiers or types of subnational governance institutions). Given the greater complexity of federal countries and larger unitary countries, assessment teams in these are encouraged to prepare a full LoGICA Country Profile alongside the preparation of the LoGICA Score Card.

**Subnational government discretion versus subnational government capacity.** The LoGICA framework seeks to capture the basic dimensions of the institutional framework within which public services are delivered. This means that the score card indicators gauge the amount of (functional, political, administrative, and fiscal) space that subnational governments are given to operate within, in addition to quantifying the inclusiveness, responsiveness and effectiveness with which subnational governments (or subnational administrations) operate within the institutional space available to them.

A majority of the assessment indicators within each of the five institutional dimensions focus on the empowerment of subnational governance institutions in the context of the multilevel governance framework. This choice was primarily driven by the fact that an empowering intergovernmental environment is a universal precondition for subnational government effectiveness, while the absence of an empowering intergovernmental framework is a binding constraint to localized service delivery

performance in many countries. The choice was also driven by the fact that concepts such as “accountability”, “responsiveness” and “capacity” are extremely hard to assess objectively across different country contexts.

Prior to careful analysis, weak performance of local governments in many countries is often attributed to the weak institutional capacity of regional and/or local governments. However, more careful observation may reveal that the weak performance of subnational governments is not necessary due to weak subnational capacity *per se*, but rather, due to the limited assignment of (*de facto*) functional responsibilities; weak political incentives provided for dynamic subnational leadership; the limited subnational administrative control over subnational administration and local services; weaknesses in the accountability mechanisms imposed on the subnational level; or due to the inadequacy of subnational financial resources or inadequate subnational fiscal discretion.<sup>32</sup> As such, this Score Card will be able to provide guidance on whether intergovernmental constraints are important determinants of weak subnational governance systems, or whether weak subnational governance and weak localized service delivery performance is predominantly caused by subnational decisions and factors within the control of subnational authorities themselves.

***Interpreting the LOGICA Score Card.*** The LOGICA Score Card aims to provide objective measures for the main dimensions related to decentralization, local governance institutions and intergovernmental relations. An example of the Score Card output is presented in Figure 1 (next page). It should be noted that it is not possible for the LoGICA assessment framework (nor for any other assessment framework) to capture every relevant detail or nuance of each country’s local governance institutions, processes and procedures. In addition, some aspects of decentralized governance arrangements are easier to assess objectively than others. For instance, the level of subnational political responsiveness or administrative capacity are extremely difficult to quantify or assess in a comparative manner across different countries.

Interpreting the results of the LoGICA Score Card and the Scorecard Total thus should recognize that multilevel governance systems defy “one-size-fits-all” prescriptions. By the very nature of the LoGICA Score Card (which considers subnational governance arrangements broadly across different government levels/tiers/types and across functions), there is a greater degree of subjectivity in the scoring of Score Card Indicators when compared to the responses for more detailed LoGICA Profile questions.

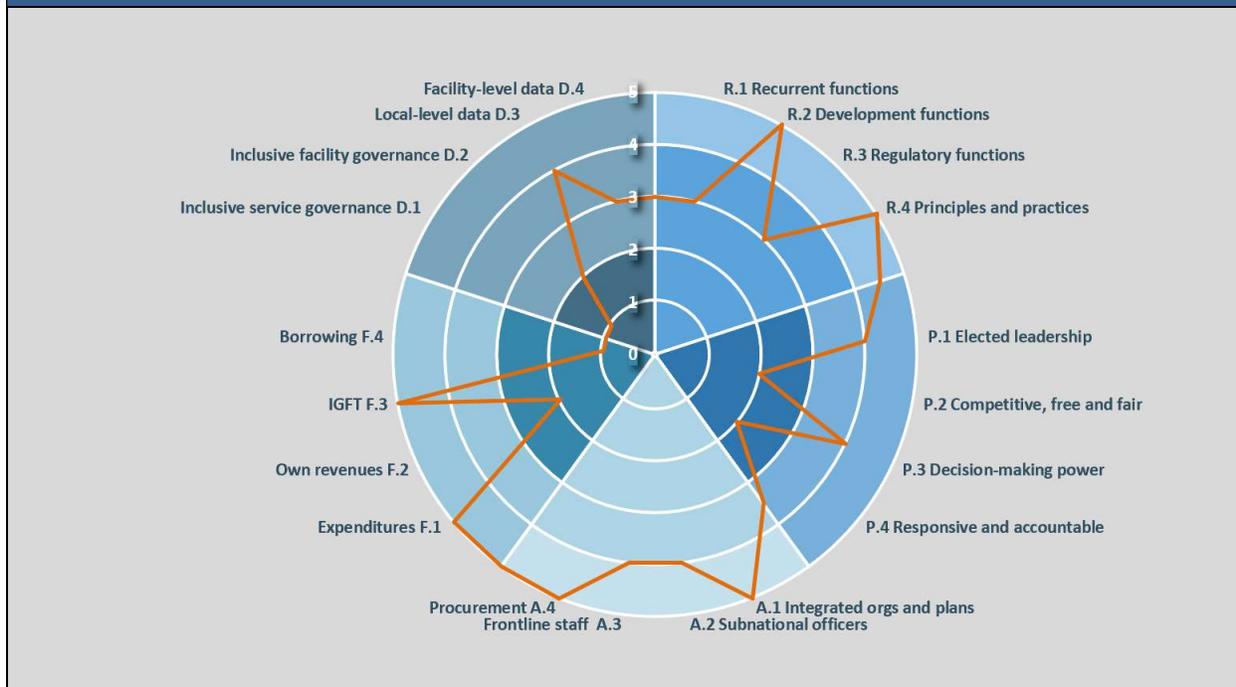
It is critical to note that while higher scores suggest a greater degree of decentralization or subnational autonomy across different dimensions of the public sector, higher scores do not conclusively indicate a more inclusive or effective multilevel governance system. The ability of the subnational public sector to support inclusive and efficient public services and development depends not only on the general extent to which subnational governance institutions are empowered over different dimensions of their operation (i.e., functional responsibilities; political, administrative, and fiscal powers). Instead, the inclusiveness, responsiveness and effectiveness of the subnational public sector depends on the granular balance of

---

<sup>32</sup> For instance, in many countries, the inability of LGs to attract qualified professional staff is limited by the fact that local salary levels are determined by central authorities. This can result in many well-qualified job candidates preferring employment in the private sector or with the central government, rather than with the local government. Even when LGs have control over their own HR management (including compensation schemes), LGs may be limited in attracting sufficient qualified staff due to the inadequate assignment of local revenue sources and intergovernmental fiscal transfers (which are decisions within the purview of higher-level authorities). As such, the “capacity” of a local government to provide for effective and responsive local administration and service delivery is determined almost completely by the intergovernmental framework.

empowerment, capacity and accountability within and between different dimensions of public sector governance.

**Figure A2.1. Local Governance Institutions Comparative Assessment (LoGICA) Score Card Output**



Whereas lower scores on the different institutional dimensions generally reflect institutional arrangements that rely less on subnational empowerment and accountability, the effective localization of public services may be achieved differently in different countries. While the score card indicators included in the LOGICA framework are general indicators or “pointers” of more effectively localized governance institutions and practices, the impact of specific institutions or practices on the effectiveness of the multilevel governance system as a whole can vary from country to country. As a result, it is impossible to determine a unique weighting scheme for different assessment indicators.

**Interpretation of Score Card Indicators.** In order to achieve an assessment that is meaningfully comparative across different country systems, it is necessary to apply a consistent, strict and unbiased interpretation of the Score Card Indicator rating scales and statements upon which the assessment is based.

Since the word “power” is at the root of concept of empowerment, many of the assessment questions in the LoGICA Score Card deal with the extent to which subnational governance have authoritative decision-making power. An entity should be understood to have authoritative decision-making power if it is able to make decisions independently, and does not require the approval or agreement of higher-level officials to confirm the decision. For instance, a clear distinction should be made between a situation in which a local governance institution has authoritative power to discipline or terminate poorly performing staff without further involvement of higher-level officials, versus a situation in which a local governance institution has the ability to recommend disciplining or terminating poorly performing staff, but where another entity or official (typical a higher-level government entity or official) has final decision-making

authority. In the former situation, the local institution has authoritative decision-making power; in the latter situation, the local institution does not.

The assessment team should evaluate scoring ranges and statements based on actual practices, rather than on legal statutes or policy ambitions. An objective assessment team should avoid the temptation of giving a higher score based on policy ambitions, or partial credit based on the country's desire to have well-functioning subnational governance institutions. Instead, if a statement is not fully true, the scoring should reflect the actual situation. As a rule, if qualifications are required for a statement to be true, then the statement is most likely not true. For instance, if *some* local governments in a country have effective complaints resolution mechanisms, while the complaints resolution mechanisms in many other local governments are present but generally not terribly effective in resolving service delivery complaints, then the statement "effective political and/or administrative mechanisms are in place to receive and resolve service complaints" should (unfortunately) be assessed as "not true".

Finally, assessment teams should acknowledge the possibility of observation bias in completing the assessment. If an assessor's experience in decentralization and local governance is exclusively or predominantly in countries where local governments have a relatively limited role or where their powers are curtailed, their restricted role and/or limitations may be deemed to be "normal" to the assessor. This may inadvertently lead to a bias in scoring. As such, a deliberate effort should be made to place each country's experiences on a scale that compares each country's experiences on a global range that includes countries in which regional and/or local governments are only partially empowered (or not empowered at all) to countries in which regional and/or local governments are highly empowered. Conversely, if the assessor's experiences are exclusively or mainly in a highly-empowered local government country contexts, the assessor might over-emphasize certain challenges in a way that is disproportionate to the challenges faced by regional and/or local governments in countries where these institutions are *not* empowered.

***Prior to completing the LoGICA Score Card, complete the LoGICA Intergovernmental Context.*** The LoGICA Score Card is part of the broader LoGICA assessment framework. The framework combines a LoGICA Intergovernmental Context and a detailed LoGICA Country Profile along with the LoGICA Score Card in the same Excel template.

It is strongly suggested that the assessment team complete the four segments of the LoGICA Intergovernmental Context (the General Country Information; Structure; Governance; and Functions segments) prior to completing the LoGICA Score Card. In particular, it is useful to complete the Profile's Functions segment before completing the Score Card, as the Country Profile's Functions segment (worksheet "4 Functions") informs the LoGICA Score Card segment on functions and responsibilities.

If the assessment team intends to only prepare the LoGICA Score Card (but not the full Country Profile), it is not necessary for the team to complete the Country Profile's detailed institutional segments (segments 5-8).

It should be noted that there is some degree of correspondence in the LoGICA Framework between the Country Profile segments which deal with the political, administration, fiscal arrangement and inclusive services and development and the LoGICA Score Card indicators. Similarly, the coding of the sections of the LoGICA Score Card matches the coding of the LoGICA Country Profile (for instance, political aspects are consistently coded "P"; administrative aspects, "A"; and fiscal aspects, "F"). However, there is no exact

match between individual Score Card Indicators (SCIs) and Country Profile indicators (in other words, P.1 in the LoGICA County Profile does not correspond to SCI P.1 in the Score Card).

**Score Card Excel Worksheets.** The LoGICA Excel Template dedicates three separate worksheets to the LoGICA Score Card. First, the **ScoreCard** worksheet is the worksheet where the assessment team enters the scores for each Score Card Indicators and where the team provides detailed comments, clarifications and explanations for the different aspects of multilevel governance. Second, the **ScoreCard2 worksheet** is a hidden worksheet that has the same function as the *ScoreCard* worksheet; this worksheet should only be unhidden and used when completing the LoGICA Score Card for a federal country or a unitary country with multiple levels.

Third, the Score Card outputs are presented in the **SC Output** worksheet. This worksheet summarizes the results entered in the *ScoreCard* worksheet (or *ScoreCard2*, if used). This worksheet also allows the assessment team to manually override the scores automatically assigned based on the scoring guidance, if the assessment team feels that the automatic scoring for a SCI does not accurately reflect the state of multilevel governance.

**LoGICA Country Brief.** In addition to preparing the LoGICA Score Card, each assessment team is encouraged to prepare a LoGICA Country Brief, which presents a summary of the findings of the LoGICA Score Card as a combination of a short, written report and a short PowerPoint Presentation.

## R. Assignment of responsibilities / functions to the subnational level



*In an inclusive and efficient public sector, subnational governance institutions are often assigned the responsibility and authority to manage subnational affairs. The first dimension of the Score Card considers the assignment of responsibilities and functions to the subnational level.*

SCI	Score Card Indicator	Max
<b>R</b>	<b>Assignment of responsibilities / functions to the subnational level</b>	
R.1	Extent of recurrent functions assigned to subnational governance institutions	5
R.2	Extent of capital functions assigned to subnational governance institutions	5
R.3	Extent of regulatory functions assigned to subnational governance institutions	5
R.4	Degree to which functional assignment adheres to principles and good practices	5
	<b>LoGICA Score, responsibilities / functions</b>	<b>20</b>

### ***Discussion and clarifications: Assignment of responsibilities / functions to the subnational level***

- It has long recognized that the vertical distribution of powers and functions allows the public sector to be more responsive to the needs and preferences of the people. Compared to a more centralized “one-size-fits-all” approach, a multilevel governance structure enables subnational governance institutions to respond to regional and local preferences in a more granular manner. Although political, administrative, sectoral and fiscal aspects of subnational governance arrangements help determine the effectiveness of subnational governance institutions, a major determinant of the ability of subnational governance institutions to promote an inclusive, responsive and efficient public sector is the range of responsibilities, powers and service delivery functions assigned to them.
- There is widespread consensus that adhering to the subsidiarity principle will achieve the most efficient and responsive assignment of functions and expenditure responsibilities in the long run. The subsidiarity principle states that functions or tasks should be assigned to the lowest level of governance or administration that is capable of performing that function efficiently.
- The assignment of decision-making power to elected local governments is an essential component of democratization, good governance and citizen engagement (UN HABITAT, 2007). The most effective long-term assignment of functional responsibilities (in accordance with the subsidiarity principle) is expected to occur when functional responsibilities in the provision of education, health and other localized public services are assigned to elected (devolved) local government units. However, decentralization by devolution may not be an appropriate policy reform in the short run for some countries (for instance, when adequate local accountability mechanisms are not in place).
- As the basis for scoring SCI R.1 through R.4, it is necessary to first complete the LoGICA Profile’s Segment 4 (Functions), which captures the assignment of power and responsibility for the provision/delivery of 27 specific public services.<sup>33</sup> In completing SCI R.1 through R.4, the assessment team should rely on Segment 4 of the LoGICA Framework (Intergovernmental Context, Functional Assignments), along with the guidance provided in Annex 1.

<sup>33</sup> In line with the subsidiarity principle, the provision or delivery of the majority of the 25 public services listed would be primarily local or regional in nature in most countries. The responsibility for national defense and international relations has not been included in the table, as these are almost certainly central or national powers and functions. Other functions that are often (although certainly not always) exclusively central or national in nature include tertiary education and social protection.

- Although the LoGICA Score Card is generally applied to the main subnational governance level / tier / type, SCI R.1 through R.4 should be applied to all RLGIs more generally, and not just be limited to the main subnational governance level / tier / type.

SCI	Score Card Indicator
<b>R.1</b>	<b>Extent of recurrent functions assigned to subnational governance entities</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
<b>Detailed Scale</b>	<p>The extent to which recurrent functions are assigned to (and performed by) subnational governance institutions can vary from zero (no recurrent functions) to five (extensive recurrent functions), based on the following range:</p> <p>0 – None: RLGs have no (or no meaningful) recurrent responsibilities or service delivery functions.</p> <p>1 – Extremely limited: RLGs have extremely limited recurrent responsibilities or service delivery functions (e.g., primary responsibility in 1-4 functions).</p> <p>2 – Limited: RLGs have limited recurrent responsibilities or service delivery functions (e.g., primary responsibility in 5-9 functions).</p> <p>3 – Moderate: RLGs have moderate recurrent responsibilities or service delivery functions (e.g., primary responsibility in 10-14 functions).</p> <p>4 – Substantial: RLGs have substantial recurrent responsibilities or service delivery functions (e.g., primary responsibility in 15-19 functions).</p> <p>5 – Extensive: RLGs are the primary providers of the vast majority of recurrent responsibilities or service delivery functions (e.g., primary responsibility in 20 or more functions).</p>
<b>Guidance</b>	<p>Score Card Indicator R.1 assesses the extent to which recurrent functions (i.e., the recurrent aspects of public service delivery and development) are assigned to regional and/or local governance institutions (RLGIs). This indicator focuses on the actual or <i>de facto</i> assignment of functional responsibilities. In completing SCI R.1, the assessment team should rely on Segment 4 of the LoGICA Profile, along with the relevant guidance provided in Annex 1.</p> <p>The scoring scale provides general guidance may be helpful in ensuring consistent scoring the regard to the extent of subnational recurrent functions and responsibilities, ranging from extremely limited (primary recurrent responsibility for around 1-4 functions/ service delivery areas) to extensive functional responsibility (primary recurrent responsibility for around 20 or more functions/ service delivery areas).</p> <p>If subnational governments in reality are only partially responsible for recurrent service delivery functions (e.g., human resources but not operation and maintenance, or vice versa), this should be taken into account in the assessment of this SCI relative to the number of functions reflected in the detailed scale above.</p> <p>Similarly, some recurrent functional responsibilities (e.g., primary education; basic health services; etc.) tend to play a more important role in achieving inclusive and sustainable development than others (e.g., recreation and parks). In practice, subnational governance entities may spend (much) more on the recurrent provision of some functions or services than others.</p> <p>Thus, rather than strictly scoring this SCI based on the number of functions (as indicated in the detailed scale above), the assessment of the overall extent of subnational governments (or subnational administrations) in recurrent service provision should take into account the relative importance of the functions assigned to RLG entities. For instance, if RLG entities are (<i>de facto</i>) responsible for relatively few functions, but if these responsibilities include important recurrent public services (such a primary education, and so on), then a higher score may be assigned than indicated above strictly based on the number of functions. Likewise, if subnational governments are assigned the responsibility for many recurrent public services, but these responsibilities exclude high-priority public services such as health or education, then a lower score may be considered.</p>

SCI	Score Card Indicator
<b>R.2</b>	<b>Extent of capital functions assigned to subnational governance institutions</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
<b>Detailed Scale</b>	<p>The extent to which capital/development functions are assigned to (and performed by) subnational governance institutions can vary from zero (no capital/development functions) to five (extensive capital/development functions), based on the following range:</p> <p>0 – None: RLGs have no (or no meaningful) responsibility for development functions or capital investments.</p> <p>1 – Extremely limited: RLGs have extremely limited responsibility for development functions or capital investment (e.g., primary responsibility in 1-4 functional areas).</p> <p>2 – Limited: RLGs have limited responsibility for development functions or capital investment (e.g., primary responsibility in 5-9 functional areas).</p> <p>3 – Moderate: RLGs have moderate responsibility for development functions or capital investment (e.g., primary responsibility in 10-14 functional areas).</p> <p>4 – Substantial: RLGs have substantial responsibility for development functions or capital investment (e.g., primary responsibility in 15-19 functional areas).</p> <p>5 – Extensive: RLGs are the primary providers of the vast majority of responsibility for development functions or capital investment (e.g., primary responsibility in 20 or more functional areas).</p>
<b>Guidance</b>	<p>Score Card Indicator R.2 assesses the extent to which development or capital investment functions (i.e., the non-recurrent aspects of public service delivery and development) are assigned to regional and/or local governance institutions (RLGs). This indicator again focuses on the actual or <i>de facto</i> assignment of functional responsibilities.</p> <p>In completing SCI R.2, the assessment team should rely on Segment 4 (Functions) of the LoGICA Profile, along with the relevant guidance provided in Annex 1. The detailed guidance provided for SCI R.1 should also be followed.</p> <p>It should be noted that when considering non-recurrent aspects of service delivery and development, different functional categories and functions may be deemed more important (e.g., Road Transportation; Housing and Community Amenities) in achieving inclusive and sustainable development than others. These are not necessarily the same functional categories or functions as in the case of recurrent provision of public services. In practice, subnational governance entities may spend (much) more on development and capital infrastructure for some functions or services than others.</p>

SCI	Score Card Indicator
R.3	<b>Extent of regulatory functions assigned to subnational governance institutions</b>
Scale	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
Detailed Scale	<p>The extent to which regulatory functions are assigned to (and performed by) subnational governance institutions can vary from zero (no regulatory functions) to five (extensive regulatory functions), based on the following range:</p> <p>0 – None: RLGs have no (or no meaningful) regulatory powers/responsibilities.</p> <p>1 – Extremely limited: RLGs have extremely limited regulatory powers and responsibilities (e.g., regulatory power/responsibility in 1-2 areas).</p> <p>2 – Limited: RLGs have limited regulatory powers and responsibilities (e.g., regulatory power/responsibility in 3-4 areas).</p> <p>3 – Moderate: RLGs have moderate regulatory powers and responsibilities (e.g., regulatory power/responsibility in 5-6 areas).</p> <p>4 – Substantial: RLGs have substantial regulatory powers and responsibilities (e.g., regulatory power/responsibility in 7-8 areas).</p> <p>5 – Extensive: RLGs are the primary providers of the vast majority of regulatory powers and responsibilities (e.g., regulatory power/responsibility in 9 or more areas).</p>
Guidance	<p>Score Card Indicator R.3 assesses the extent to which regulatory powers and functions are assigned to regional and/or local governance institutions (RLGIs). This indicator focuses on the actual or <i>de facto</i> assignment of regulatory powers and functions.</p> <p>In completing SCI R.3, the assessment team should rely on Segment 4 of the LoGICA Profile, along with the relevant guidance provided in Annex 1. As noted in this guidance, in order for subnational governance institutions to have <i>de facto</i> regulatory power or responsibility, they must have <u>authoritatively binding decision-making power</u> over regulatory decisions in the relevant areas. (In other words, no further administrative approval from a higher-level government is required for the decision to be binding).</p> <p>Similar to SCI R.1 and SCI R.2, in the overall assessment of the extent of subnational regulatory powers and functions, in addition to the number of areas in which subnational governance institutions have <i>de facto</i> power and responsibility, the relative importance of different areas of regulatory power and responsibility should be taken into account in determining the final score.</p> <p>For instance, in many countries, the effective exercise of regulatory and/or administrative decision-making power in areas of land use planning and zoning; the power to (register the) assignment, acquisition and transfer of land; as well as the issuance of building permits is critical to ensure effective spatial development of a jurisdiction. Similarly, the regulation of local businesses and trades (e.g., licensing; zoning; regulating opening hours; etc.) can have a major impact on the quality of life of local residents (especially in urban areas) and on inclusive and sustainable development of a local jurisdiction.</p>

SCI	Score Card Indicator
R.4	<b>Degree to which functional assignment adheres to principles and good practices</b>
Scale	0 – Not; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Mostly; 5 – Full
Detailed Scale	<p>The degree to which the assignment of powers, functions, and responsibilities adheres to principles and good practices can vary from zero (principles and good practices are not adhered to) to five (principles and good practices are fully adhered to), based on the following five statements:</p> <ul style="list-style-type: none"> <li>• Functional assignments and clear and consistent (e.g., no contradiction between local government act and sectoral acts): +1 point</li> <li>• The subsidiarity principle is fully adhered to in the assignment of recurrent service delivery functions: +1 point</li> <li>• The subsidiarity principle is fully adhered to in the assignment of capital infrastructure / development functions: +1 point</li> <li>• At subnational government level, <i>de jure</i> responsibilities are balanced with <i>de jure</i> and <i>de facto</i> powers and resources: +1 point</li> <li>• The <i>de facto</i> functional assignment is the same as the <i>de jure</i> functional assignment: +1</li> </ul>
Guidance	<p>Score Card Indicator R.4 assesses the extent to which the assignment of powers, functions, and responsibilities adheres to principles and good practices based on five statements.</p> <p>Each statement should only be considered true (and awarded a full point) if the statement is completely true, without exception, across the entire range of public services. Half a point may be awarded for each statement if the statement is mostly true (e.g., applies to most public services, but not to all). No points should be awarded if the statement is only partially true or not true at all.</p>

## P. Political aspects of subnational governance



***In an effective multilevel governance system, the subnational political leadership is given the necessary political space to manage subnational affairs and is effective in identifying and responding to the needs of its local constituents (residents and the local business community). At the same time, subnational political systems need to be in place to ensure representative, responsive, and accountable governance.***

SCI	Score Card Indicator	Max
<b>P</b>	<b>Political aspects of subnational governance</b>	
P.1	Subnational governance institutions have own elected leadership	5
P.2	Subnational leadership elections are competitive, free, and fair	5
P.3	Extent of subnational authoritative (political) decision-making power	5
P.4	Political structures results in inclusive, responsive, and accountable governance	5
	<b>LoGICA Score, political aspects of subnational governance</b>	<b>20</b>

### **Discussion and clarifications: Political aspects of subnational governance**

- Some countries rely on elected subnational (regional and/or local) governments for the delivery of public services, whereas other countries rely on deconcentrated subnational (regional and/or local) administrative bodies for local service delivery. It is possible for devolved RLGs and deconcentrated RLAs to exist side-by-side in a county. The score card indicators should consider the regional and/or local governance institutions that are *de facto* responsible for public service delivery.
- Political decentralization is the primary mechanism through which citizen preferences are represented in subnational decision making, and is therefore essential to an inclusive, responsive, accountable subnational governance system. Devolved, elected subnational governments generally offer more authoritative decision-making space compared to non-devolved subnational bodies, as local governments have their own local political leadership. The political leadership of subnational governments is often separated into a subnational political executive (such as a Mayor, Governor or District Chairman) and a subnational legislature or council. Subnational governments may or may not have judicial powers and/or a role in the arbitration of local disputes.
- Countries with devolved subnational governments have adopted different institutional approaches to the division of authority and responsibilities between the elected subnational Council and the subnational Political Executive. These approaches include a strong local executive (or “presidential” system), a strong council (or “parliamentary” system), a council-manager approach, or a commissioner system.
- The term “Local Council” (as used here) refers to the—typically elected—deliberative and decision-making body of a subnational government. The power to authoritatively approve or reject the subnational budget is a common indicator whether a Local Council has authoritative decision-making powers. A local council (as used here) is distinct and different from a “local executive council” which—like a local cabinet—typically includes the local political executive together with various local department heads or other senior local officials holding executive authority.
- A Local Council (as used here) is also distinctly different from a “local advisory council”, which is an (elected) local council which is *not* the decision-making body of a local government, but rather, an (elected) organ which is assigned the responsibility to advise and supervise a non-elected local executive body (but does not have authoritative decision-making power over the local budget and other local decisions).

- The indicators included in this dimension of the Score Card focus on identifying whether the subnational political leadership is elected (SCI P.1), and if so, elected in a way that is representative free and fair (SCI P.2). Additionally, SCI P.3 assesses whether political leaders the necessary decision-making space to make decisions over local or regional affairs. This is viewed as a critical precondition for effective subnational political leadership. After all, subnational political leaders will only be able respond to the service delivery needs of their residents and constituents when they have the political autonomy (discretion) to do so. In addition, subnational political leaders will only be able respond to their constituents' priorities when they have the political (electoral) incentives to do so (SCI P.4).
- It should be noted that this assessment dimension focuses on the *preconditions* for empowered, dynamic and responsive subnational political leadership. It is extremely difficult to objectively assess whether empowered, dynamic and responsive subnational political leadership is actually present in a country. In fact, it is likely that the inclusiveness and responsiveness of subnational political leaders varies across the national territory.
- In some countries, the responsiveness of the subnational political leadership is constrained by strong top-down political incentives for subnational politicians to secure political support from the central political leadership. While under such circumstances subnational politicians can only be successful by aligning themselves with central political forces, such an upward political orientation may place subnational leaders at odds with the priorities expressed by their local constituents. In other cases, the effectiveness of subnational leaders is constrained by the absence of control over subnational administrative or fiscal mechanisms. The LoGICA Assessment Report provides the opportunity to present a more nuanced discussion and assessment of these issues.

SCI	Score Card Indicator
<b>P.1</b>	<b>Subnational governance institutions have their own elected leadership</b>
<b>Scale</b>	0 – Not; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Full.
<b>Detailed Scale</b>	<p>Whether subnational governance institutions have their own elected leadership or not can vary from zero (subnational governance institutions do not have their own elected leadership) to five (subnational governance institutions have their own elected executive and legislative leadership), based on the following range:</p> <p>0 – Regional and local governance institutions do not meet the key definitional criteria of a devolved local government.</p> <p>0 – The political leadership of RLGs neither includes an elected Council nor an elected subnational political executive (e.g., local councils are appointed by higher-level government).</p> <p>1 – An elected subnational advisory (or supervisory) council exists, but this council does not have authoritative decision-making powers over subnational administration.</p> <p>2 – The political leadership of RLGs is formed by a subnational Council that is indirectly elected (e.g., directly elected Village/Town Chairpersons form the District Council).</p> <p>3 – Yes, the political leadership of RLGs includes directly elected Subnational Councils (e.g., proportional representation or first-past-the-post); the Local or Regional (Political) Executive is appointed by a higher-level government.</p> <p>4 – Yes, the political leadership of RLGs includes directly elected Subnational Councils (e.g., proportional representation or first-past-the-post); subnational Political Executive is indirectly elected by the subnational Council.</p> <p>5 – Yes, the political leadership of RLGs includes directly elected Subnational Councils (e.g., proportional representation or first-past-the-post) as well as directly elected subnational Political Executives.</p>
<b>Guidance</b>	<p>Political decentralization is the primary mechanism through which citizen preferences are represented in subnational decision making, and is often considered essential to an inclusive, responsive, and accountable subnational governance system. The presence of an elected subnational Council and/or an elected Political Executive is an important indicator of the presence of subnational political discretion and subnational political space.</p> <p>Score Card Indicator P.1 should assess the level / tier / type of subnational governance institutions that actually deliver key subnational public services. If multiple levels/tiers/types of subnational entities are responsible for delivering substantial subnational public services, it is appropriate to provide a weighted score. As such, half points are permitted for SCI P.1.</p> <p>As noted in the guidance above, the term “Local Council” refers to a local deliberative and decision-making body (as different from a “local executive council” or a “local advisory council”). The power to authoritatively approve or reject the local budget (without further interference or approval from a higher-level government or official) indicates whether a Local Council has authoritative decision-making power.</p> <p>Partial scoring is possible if subnational councils are a mix of elected and appointed members. Partial scoring is possible when elected subnational councils select the subnational executive from a shortlist prepared a higher-level government (3.5 points).</p> <p>In principle, scores should be provided for devolved (or hybrid) governance institutions; scores should be zero (0) for deconcentrated institutions with an advisory or supervisory council.</p>

SCI	Score Card Indicator
P.2	<b>Subnational leadership elections are competitive, free, and fair</b>
Scale	0 – Not; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Full
Detailed Scale	<p>The degree to which subnational leadership elections should be deemed competitive, free and fair can vary from zero (subnational leadership elections do not take place, or elections are not competitive, free and fair) to five (subnational leadership elections are fully competitive, free and fair), based on the following five statements:</p> <ul style="list-style-type: none"> <li>• Subnational elections are meaningfully competitive, with constituents regularly having more than two political choices: +1 point</li> <li>• There is no central party dominance over the selection of subnational political candidates: +1 point</li> <li>• There is no ruling party dominance across RLGs: +1 point</li> <li>• At least 60% of the total registered voting population participated in the last subnational elections: +1 point</li> <li>• Subnational elections been regularly held over the past 20 years: +1 point</li> </ul> <p><b>Note: Score this indicator as zero (0) if subnational leaders are not elected through direct elections, or if subnational elections are for advisory/supervisory subnational councils only.</b></p>
Guidance	<p><u>Substantive subnational political choice.</u> Subnational elections are only meaningful if the electorate has substantive choices in representation. Single-party political systems often do not offer voters a meaningful political choice (0 points). Predominantly two-party systems offer some—but limited—choice, especially if the two main political parties have subnational dominance in different parts of country (0.5 points). Systems that regularly offer three or more viable candidates offer more meaningful political choice to constituents of subnational jurisdictions (1 point).</p> <p><u>Central party dominance over subnational candidates.</u> In order for local and regional political leaders to be responsive to their constituents, it is important that subnational politicians are not captured by the interests of their (central) political parties, and that subnational elections are competitive. Central party dominance over the selection of subnational political candidates exists when the central political party is able to select the party’s candidates for subnational office. No such dominance exists if subnational chapters of the political party select subnational candidates without central party involvement, or if candidates are selected through open registration and an open primary election process.</p> <p><u>Ruling party dominance in subnational elections.</u> A national ruling party has a dominant position at the subnational level if it is able to leverage its political strength at the national level in order to ensure that more than 75 percent of regionally or locally elected positions are consistently won by ruling party candidates.</p> <p><u>Voter participation rates.</u> Voter participation rates for subnational elections are not readily available for all countries. In this case, it may be necessary to estimate the average or “typical” voter participation rates for local elections based on national voter participation data and/or other sources.</p> <p><u>Regular subnational elections.</u> Local political institutions are believed to grow stronger as these institutions mature. In order for elections to be judged “regular”, intervals between local elections must be less than 7 years.</p>

SCI	Score Card Indicator
P.3	<b>Extent of subnational authoritative (political) decision-making power</b>
Scale	0 – Not; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
Detailed Scale	<p>The degree to which RLGs should be deemed to have authoritative (political) decision-making power can vary from zero (subnational authorities have no authoritative (political) decision-making power) to five (subnational authorities have extensive authoritative (political) decision-making power), based on the following five statements:</p> <ul style="list-style-type: none"> <li>• Subnational governance institutions have their own elected leadership and meet the key definitional characteristics of subnational governments: + 1 point</li> <li>• Subnational governments have extensive functional responsibilities: + 1 point</li> <li>• Subnational governments have extensive administrative control over their functions: + 1 point</li> <li>• Subnational governments have extensive fiscal powers: + 1 point</li> <li>• Subnational governments have an extensive fiscal role in the public sector: + 1 point</li> </ul> <p><b>Note: Score these indicators as zero (0) if RLGs do not have their own political leadership with authoritatively binding decision-making power (i.e., score for devolved and hybrid institutions only).</b></p>
Guidance	<p>Subnational political decision-making power is the product of political autonomy; functional responsibility; administrative control over those functions; and the availability of fiscal powers and resources.</p> <p>In order to score the statements for P.3, the assessor / assessment team should consider the main level(s)/tier(s)/type(s) of RLGs responsible for delivering public services. In order to score statements P.3(ii) – P.3(v), the assessor / assessment team should rely on the guidance provided for the other dimensions of multilevel governance contained in the Score Card (as further noted below). However, the point allocation for P.3(ii) – P.3(v) applies only to RLGs that have their own political leadership. For instance, if RLGs are considered to have extensive functional responsibilities (as determined in Segment R above) but RLGs do not have their own political leadership, then statement P.3(ii) should be considered not true (i.e., zero points).</p> <p><u>Subnational governance institutions have their own elected leadership and meet the key definitional characteristics of subnational governments.</u> A point should be awarded if SCI P.1 is scored 3 or higher (substantial or extensive).</p> <p><u>Subnational governments (with their own elected leadership) have extensive functional responsibilities.</u> A point should be awarded if RLGs have their own elected political leadership <i>and</i> the total score for SCI R.1-R.3 is 12 or greater (substantial or extensive).</p> <p><u>Subnational governments (with their own elected leadership) have extensive administrative control over their functions.</u> A point should be awarded if RLGs have their own elected political leadership <i>and</i> the total score for SCI A.1 and A.2 is 8 or greater (substantial or extensive).</p> <p><u>Subnational governments (with their own elected leadership) have extensive fiscal powers.</u> A point should be awarded if RLGs have their own elected political leadership <i>and</i> the total score for SCI F.1-F.4 is 16 or greater (substantial or extensive).</p> <p><u>Subnational governments (with their own elected leadership) have an extensive fiscal role in the public sector.</u> A point should be awarded if RLGs have their own elected political leadership <i>and</i> their total share of public sector expenditures is 30% or greater.</p> <p>The assessor / assessment team may want to tentatively complete this SCI, but return to verify the consistency and accuracy of the responses after completing the remainder of the Score Card.</p>

SCI	Score Card Indicator
P.4	<b>Political structures results in inclusive, responsive, and accountable governance</b>
Scale	0 – Not; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
Detailed Scale	<p>The degree to which subnational political structures results in inclusive, responsive and accountable governance can vary from zero (political structures do not results in inclusive, responsive, and accountable governance) to five (political structures results in extensively inclusive, responsive, and accountable governance), based on the following five statements:</p> <ul style="list-style-type: none"> <li>• All subnational council meetings and committee meetings are required to be—and are—open to the public: +1 point</li> <li>• All subnational records and documents are required to be—and are—available to the public: +1 point</li> <li>• All subnational jurisdictions are required to engage in—and engaging in—a participatory planning process: +1 point</li> <li>• Alternative participatory mechanisms (such as referendums) are available and used: +1 point</li> <li>• Recall provisions exist for subnational elected officials: +1 point</li> </ul> <p><b>Note: Score these indicators as zero (0) if RLGIs do not have their own political leadership with authoritatively binding decision-making power (i.e., score for devolved and hybrid institutions only).</b></p>
Guidance	<p>In order for each of these five statements to be true, they must hold true both by law or regulation as well as in practice. No points should be awarded for a statement if the statement is only partially true (for instance, if there is a legal requirement, but the requirement is not implemented in practice).</p> <p>If each of the above statements is true for some—but not most or all—subnational governance institutions, then no point should be awarded.</p> <p>If each of the above statements is true for most (60 percent or more)—but not all—subnational governance institutions, then half a point may be awarded.</p> <p>Finally, it should be noted that alternative participatory mechanisms (such as referendums) or recall elections are not expected to be used by subnational governance institutions on a regular basis. However, in order to attract one point, such mechanisms should be more than merely legal provisions, and should at least be used by some subnational governments during each election cycle.</p>

## A. Administrative aspects of subnational governance



*In an effective subnational governance system, subnational administrative entities are integrated units; subnational administrators have an appropriate degree of control over the administration of subnational public services, allowing subnational administrators to respond to the service delivery needs of their constituents.*

SCI	Score Card Indicator	Max
<b>A</b>	<b>Administrative aspects of subnational governance</b>	
A.1	Subnational administrations are integrated institutions and prepare own plans	5
A.2	Subnational administrations are led by subnationally appointed officers	5
A.3	Subnational administrations have control over HRM of frontline staff	5
A.4	Subnational administrations have control over subnational procurement	5
	<b>LoGICA Score, Administrative aspects of subnational governance</b>	<b>20</b>

- The assessment of this institutional dimension focuses less on the manner in which subnational administrative officials execute their administrative responsibilities in favor of gauging the administrative powers (discretion), responsibilities, and authority available to subnational officials.
- Score Card Indicators A.1 – A.4 assess whether subnational administrations are integrated administrative entities that prepare their own plans (SCI A.1); whether subnational administrations are led by subnationally appointed officers (SCI A.2); whether subnational administrations have human resource management (HRM) control over frontline staff (SCI A.3); and whether subnational administrations have control over subnational procurement (SCI A.4).
- In the long run, providing subnational officials with a degree of control over subnational administrative mechanisms is a necessary, but not a sufficient, condition for effective, inclusive and responsible public administration and local service delivery. In the short run, providing subnational officials with considerable control over subnational administrative mechanisms may result in the weakening—rather than strengthening—of accountability and subnational service delivery outcomes.
- In addition to being empowered over subnational administrative decision-making, subnational officials need to be given incentives to perform well; they need the financial resources, skills and tools to effectively deliver the services which they are tasked to provide. Incentives to performance well may come from local political oversight (e.g., council monitoring of administrative performance and service delivery results); top-down monitoring of subnational government performance by higher-level government officials, as well as strong bottom-up or social accountability mechanisms in order for subnational officials to be held accountable for their performance.

SCI	Score Card Indicator
<b>A.1</b>	<b>Subnational administrations are integrated institutions and prepare own plans</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Full
<b>Detailed Scale</b>	<p>Score Card Indicator A.1 assesses the extent to which subnational administrations are integrated institutions which prepare their own plans. The degree to which subnational governance institutions are integrated institutions which prepare their own plans can vary from zero (subnational administrations are not integrated institutions and they do not prepare their own plans) to five (subnational administrations are integrated institutions that have extensive authority to prepare their own plans) based on the following scale:</p> <p>0 – None: RLGs (subnational administrations) are not integrated territorial-administrative governance units, and subnational administrations do not prepare their own plans</p> <p>1 – Extremely limited; RLGs (subnational administrations) are not integrated territorial-administrative governance units, but subnational administration departments have some own planning discretion</p> <p>2 – Limited; RLGs (subnational administrations) are integrated territorial-administrative governance units, but different subnational departments (formally or practically) have dual subordination to their respective central (national) ministries. Different subnational administration departments and/or units have some own planning discretion</p> <p>3 – Moderate; RLGs (subnational administrations) are integrated territorial-administrative units that have limited authority to prepare their own plans</p> <p>4 – Substantial; RLGs (subnational administrations) are integrated territorial-administrative units that have substantial authority to prepare their own plans</p> <p>5 – Extensive: RLGs (subnational administrations) are integrated territorial-administrative units that have full (or nearly full) authority to prepare their own plans</p>
<b>Details</b>	<p>Subnational governance institution (or subnational administrations) are likely to be more inclusive, responsive and effective if subnational administrations are integrated institutions which prepare their own plans. The ability of RLGs to respond to the priorities of constituents is limited if subnational administrations are not integrated institutions, or if they do not have authoritative decision-making power over their own plans.</p> <p>A subnational administration should be considered an integrated territorial-administrative governance unit if all subnational departments administratively report to a single chief administrative officer (CAO or equivalent); if different subnational department or units (that are part of the RLG) are required to prepare their plans and budgets as part of a coordinated process; and/or are ultimately accountable to the same subnational decision-making body.</p> <p>An integrated subnational administration is expected to have its own integrated budget, either in the form of its own devolved RLG budget, or as the deconcentrated budget of a territorial-administrative organizational unit within the higher government budget. As an integrated subnational administration, budget negotiations for different subnational departments would be done together (under the leadership of the CAO or equivalent, or a political appointee that is senior to the CAO). Vertical or sectoral deconcentration does not results in an integrated subnational administration.</p> <p>Note that planning authority refers to authoritative decision-making power over the subnational entities public planning processes, including authoritative decision-making power over their own recurrent/service delivery plans, human resource plans, capital investment plans, and subnational development plans (or alternatively, strategic plans and spatial land use plans).</p> <p>Authoritative decision-making power means that such plans do not have to be approved by officials at a higher-level government or administration.</p>

	<p>A full score (5 points) should not be awarded if the subnational governance structure is considerably fragmented to the point that it prevents general-purpose subnational government from exercising comprehensive planning and decision-making power. For instance, having elected local school districts in parallel to elected county governments and elected municipal or village governments—rather than having a single local political authority to manage all local affairs—limits the ability of elected leaders of general-purpose local governments to authoritatively plan and decide on the balance between spending on local education and other local spending.</p>
--	--

SCI	Score Card Indicator
A.2	<b>Subnational administrations are led by subnationally appointed officers</b>
Scale	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Full
Detailed Scale	<p>Score Card Indicator A.2 assesses the extent to which subnational governance institutions have power and authority over their own officers (core administrative team and department heads) based on the following scale:</p> <p>0 – None: RLGs do not hold the power to recruit or appoint, nor do they hold management authority over the core local administrative team. (For instance, these officers are appointed by a higher-level government)</p> <p>0 – None: Most or all key subnational administrators are appointed or seconded by a higher-level government, with limited managerial control and without binding RLG authority to reject/terminate candidates/staff</p> <p>1 – Extremely limited: Most or all key subnational administrators are appointed or seconded by a higher-level government; although RLGs are able to manage the daily functions of staff, RLGs do not have binding authority to reject/terminate candidates/staff</p> <p>2 – Limited: An autonomous authority (such as a Local Service Board) recruits, posts, or exercises HR authority over core RLG staff, but RLGs manage daily functions of staff, supervise staff performance and can recommend sanctioning/rejecting/terminating candidates/staff</p> <p>2- Limited: RLGs have the power to recruit, employ and exercise HR authority over their officers, but only with oversight/approval from an autonomous authority or higher-level authority; higher-level officials determine employment conditions (e.g., salary scales, etc.) and can transfer subnational officers without subnational approval</p> <p>3 – Moderate: An autonomous authority (such as a Local Service Board) recruits, posts, or exercises HR authority over core RLG staff, but RLGs manage daily functions of staff, supervise staff performance and can authoritatively sanction/reject/terminate candidates/staff</p> <p>3 – Moderate: RLGs have the power to recruit, employ, and exercise HR authority over all their officers, but lack authoritative HRM powers in several areas (e.g., determining organizational structure; setting salary scales; approving transfer requests; termination).</p> <p>4 – Substantial: RLGs have authoritative power to recruit, employ, and exercise HR authority over all of their officers, but lack a limited number of specific HRM powers (e.g., setting salary scales).</p> <p>4 – Substantial: RLGs have authoritative power to recruit, employ, and exercise HR authority over many (but not necessarily all) of their officers. The while the recruitment/appointment/employment of a limited number of other officers requires oversight/approval from an independent body or higher-level authority (e.g., core administrators are subnationally appointed; department-heads have a degree of dual subordination)</p> <p>5 – Full: RLG Executives hold the power to recruit, appoint, employ, and exercise full HR authority over their officers (subject only to confirmation by Local Council, as relevant)</p> <p><b>Note: Score this indicator as zero (0) if RLGs do not have their own political leadership with authoritatively binding decision-making power (i.e., score for devolved and hybrid institutions only).</b></p>
Details	<p>In order to ensure that subnational officers are properly managed and monitored, it can be advantageous for subnational officers to be appointed by—and report to—an elected subnational governance institution. Similarly, in order for devolved subnational governments to be effective, the local political leadership needs to have authority and control over the subnational senior management team, including core administrators as well as department heads.</p> <p>The core subnational administrative team includes the senior managerial staff such as the chief administrative officer, chief financial officer, chief human resource officers, chief procurement officer, and similar staff. Subnational department heads should also be considered subnational officers. Depending on the exact functions of the subnational government, this may include the</p>

	<p>subnational education director, health director, water and sanitation director, work, and so on. The actual titles of such officers may vary from country to country.</p> <p>In some countries, RLGs do not have the ability to terminate core subnational administrators; instead, they have to petition a higher-level authority for the sanction or removal of key local staff. In other countries, RLGs have authoritative decision-making power to sanction/reject/terminate candidates/staff (within established processes and procedures).</p> <p>If different subnational administrative officers are appointed through different modalities, a combined/averaged score may be awarded.</p>
--	--

SCI	Score Card Indicator
<b>A.3</b>	<b>Subnational administrations have control over HRM of frontline staff</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Full
<b>Detailed Scale</b>	<p>The degree to which subnational administrations have power and authority over the human resource management (HRM) of frontline staff can vary from zero (no power and authority over the HRM of frontline staff) to five (full power and authority over the HRM of frontline staff) based on the following scale–</p> <p>0 - None: a higher-level authority (e.g., central ministry, public service board or subnational entity not under RLGs) has final decision-making power the RLGs organizational structure, subnational staff establishments and HR management of frontline staff.</p> <p>1 – Extremely limited: the RLGI can request changes to the organizational structure and number of local staff establishments, but final decision-making power over all HRM functions for frontline staff formally rests with the higher government lev–l.</p> <p>2 - Limited: The RLGI or subnational administration formally employs frontline staff and has decision-making power over the subnational organizational structure, subnational staff establishments and HR management of frontline staff, but in practice, higher-level government officials exert a degree of control or influence over the management of frontline staff (for instance, by being able to move staff around within subnational input; by controlling earmarked wage grants; or by requiring <i>de facto</i> higher-level approval for HRM decisio–s).</p> <p>3 - Moderate: The RLGI or subnational administration employs frontline staff and has binding decision-making power over the subnational organizational structure, subnational staff establishments and HR management of frontline staff for some—but not all—departments and units. Higher-level governments do not exert control over payroll through earmarked wage gra–ts.</p> <p>4 - Substantial: The RLGI or subnational administration employs frontline staff and has substantial control (binding administrative decision-making power) over the subnational organizational structure, number of subnational staff establishments and HR management of frontline staff, but no control over wage-setting for frontline staff. Higher-level governments do not exert control over payroll through earmarked wage gra–ts.</p> <p>5 - Full: The RLGI or subnational administration employs frontline staff and has extensive or full control (binding decision-making power) over the subnational organizational structure, subnational staff establishments and HR management of frontline staff, including wage-setting powers. Higher-level governments do not exert control over payroll through earmarked or categorical wage grants.</p>
<b>Details</b>	<p>Score Card Indicator A.3 assesses the extent to which subnational administrations have control over HRM of frontline staff. For instance, to what extent does the regional or local health director recruit/employ/hold authority over the appointment of frontline health staff, and to what extent can he/she manage the daily functions of staff, supervise staff performance and authoritatively sanction/reject/terminate staff as needed?</p> <p>Subnational administrators need a degree of control over the RLGs organizational structure and the ability to manage frontline human resources to ensure the quality of subnational administration and the provision of subnational services. This includes the ability/authority of the RLGI to structure subnational departments in accordance with subnational conditions (without obtaining higher-level permission), as well as the ability/authority to determine how the number of staff establishments/positions in each subnational department (without higher-level approval).</p> <p>For instance, is a RLGI able to form a separate solid waste department (as a separate department), as opposed to being part of the local Public Health department or as part of the Local Works</p>

	<p>Department)? Similarly, is the RLGI able to determine the number of establishments/positions for local revenue officers / revenue collectors in its organization without higher-level approval?</p> <p>For the purpose of scoring this SCI, only consider the administrative departments or units that are part of the relevant RLGI. Do not consider functions or departments where the subnational governance entity does not bear responsibility.</p> <p>In a devolved subnational government organization, does the chief administrative officer of a RLG (and/or department heads) have the power (<i>de jure</i> or <i>de facto</i>) to manage hire, manage, and as needed, terminate, frontline staff within the departments that belong to the subnational government? Similarly, in a deconcentrated organization, does the subnational administration (for instance, a district health officer) have authoritatively control over the administrative structure as well as frontline service delivery staff (e.g., health facility staff). Alternatively, are subnational establishments, as well as their hiring, management and firing of frontline staff authoritatively controlled by central ministry officials).</p> <p>Partial credit may be awarded if a RLGI falls between categories, or when subnational administrators have a higher degree of control over some (but not all) of the organizational/staffing structure and HRM for the services within their remit.</p>
--	--

SCI	Score Card Indicator
<b>A.4</b>	<b>Subnational administrations have control over subnational procurement</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Full
<b>Detailed Scale</b>	<p>The degree to which subnational administrations have control over subnational procurement can vary from zero (no power and authority over subnational procurement) to five (full power and authority over subnational procurement) based on the following scale—:</p> <p>0 - None: RLGs are not involved in procurement at all; all procurement of supplies and capital infrastructure is done by a higher-level government or other government entities.</p> <p>1 – Extremely limited: The role of RLGs in procurement is extremely limited. For instance, RLGs may be permitted to procure supplies, while the procurement of capital infrastructure is done by a higher-level government or other entities.</p> <p>2 - Limited: RLGs are authorized to engage in the procurement of supplies and capital infrastructure in a limited manner. For instance, RLGs may only be granted authoritative power to procure supplies and capital infrastructure below a certain (relatively low) threshold on their own accord. Above this threshold, final authority for the procurement of supplies and capital infrastructure lies with a higher-level government or other entities. For instance, a third or more of procurement transactions falls above this threshold.</p> <p>3 - Moderate: RLGs are generally granted authoritative power to procure supplies and capital infrastructure, but with specific limitations or exceptions. These limitations may be <i>de jure</i> or <i>de facto</i> in nature. For instance, there may be a specific (relatively high) threshold above which RLGs need to involve the higher-level government or national procurement authority, with less than a third of subnational procurements falling above this threshold. Alternatively, the institutional capacity of many RLGs may be limited to such an extent that it prevents them from effectively engaging in procurements in line with their functional responsibilities.</p> <p>4 - Substantial: RLGs are substantively empowered (both by law and in practice) to engage in the procurement of supplies and capital infrastructure, but with some minor limitations (e.g., capacity limitations). For instance, smaller RLGs may encounter difficulties with larger/more complex procurements or may lack the capacity (or legal authority) to engage in public-private partnerships (PPP).</p> <p>5 - Full: All or virtually all RLGs are fully empowered (both by law and in practice) to engage in the procurement of supplies and capital infrastructure, and to engage in public-private partnerships (PPP) as appropriate. Procurement processes are not an obstacle to the effectiveness of the RGLI.</p> <p><b><i>As most non-devolved entities lack legal standing, they cannot engage in authoritatively binding decisions with respect to procurement. The maximum score for deconcentrated entities: 1 point.</i></b></p>
<b>Details</b>	<p>Score Card Indicator A.4 assesses the extent to which subnational administrations have control over subnational procurement.</p> <p>Note that subnational control over procurement does not preclude higher-level governments from adopting procurement legislation that applies to all public sector entities. For instance, higher-level governments may set standards with regard to different aspects of subnational procurement processes (e.g., composition of tender boards; publication of tender notices; use of a national procurement platform, or other details of the procurement process) to ensure objectivity, transparency and accountability in procurement.</p>

## F. Fiscal aspects of subnational governance



*In an effective multilevel governance system, subnational governance institutions have a degree of autonomy over their expenditures. In addition, in efficient devolved local government systems, local governments are assigned the appropriate mix of own source revenues and intergovernmental fiscal transfers and have adequate access to borrowing and capital finance.*

SCI	Score Card Indicator	Max
<b>F</b>	<b>Fiscal aspects of subnational governance</b>	
F.1	Extent of subnational autonomy over subnational expenditure responsibilities	5
F.2	Extent of subnational autonomy over subnational revenue raising	5
F.3	Effectiveness of IGFT system in funding subnational services and development	5
F.4	Effectiveness of subnational borrowing and debt framework	5
	<b>LoGICA Score, fiscal aspects of subnational governance</b>	<b>20</b>

In an effective multilevel governance system, subnational governance institutions effectively manage their local finances. In efficient devolved local government systems, local governments are assigned the appropriate mix of own source revenues and intergovernmental fiscal transfers and have adequate autonomy over their own source revenue instruments

### **Discussion and clarifications: Fiscal aspects of subnational governance**

- In an effective multilevel governance system, subnational governance institutions have a degree of autonomy over their expenditures (SCI F.1). In addition, in efficient devolved local government systems, local governments are assigned the appropriate mix of own source revenues (SCI F.2). The gap between subnational expenditure needs and own revenue sources should be filled by intergovernmental fiscal transfers (SCI F.3). Finally, RLGs should have adequate access to borrowing and capital finance.
- Most of the assessment indicators within the current dimension focus on the existence of local fiscal discretion. The framework does not focus much (if at all) on the extent to which RLGs adhere to good PFM practices and effectively use their local fiscal space. As appropriate, the LOGICA Report provides the opportunity to present a more nuanced discussion and assessment of issues related to subnational public financial management.
- For a more comprehensive assessment of subnational public finances and financial , consider conducting an assessment using the PEFA Public Financial Management Performance Measurement Framework.

SCI	Score Card Indicator
F.1	<b>Extent of subnational autonomy over subnational expenditure responsibilities</b>
Scale	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
Detailed Scale	<p>Score Card Indicator F.1 assesses the extent to which subnational governance institutions have power and authority over their expenditure responsibilities.</p> <p>The degree to which subnational governance institutions have power and authority over their expenditure responsibilities can vary from zero (no power and authority over their expenditure responsibilities) to five (full power and authority over their expenditure responsibilities) based on the following five statements:</p> <ul style="list-style-type: none"> <li>• RLGs have legal and actual authoritative decision-making power over their budgets: +1 point</li> <li>• RLGs have the power to set their own organizational structure and staffing levels, without requiring higher-level approval: +1 point</li> <li>• RLGs wage bills are not funded from earmarked/specific wage grants: +1 point</li> <li>• RLGs determine their own development budget, without requiring higher-level approval: +1 point</li> <li>• RLGs development schemes are not funded from earmarked/specific capital grants: +1 point</li> </ul> <p><b>Note: As most deconcentrated subnational entities lack their own budgets, they cannot engage in authoritatively binding decisions with respect to their expenditure responsibilities. Similarly, many hybrid institutions lack authoritatively binding decision-making power over their budget through formal dual subordination or vertical budget controls. In these cases, the scores for the above statements are all zero.</b></p>
Guidance	<p>The assignment of powers, functions and expenditure responsibilities is commonly considered the first pillar of fiscal decentralization. Since SCI R.1-R.4 already deal with the extent of functional responsibilities, SCI F.1 limits itself to dealing with the extent of subnational autonomy over subnational expenditure responsibilities.</p> <p><u>RLGs have legal and actual authoritative decision-making power over their budgets:</u> Generally, regional and local governments are expected to have authoritative decision-making power over their budgets, while deconcentrated subnational entities by definition lack this power. However, regional and local governments may lack legal authoritative decision-making power over their budgets if the Subnational Government Act (or similar legislation) requires subnational government budgets to be approved by the Minister responsible for Subnational Governments, or gives higher government level officials legal authority to amend or reject subnational budgets. In other cases, the legal framework may require (central government) parliament to approve local government budgets (and not just intergovernmental fiscal transfers to subnational governments). In yet other countries, subnational governments lack <i>de facto</i> authoritative decision-making power over their budgets if subnational governments (after the budget being approved by the council) are required to sit with the Ministry of Finance (or the Ministry responsible for Subnational Governments) for a budget scrutinization process or budget review, during which the higher government officials can instruct subnational governments to amend their budgets. In all of these cases, subnational governments lack considerable autonomy over their expenditure responsibilities.</p> <p><u>RLGs have the power to set their own organizational structure and staffing levels, without requiring higher-level approval:</u> Generally, regional and local governments are expected to have authoritative decision-making power over their own organizational structure and staffing levels, while deconcentrated subnational entities by definition lack this power. However, in some countries, subnational governments may be required to submit changes to their own organizational structure and/or staffing levels for approval by central government authorities (e.g., the Civil Service</p>

	<p>Department, Public Service Commission, or Local Government Ministry). In these cases, subnational governments lack considerable autonomy over their expenditure responsibilities.</p> <p><u>RLGs wage bills are not funded from earmarked/specific wage grants:</u> In many countries, regional and local governments have a degree of authoritative decision-making power over their own administration and service delivery apparatus by employing more staff in service delivery areas that are subnational priorities. (Again, deconcentrated subnational entities by default lack this power). In some countries, however, the wage bill for subnational government staff (including frontline service delivery staff) is funded by earmarked/specific wage grants. This practice substantially reduces the autonomy of subnational governments over their expenditure responsibilities.</p> <p><u>RLGs determine their own development budget, without requiring higher-level approval.</u> In many countries, regional and local governments have a degree of authoritative decision-making power over their development budget. Although rare, it is possible for deconcentrated subnational entities can be given a degree of autonomy in determining their own subnational development budget. In other countries, however, subnational development budget are formulated by—or require <i>de jure</i> or <i>de facto</i> approval by—higher-level government officials.</p> <p><u>RLGs development schemes are not funded from earmarked/specific capital grants.</u> In many countries, regional and local governments have a degree of authoritative decision-making power over their own development (capital investment) budget by directing more capital investment resources to projects or investments that are subnational priorities. (Again, deconcentrated subnational entities often lack this power). In some countries, however, the subnational development budget is fully funded by earmarked/specific grants, thereby preventing RLGs to exercise meaningful autonomy over subnational spending responsibilities.</p>
--	---

SCI	Score Card Indicator
F.2	<b>Extent of subnational autonomy over revenue raising</b>
Scale	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
Detailed Scale	<p>Score Card Indicator F.2 assesses the extent to which subnational governance institutions have autonomy over revenue raising. The degree to which subnational governance institutions have autonomy over revenue raising can vary from zero (subnational governance institutions have no autonomy over revenue raising) to five (subnational governance institutions have extensive autonomy over revenue raising), based on the following four statements:</p> <ul style="list-style-type: none"> <li>• Subnational governance institutions are empowered to collect own general purpose revenues and deposit/retain these revenues in their own accounts: +1 point</li> <li>• RLGIs have the authority to establish their own tax and non-tax instruments: +1 point</li> <li>• Subnational governance institutions have substantive control over the tax rate and base of at least two major own general revenue sources (e.g., property tax, sales tax, income tax): +2 point</li> <li>• On average, own source revenues account for 20 percent or more of total revenues: +1 point</li> </ul> <p><b><i>As most deconcentrated entities lack their own budget accounts and authoritatively binding decision-making, they cannot effectively engage in own revenue raising. In most cases, deconcentrated entities should receive 0 points (unless they are empowered to collect own general purpose revenues and deposit/retain these revenues in their own accounts).</i></b></p>
Guidance	<p>Although some officials not well-versed in the theory and practice of fiscal decentralization wrongly believe that RLGIs ought to be fully revenue autonomous, this is incorrect for numerous reasons. Among others, in many countries, the expenditure needs of subnational governments (based on the functions assigned to them, for instance, on the basis of the subsidiarity principle) often far exceeds what subnational governments can reasonably collect from the revenue sources assigned to them. Furthermore, there are good reasons why subnational governments may prefer not to impose subnational taxes for the purpose of funding public goods that do not necessarily reflect the priority of their constituents. However, in order to be funded in an efficient manner that is accountable and responsive to the preferences of their constituents, it is desirable for RLGIs to have a meaningful degree of revenue autonomy at the margin.</p> <p><u>Subnational governance institutions are empowered to collect own general purpose revenues and deposit/retain these revenues in their own accounts.</u> One point is awarded if subnational governance institutions are empowered to collect own general purpose revenues (of any type and at any level) and are allowed to deposit/retain these revenues in their own accounts. No points should be awarded if subnational governance institutions collect regional or local revenues, but are required to deposit these revenues in the budget account of a higher-level government (e.g., a local deconcentrated administration depositing local revenues in a single treasury account of the central government ).<sup>34</sup> No points should be awarded if subnational governance institutions are only empowered to collect/retain specific user fees or earmarked revenues outside the treasury system (e.g., Egyptian Governorates that manage Special Accounts).</p> <p>If subnational governance institutions are not empowered to collect any own general-purpose revenues (and deposit/retain these revenues in their own accounts), it is not possible for them to receive any points under the subsequent statements under SCI F.2.</p>

<sup>34</sup> Even if deconcentrated entities are allowed to deposit subnational revenues into a dedicated treasury account, this generally does not result in an increase in the general resources available to the subnational governance institutions. Under those conditions, no points should be awarded.

	<p><u>RLGs have the authority to establish their own tax and non-tax instruments.</u> To what degree do subnational entities have authority to determine their own revenue structure? In some countries, a pre-determined, fixed list of revenue sources is determined by higher-level authorities which local entities are allowed to collect. Such “closed list” systems are very different in nature from “open list” systems, where subnational entities are fundamentally allowed to define their own revenue sources. One point should be awarded when RLGs have the authority to establish their own tax and non-tax instruments. A half point may be awarded if RLGs have authoritative decision-making power to establish their own non-tax instruments (user charges and fees), but lack the authority to define their own tax instruments.</p> <p><u>Subnational governance institutions have substantive control over the tax rate and base of at least two major own general revenue sources (e.g., property tax, sales tax, income tax).</u> Regardless whether under an “open list” or “closed list” subnational revenue system, RLGs may have the power to collect one or more major revenue sources. In most countries, the property tax is assigned to local governments. In other countries, RLGs are permitted to collect additional major revenue sources, such as consumption taxes (such as VAT), retails sales taxes, income taxes or business turnover taxes. Two points should be awarded when RLGs have <u>substantive control</u> over the tax rate and base of at least two major own general revenue sources. One point should be awarded when RLGs have meaningful control over the tax rate and base of at least one major own general revenue source. Partial (half) points may be awarded if RLGs have <u>substantive control</u> over the tax rate but not the base of major own general revenue sources.</p> <p><u>On average, own source revenues account for 20 percent or more of total subnational revenues.</u> The ability of different RLGs often varies greatly within a country, with more urban jurisdictions or jurisdictions with a stronger tax base being able to collect more own source revenue, compared to more rural jurisdictions or jurisdictions where less economic activity takes place. One point should be awarded when, on average (i.e., across all regional or local governments), own source revenues account for 20 percent or more of total subnational revenues (i.e., own revenues, shared revenue sources, intergovernmental revenues, and other revenues). No partial points should be awarded when this threshold is not met.</p>
--	--

SCI	Score Card Indicator
<b>F.3</b>	<b>Effectiveness of IGFT system in funding subnational services and development</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
<b>Detailed Scale</b>	<p>Score Card Indicator F.3 assesses the extent to which the intergovernmental fiscal transfer system is effective in funding inclusive subnational services and development.</p> <p>The degree to which the intergovernmental fiscal transfer system is effective can vary from zero (the intergovernmental fiscal transfer system is not effective) to five (the intergovernmental fiscal transfer system is highly/extensively effective), based on the following five statements:</p> <ul style="list-style-type: none"> <li>• The transfer system provides an appropriate mix of transfers: +1 point</li> <li>• The transfer system empowers RLGIs to plan with a clear hard budget constraint: +1 point</li> <li>• The IGFT system provides an adequate, stable vertical allocation of resources: +1 point</li> <li>• The IGFT system provides an equitable, formula-based horizontal allocation of resources: +1 point</li> <li>• Transfers are provided in a complete, timely and consistent manner, without unnecessary administrative impediments: +1 point</li> </ul> <p><b><i>In non-devolved systems, scoring should be applied to subnational funding flows and arrangements. Although it is unlikely that deconcentrated subnational finance systems meet many of these effectiveness conditions, it is not impossible for them to meet one or more of these conditions.</i></b></p>
<b>Guidance</b>	<p>In most countries, intergovernmental fiscal transfers (IGFTs) form the largest source of funding for RLGIs. In the case of deconcentrated countries, this SCI should be evaluated on the basis of the subnational budget allocation process.</p> <p>The scoring of this indicator should take into account the largest or most significant IGFT scheme, which may be a revenue-sharing scheme, a general-purpose (unconditional) transfer scheme, or a series of conditional grants. Alternatively, if a country relies on a combination of two or more major IFGT schemes, the scoring may reflect the average score for the 2-3 largest (groups of) IGFT schemes.</p> <p><u>The transfer system provides an appropriate mix of transfers.</u> The IGFT system often provides subnational governments with a mix of unconditional (or general-purpose) transfers and more conditional transfers (e.g., categorical / block grants or earmarked/ specific grants). Generally, general-purposes (unconditional) funding is an appropriate source of funding (in addition to OSRs) for subnational government responsibilities which are exclusively subnational in nature, whereas—in most countries—a combination of categorical grants and/or specific (earmarked) grants would be appropriate funding sources for concurrent functional responsibilities assigned to RLGIs.</p> <p>In addition to the functional responsibilities of RLGIs, the appropriate mix of transfers depends on the nature, extent, and effectiveness of subnational political and administrative systems. Although grants with fewer conditions or restrictions are often preferred as a way to empower greater subnational decision-making (e.g., Ladner 2020), greater subnational decision-making does not universally result in more inclusive and effective public sector spending. For instance, whereas an unconditional revenue sharing / formula-based transfer system may be appropriate in Germany (where subnational governments have responsible political leadership and considerable administrative capacity), the same mix of transfers may not result in more inclusive and responsive services or development in, say, Nigeria. In other words, the indicators asks if the IGFT system empowers the people (through their subnational governments) rather than merely asking if the IGFT system empowers subnational governments. It is not unusual for political economy drivers to</p>

cause IGFT systems to be suboptimal (providing either insufficient discretion or excessive discretion to subnational officials) from a developmental or service delivery perspective.

One point should be assigned if the transfer system provides an appropriate mix of transfers (typically, a combination of unconditional and conditional IGFTs). No points should be awarded if the mix of transfers is not well-aligned with the rest of the intergovernmental system. In many countries, this may be evidenced by excessive conditional transfers or an excessive number of transfer schemes, which prevent RLGs to effectively respond to the preferences and priorities of constituents. In countries which rely exclusively or considerably on unconditional (general purpose transfers), the lack of alignment may be revealed by persist subnational under-spending on concurrent sectoral functions.

The transfer system empowers RLGs to plan with a clear hard budget constraint. The main benefit of a well-designed IGFT system is that it provides RLGs with greater fiscal space and provides RLGs with an opportunity to prepare their plans and budgets within a clear hard budget constraint. This requires that the RLGs are made aware of their (authoritative or final) transfer ceiling a reasonable time in advance (e.g., 6-8 weeks), so that each RLG has adequate time to prepare their plans and budgets in a participatory and coordinated manner.

In this context, “authoritative” transfer ceilings implies that the grant allocations have been fixed by Cabinet or Parliament, are should not significantly change between the time that they are announced and final budget approval by Parliament.

One point should be awarded if the higher-level authority informs RLGs of their authoritative transfer ceiling a reasonable time ahead of the date that RLG budgets should be approved. No points should be awarded if no indicative grant ceilings are publicly provided to RLGs during the intergovernmental budget formulation process. No points should be awarded if an indicative grant ceiling is provided a reasonable time in advance, but these indicative ceilings are not authoritative or final (for instance, if a process of negotiation or budget scrutiny takes place during which grants may be adjusted upward or downward). Partial points (i.e., half a point) may be awarded if an indicative grant ceiling is provided a reasonable time in advance, and more than half (but less than 100 percent) of RLGs receive the indicative ceiling without further adjustment.

The IGFT system provides an adequate, stable vertical allocation of resources. In accordance with the guidance that “finance should follow function”, in many countries, the bulk of localized services is funded by intergovernmental fiscal transfers (in the case of devolved RLGs) or by subnational budget allocations (in the case of non-devolved RLGs). This question evaluates whether a meaningful or substantial level of grant funding (or budget allocations) is being provided to the subnational level.

It is difficult to objectively define what constitutes an “adequate” vertical allocation of resources. While general local public services (such as municipal and/or community services) are often largely funded from local own source revenues, it would be appropriate for central government to subsidize key social services, as well as localized services for poor residents. For the purpose of this assessment indicator, therefore, adequate funding suggests that grant support covers 50% or more of local administration costs and the cost of delivering general local public services (municipal and/or community services).

The IGFT system provides for an equitable, formula-based horizontal allocation of resources. One point should be awarded if all major transfer schemes horizontally allocate their resources in an equitable, formula-based manner. Half a point may be awarded if the largest—but not all—transfer scheme(s) allocate their resources in a formula-based manner. No points should be awarded if the allocation formula is not adhered to, or if the formulas being used fail to adhere to good practices in

	<p>grant design (e.g., the “formula” funds the wages of staff positions that have been approved by the higher-level government).</p> <p><u>Transfers are provided in a complete, timely and consistent manner, without unnecessary administrative impediments.</u> The design of transfer systems is only as good as its actual implementation. In order for this statement to be true (and a full point to be awarded), RLGs must receive their grants/transfers/allocations from the higher level in a complete, timely and consistent manner, without unnecessary administrative impediments.</p> <p>The response to this statement should take into account the main grant/funding flow (or flows) to the subnational level, including the main recurrent as well as capital/development grants/allocations. If no grants/allocations are provided to the subnational level, a score of zero should be assigned to this statement.</p> <p>In order for grant disbursements to be deemed complete, at least 95% of the (aggregated) budgeted grant amount must have been released. Timeliness of grant disbursements is relative to the higher-level authority’s disbursement plan. If grants are not released against a formal grant disbursement plan, the LG should receive at least 25% of its resources prior to the end of Q1; 50% prior to the end of Q2; and 75% prior to the end of Q3. Consistency implies that relative to the allocation of grant resources in the approved budget, there are no major departures of the horizontal distribution of resources during budget implementation (i.e., no substantive re-allocation of resources from some subnational jurisdictions to others). The clause “without administrative impediment” means that grants/allocations are disbursed “on standing order.” In other words, grants are disbursed regularly without any further administrative action within the financial year: no administrative conditions have to be fulfilled during the budget year to trigger any subsequent disbursement.</p> <p>Partial credit (half a point) may be awarded if the transfer system mostly—but not completely—adheres to the requirements that grants/transfers/allocations are received from the higher level in a complete, timely and consistent manner, without unnecessary administrative impediments.</p>
--	--

SCI	Score Card Indicator
F.4	<b>Effectiveness of subnational borrowing and capital finance framework</b>
Scale	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
Detailed Scale	<p>Score Card Indicator F.4 assesses the effectiveness of subnational borrowing and debt framework.</p> <p>The degree to which RLGs are able to access financing to meet short-term cash-flow constraints and to fund capital investments can vary from zero (no access to subnational borrowing and capital finance) to five (extensive access to borrowing and capital finance), based on the following five statements:</p> <ul style="list-style-type: none"> <li>• RLGs have statutory and <i>de facto</i> authority to borrow: +1 point</li> <li>• RLGs have statutory and <i>de facto</i> authority to borrow without specific higher-level approval: +1 point</li> <li>• Subnational borrowing takes place extensively (more than one-third of RLGs) : +1 point</li> <li>• Subnational government bond issuance allowed/practiced?: +1 point</li> <li>• Appropriate fiscal rules exists and/or vertical coordination on borrowing takes place: +1 point</li> </ul> <p><b><i>As most deconcentrated entities lack their own budget accounts and lack authoritatively binding decision-making, they cannot effectively engage in borrowing. In most cases, deconcentrated entities should receive 0 points.</i></b></p>
Guidance	<p>Access to local borrowing allows RLGs to fund long-term capital investments without the need to fund the investment up-front from scarce own source revenues. While local borrowing could increase local capital investment and speed up local economic growth, there is also a risk associated with local borrowing when RLGs select capital investments poorly and/or when they fail to repay their loans.</p> <p><u>RLGs have statutory and <i>de facto</i> authority to borrow from public (or private) financial institutions.</u> Generally, the PFM Act or Local Government (Finance) Act provides guidance whether or not subnational governments have the ability to borrow. In addition, it is not usual for legislation to allow the Minister of Finance to impose a general restriction on the ability of local governments to borrow funds. One point should be assigned if RLGs in practice have both statutory and <i>de facto</i> authority to borrow from public or private financial institutions (with or without specific higher-level approval). Half a point may be assigned when RLGs lack the power to engage in borrowing, but control public corporations (e.g., water utility companies, etc.) that have access to borrowing.</p> <p>It should be noted that deconcentrated administrations by definition lack the ability engage in borrowing, although in rare instance, deconcentrated administrations may control public corporations that may have access to borrowing.</p> <p><u>RLGs have statutory and <i>de facto</i> authority to borrow from public (or private) financial institutions without specific higher-level approval.</u> In addition to the point awarded above, an addition point should be awarded if RLGs have statutory and <i>de facto</i> authority to borrow from public (or private) financial institutions <i>without specific higher-level approval</i> (i.e., RLGs do not need approval to borrow from banks or private financial institutions on a case-by-case basis). If RLGs are only able to borrow from a public financial institution controlled by the higher-level government, specific higher-level approval is implied.</p> <p><u>Subnational borrowing takes place extensively (more than one-third of RLGs).</u> It may be the case that RLGs theoretically have access to borrowing and capital finance, but that these institutions face other obstacles to subnational borrowing, reducing the number of RLGs that engage in borrowing. As such, one metric of the <i>de facto</i> access to borrowing and capital finance is the</p>

	<p>number of RLGs that engage in borrowing. One point should be awarded if more than one-third of RLGs have engaged in borrowing / carry debt.</p> <p><u>Subnational government bond issuance allowed/practiced?</u> In addition to the assessment whether subnational governments are able to borrow from banks and/or other private (or public) financial institutions, it should be noted that effectively governed (typically larger, wealthier and/or more urban) RLGs may be granted access to capital markets by issuing bonds. One point should be awarded if subnational governance institutions are permitted to issue bonds (and that some RLGs in fact issue bonds).</p> <p><u>Appropriate fiscal rules exists and/or vertical coordination on borrowing takes place.</u> One point should be awarded if appropriate fiscal rules exists, prescribing under what conditions (and up to what amount) subnational governments are permitted to borrow, and/or if vertical coordination takes place among different government levels in order to establish ensure that subnational borrowing does not result in contingent liabilities for the central government or results in unwanted macro-fiscal instability.</p> <p>Without loss of points on any of these statements, RLGs may need to comply objective (norm-based) criteria established for borrowing.</p>
--	---

## D. Inclusive, responsive and effective localized services and development



*In an effective local governance system, appropriate mechanisms for inclusion, public participation and (public and social) accountability exist to ensure that local leaders and local officials are responsive to the service delivery needs of their constituents (local residents and businesses).*

SCI	Score Card Indicator	Max
<b>D</b>	<b>Inclusive service delivery and development</b>	
D.1	Inclusive and responsive local service delivery governance	5
D.2	Inclusive and responsive facilities /providers	5
D.3	Extent of local-level data availability	5
D.4	Extent of facility-level / provider data availability	5
	<b>LoGICA Score, inclusive service delivery and development</b>	<b>20</b>

### **Discussion and clarifications: Inclusive, responsive and effective localized services and development**

- For the potential benefits of decentralization to be realized, it is not sufficient to simply empower local governments or other local bodies over service delivery functions or local infrastructure decisions. In addition to empowering local government, a range of inclusive governance mechanisms are needed in order to enable local residents to participate in local decision-making processes, to monitor local services, and to hold local officials accountable for their performance.
- Although it is quite difficult to define and measure inclusive and responsive service delivery governance arrangements, the LoGICA Score Card considers four aspects of inclusive, accountable and responsive service delivery governance that could be considered preconditions for inclusive local service delivery and development. First, SCI D.1 explores the extent to which local political, administrative, and fiscal systems are structured to provide services in an inclusive, participatory, accountable, and responsive manner. Second, SCI D.2 recognizes the importance of the “last mile of public service delivery” by considering the extent to which frontline service facilities are empowered and operate in an inclusive manner. Third, SCI D.3 assesses the extent of local-level data availability, as an important precondition for inclusive and accountable services. Finally, SCI D.4 considers the extent to which facility-level (or provider-level) service delivery data is publicly and consistently available.
- It should be noted once again that the responses to the Score Card indicator set should reflect actual practice, rather than ambitions or legal requirements.

SCI	Score Card Indicator
<b>D.1</b>	<b>Inclusive and responsive local service delivery governance</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
<b>Detailed Scale</b>	<p>The degree to which local service delivery governance is inclusive and responsive can vary from zero (local service delivery governance is not inclusive and responsive) to five (local service delivery governance is extensively inclusive and responsive), based on the following five statements:</p> <ul style="list-style-type: none"> <li>• RLGs have primary responsibility and authority over key public services: +1 point</li> <li>• Elected subnational officials systematically monitor service delivery performance: +1 point</li> <li>• RLG's departments/units prepare their own service delivery / operation &amp; maintenance plans: +1 point</li> <li>• RLG budgets are prepared in a participatory, transparent, and performance-based manner: +1 point</li> <li>• Effective political and/or administrative mechanisms are in place to receive and resolve service complaints: +1 point</li> </ul> <p><b><i>Most of these SCI D.1 statements can be applied to devolved and non-devolved RLGs. SCI D.1(b) specifically refers to devolved institutions.</i></b></p>
<b>Details</b>	<p><u>RLGs have primary responsibility and authority over key public services.</u> One point is awarded when RLGs have primary responsibility and authority over key public services, as indicated by a combined score for SCI R.1 plus SCI R.2 of 8 points or greater. (This statement considers both devolved as well as deconcentrated local governance institutions).</p> <p><u>Elected subnational officials systematically monitor service delivery performance.</u> When elected subnational governments are in charge of delivering public services, the possibility of an “accountability sandwich” is created, with simultaneous pressure from both above and below for local officials to ensure inclusive and responsive services. In order for this statement to be true (1 point), elected local officials should systematically engage in evidence-based monitoring of service delivery performance in at least three functional areas out of the following five local public services: (i) primary education; (ii) basic health services; (iii) water and sanitation; (iv) local roads &amp; infrastructure; and (v) solid waste management. (Indicative service delivery indicators/measures for different sectors/services are presented below in <i>Table SCI D.3: Extent of local-level data availability.</i>)</p> <p><u>RLG's departments/units prepare their own service delivery / operation &amp; maintenance plans.</u> Public services are likely to be more inclusive and responsive when subnational service delivery departments or units are in charge of preparing their own service delivery / operation and maintenance plans. The statement should be considered true when most subnational governments prepare their own service delivery plans and/or operation and maintenance plans. In order for this statement to be true (1 point), local officials should systematically prepare recurrent service delivery plans (or O&amp;M plans) for at least three functional areas out of the five local public services noted above.</p> <p><u>RLG budgets are prepared in a participatory, transparent, and performance-based manner.</u> Decentralized public sectors do not always achieve inclusive, efficient and responsive public services. Among others, achieving inclusive and efficient subnational public services requires that subnational budgets are prepared in a participatory, transparent, and performance-based manner. The statement should be considered true (1 point) if subnational budget processes followed by most subnational governance institutions include meaningful elements of (1) participation, (2) transparency, and (3) performance-based or results-based planning manner. No point (or partial point) should be awarded if the subnational budget process does not meaningfully include all three</p>

	<p>elements for most subnational governance institutions. Participation requires subnational governance institutions to have at least one (preferably more) public budget hearings or “town hall” events. Transparency requires public availability of the RLGI budget, including spending details by department. Performance-based planning requires a formal performance-orientation of the budget, such as a program-based or results-based planning and budgeting approach.</p> <p><u>Effective political and/or administrative mechanisms are in place to receive and resolve service complaints.</u> An effective complaint mechanism or grievance redressal process is an important aspect of a responsive and accountable multilevel governance system. An effective complaint mechanism means that a RLGI not only receives complaints, but also follows up with the service delivery department or facility to ensure that the complaints are addressed/resolved. One point should be awarded only when RLGs generally have complaint mechanisms in place that effectively address and resolve citizen complaints about local public services.</p>
--	--

SCI	Score Card Indicator
<b>D.2</b>	<b>Inclusive and responsive facilities /providers</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
<b>Detailed Scale</b>	<p>The degree to which facility-level / provider governance is inclusive and responsive can vary from zero (facility-level / provider governance is not inclusive and responsive) to five (facility-level / provider governance is extensively inclusive and responsive), based on the following five statements:</p> <ul style="list-style-type: none"> <li>• Frontline facilities/providers have an appropriate degree of institutional autonomy and are accountable to their principal: +1 point</li> <li>• Frontline facilities/providers have their own public oversight body / committee: +1 point</li> <li>• Frontline facilities/providers have a degree of administrative or managerial discretion: +1 point</li> <li>• Frontline facilities/providers prepare their own service delivery / O&amp;M plans: +1 point</li> <li>• Frontline facilities/providers have their own budgets: +1 point</li> </ul>
<b>Details</b>	<p>SCI D.2 recognizes the importance of the “last mile of public service delivery” by considering the extent to which frontline service facilities are empowered and operate in an inclusive manner.</p> <p><u>Frontline facilities/providers have an appropriate degree of institutional autonomy and are accountable to their principal.</u> The institutional relationship between frontline facilities (and/or service providers) and the (subnational) public sector can vary greatly. Front-line service delivery facilities (e.g., schools or clinics) may be owned and operated directly by either the central government or by RLGs (or by a combination of different government levels/tiers/types). In other cases, a principal-agent relationship may exist between central, state or local governments and service delivery providers (for instance, service provision may be done by public corporations owned by central, state or local governments). Furthermore, community-based organizations or NGOs may function in the role of public service providers (e.g., water user committees), or a (subnational) government may contract with a private sector provider.</p> <p>Consider the following four common local public services: (i) primary education; (ii) basic health services; (iii) water and sanitation; and (iv) solid waste management.</p> <p>For the “last mile” to be effective, frontline facilities/providers should have an appropriate degree of institutional autonomy, while at the same time, frontline facilities/providers should be accountable to their principal for their performance. One point should be awarded when frontline facilities have an appropriate degree of institutional autonomy, while at the same time, frontline facilities (or service providers) are meaningfully accountable to their principal for their performance. No points should be provided when frontline facilities/providers have an inappropriate degree of institutional autonomy (either excessive autonomy or insufficient operational autonomy), or when frontline facilities/providers are not meaningfully or sufficiently accountable to their principal for their performance.</p> <p><u>Frontline facilities/providers have their own public oversight body / committee.</u> This statement deals with facility-level oversight bodies (i.e., not local government committees for specific sectors/services). For instance, is there a health facility committee (with community representatives and/or local representatives) to monitor the performance of individual facilities? Is there a Parent Teach Association (PTA) or School Committee? Is there community oversight over rural water provision by Water User Associations? Is there community oversight over solid waste management performance (e.g., through neighborhood committees, youth groups, or other civil society involvement)</p> <p><u>Frontline facilities/providers have a degree of administrative or managerial discretion.</u> Do facility managers have a meaningful degree of administrative or managerial discretion relative to the</p>

	<p>officer, department head, or department to which they report? For instance, are facilities actively involved in the selection and/or hiring of their own professional staff, and/or are facilities able to hire/manage their own support staff? Do facilities procure any of their own supplies, or do they manage their own facility renovations? Are facility managers able to change facility operating hours or staffing schedules? Positive responses to any of these questions would suggest a degree of administrative or operational discretion.</p> <p><u>Frontline facilities/providers prepare their own service delivery / O&amp;M plans.</u> Are frontline facilities / providers involved in the preparation of their own service delivery /operation and maintenance (O&amp;M) plans? Or do they merely implement the plans prepared for them / follow the instructions of the officer / department head / department to which they report?</p> <p><u>Frontline facilities/providers have their own budgets.</u> Frontline facilities / providers might have their “own” budget in different ways. For instance, a public health facility or a public school may be identified as its own cost center in the local government budget. As another example, a municipal water utility might have its own budget and books of account. In order to receive one point, the frontline facilities /providers should have their own budget (outside the budget of the government entity to which they belong), or the facility budget should generally be identifiable in the budget of the government that owns/operates the facility.</p>
--	--

SCI	Score Card Indicator
<b>D.3</b>	<b>Extent of local-level data availability</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
<b>Detailed Scale</b>	<p>The extent to which local-level data is available to ensure inclusive, transparent, responsive, and accountable services can vary from zero (no local data is available) to five (local data is extensively available) based on the following five statements:</p> <ul style="list-style-type: none"> <li>• Information about the number of service delivery facilities per local jurisdiction for key public services is publicly available: +1 point</li> <li>• Information about the number of service delivery staff per local jurisdiction for key public services is publicly available: +1 point</li> <li>• Information about the number of clients served per local jurisdiction for key public services is publicly available: +1 point</li> <li>• Information about service delivery performance per local jurisdiction for key public services is publicly available: +1 point</li> <li>• Information about service delivery expenditures per local jurisdiction for key public services is publicly available: +1 point</li> </ul>
<b>Details</b>	<p>In order to monitor that development objectives are achieved across a country’s national territory (and that resources are horizontally distributed accordingly), it is critical that the public sector not only collects aggregate, national-level key development indicators, public sector performance metrics, and public expenditure indicators, but that government agencies collect and disseminate data that is disaggregated at different subnational administrative-territorial levels. The greater degree the disaggregation of such data, the better the public sector will be able to target its public service delivery efforts and to ensure sustainable and inclusive human development at the local level.</p> <p>In scoring SCI D.3, the following five local public services should be considered: (i) primary education; (ii) basic health services; (iii) water and sanitation; (iv) local roads &amp; infrastructure; and (v) solid waste management. Indicative service delivery indicators/measures for different sectors/services are presented below in <i>Table SCI D.3: Extent of local-level data availability</i>. The indicator should consider whether relevant data is available at the local level. While it would often be desirable for data to be available in greater detail (e.g., by level of school or by type of health facility), this is not necessary for the scoring of this SCI.</p> <p>Each of the five statements may be deemed true (and one point awarded) if locally disaggregated (i.e., local-level) data is available for at least four sectors/services (out of five). Partial points (half a point per statement) may be awarded if local-level data is consistently available for at least two sectors/services. SCI D.3 should be scored regardless of the government level/tier/type which is responsible for public service delivery in each of the five local public services.</p> <p>In order to be a sound basis for SCI D.3, the data source(s) considered should be regularly (e.g., annually) available for all (or nearly all) local jurisdictions; should be authoritative (e.g., from administrative systems); and should be publicly available (e.g., published online or publicly available data reports). Scores may be assigned on the basis of the public availability of local-level data at the central/national level (e.g., Ministry of Local Government of Ministry of Finance data sets; sector ministry publications; statistics bureau reports; etc.). In the absence of such local-level data being reported by central government sources, scores may only be assigned on the basis of the public availability of local-level data at the local level (e.g., local budget documentation; local citizen report cards, etc.) if these local-level reports are publicly and regularly available for all (or nearly all) local jurisdictions.</p>

	<p>Some degree of flexibility is needed in the selection and evaluation of indicators and the overall assessment as to the extent of data-availability for public services, as certain types of data are less relevant in different contexts. For instance, the (total) number of SWM staff may be less relevant and harder to determine in contexts where SWM is contracted-out to the private sector (or where households are directly responsible for contracting SWM services). Likewise, some adjustment to the overall score may be made, for instance, if extensive service delivery data is available for a majority of (but not all or nearly all) local governments, and thus, a strict application of the scoring guidance would under-represent the true nature of subnational transparency.</p>
--	--

Table SCI D.3: Extent of local-level data availability: examples of possible indicators/measures				
	Facilities	Staff	Clients served	Performance
<b>Primary education</b>	Number of schools	Number of teachers / local education department staff	Number of enrolled pupils	Leaving exam pass rate
<b>Basic health services</b>	Number of health facilities	Number of health worker / local health department staff	Number of out-patient attendances	Proportion of births delivered in a health facility
<b>Water and sanitation</b>	Number of piped water schemes / water points	Number of water/sanitation staff	Number of HHs w/ access to water	Indicators of water quality; hours
<b>Local roads &amp; infrastructure</b>	Road length (km)	Number of road works staff /local works dept. staff	Number of HHs w/ direct road access	Length of roads maintenance provided
<b>Solid waste management (SWM)</b>	Number of landfills / major equipment	Number of SWM staff	Number of HHs served	Volume of waste collected

SCI	Score Card Indicator
<b>D.4</b>	<b>Extent of facility-level / provider data availability</b>
<b>Scale</b>	0 – None; 1 – Extremely limited; 2 – Limited; 3 – Moderate; 4 – Substantial; 5 – Extensive
<b>Detailed Scale</b>	<p>The extent to which facility or provider-level data is available to ensure inclusive, transparent, responsive, and accountable services can vary from zero (no facility or provider-level data is available) to five (facility or provider-level data is extensively available) based on the following five statements:</p> <ul style="list-style-type: none"> <li>• The location and contact information of local service delivery facilities / provider is publicly available: +1 point</li> <li>• Information about the number of service delivery staff per facility / provider is publicly available: +1 point</li> <li>• Information about number of clients served per facility / provider is publicly available: +1 point</li> <li>• Information about service delivery performance per facility / provider is publicly available: +1 point</li> <li>• Information about service delivery expenditures per facility / provider is publicly available: +1 point</li> </ul>
<b>Details</b>	<p>SCI D.4 is analogous to SCI D.3, but considers the facility- or provider level, instead of the regional or local jurisdiction level. After all, in most cases, local governance jurisdictions contain multiple schools, health clinics, wards, neighborhoods or villages, or piped water schemes. In those cases, facility-level or provider-level data is required to inform local resource allocations to ensure that public services and investments are provided in an equitable and efficient manner within the local jurisdiction.</p> <p>In scoring SCI D.4, the same five local public services should be considered as considered for SCI D.3: (i) primary education; (ii) basic health services; (iii) water and sanitation; (iv) local roads &amp; infrastructure; and (v) solid waste management. The frontline “facility” or provider to be considered would typically include schools; health centers or health facilities; water and sanitation providers (e.g., water utility companies/ providers and/or user committee-run water schemes); as well as wards, neighborhoods, sub-divisions, or other service delivery areas used for road maintenance and solid waste management.</p> <p>In general, when compared to local-level data (SCI D.3), it is less likely that the central government publishes comprehensive, disaggregated facility-level or provider-level data. Instead, it is more likely that this type of data is reported to the local community by subnational governance institutions.</p> <p>Each of the five statements should be deemed true (and one point awarded) if disaggregated facility-level or provider-level data is available for at least four sectors/services (out of five). Partial points (half a point per statement) may be awarded if facility of provider-level data is consistently available for at least two sectors/services. SCI D.4 should be scored regardless of the government level/tier/type which is responsible for public service delivery in each of the five local public services.</p> <p>Some degree of flexibility may again be needed in the selection and evaluation of indicators and the overall assessment as to the extent of facility- or provider-level data-availability, as certain types of data are less relevant in different contexts. Likewise, some adjustment to the overall score may be made to ensure that the overall score is reflective of the overall situation (for instance, if extensive facility-level service delivery data is available for a majority of—but not all or nearly all—local governments, and thus, a strict application of the scoring guidance would under-represent the true nature of facility-level transparency).</p>

**Annex 4**  
**The Local Governance Institutions Comparative Assessment**  
**Country Brief and Assessment Report**

## Annex 4: The LoGICA Country Brief and the LoGICA Assessment Report

This annex provides guidance regarding the preparation of the Local Governance Institutions Comparative Assessment Country Brief (LoGICA Country Brief) and the Local Governance Institutions Comparative Assessment Report (LoGICA Report). The Annex provides a description of the information that is to be provided by the LoGICA Brief and the LoGICA Report and how this information is recorded. The Annex is complementary to Annex 1-3, which describe the Local Governance Institutions Comparative Assessment Intergovernmental Context, Country Profile, and Score Card, respectively.

**The LoGICA Country Brief.** The LoGICA Brief aims to present a succinct overview of the multilevel governance system in a country, based on the findings of the LoGICA Score Card (along with the findings of the Intergovernmental Context). The LoGICA Brief is a short, written report, supplemented with a number of PowerPoint-based visuals. The general structure and content of the LoGICA Country Brief follow the structure and content of the Country Profile and the Score Card:

STRUCTURE OF THE LOGICA COUNTRY BRIEF	
<b>Summary Assessment</b>	
<b>1. Introduction</b>	
<b>2. Country background information</b>	Description of the country, including geographic, demographic, and economic conditions
<b>3. Subnational organizational-governance structure</b>	
3.1	Details of the country's subnational organizational structure
3.2	Details of the country's subnational governance structure
<b>4. Functional assignments</b>	Description of the assignment of functional responsibilities for key public services
<b>5. Assessment of multilevel governance and subnational governance institutions</b>	
5.1.	Assessment of the multilevel governance structure and assignment of functions
5.2.	Assessment of the political aspects of the subnational public sector
5.3.	Assessment of the administrative aspects of the subnational public sector
5.4.	Assessment of the fiscal aspects of the subnational public sector
5.5.	Assessment of inclusive and responsive services and development mechanisms
<b>Annex 1: LoGICA Score Card (including LoGICA Intergovernmental Context)</b>	
<b>Annex 2. References / information sources</b>	

**The LoGICA Assessment Report.** The LoGICA Assessment Report is a longer report, that typically accompanies the completion of a full LoGICA Profile. It aims to provide a comprehensive and integrated assessment of multilevel governance and local governance institutions in a country, based in particular on an indicator-led analysis of the key institutions underlying the performance.

The structure of the LoGICA Assessment Report is the following:

## STRUCTURE OF THE LoGICA ASSESSMENT REPORT

### Summary assessment

#### 1. Introduction

#### 2. Country background information

Description of the country, including geographic, demographic, and economic conditions

#### 3. Subnational organizational-governance structure

3.1 Description of the country's subnational organizational structure

3.2 Description of the country's subnational governance structure

#### 4. Functional assignments

4.1 Description of the assignment of functional responsibilities for key public services

4.2 Assessment of the assignment of functional responsibilities for key public services

#### 5. Political aspects of the subnational public sector

5.1 Description of the political aspects of the subnational public sector

5.2 Assessment of the political aspects of the subnational public sector

#### 6. Administrative aspects of the subnational public sector

6.1 Description of the administrative aspects of the subnational public sector

6.2 Assessment of the administrative aspects of the subnational public sector

#### 7. Fiscal aspects of the subnational public sector

7.1 Description of the fiscal aspects of the subnational public sector

7.2 Assessment of the fiscal aspects of the subnational public sector

#### 8. Inclusive and responsive services and development

8.1 Description of inclusive and responsive services and development mechanisms

8.2 Assessment of inclusive and responsive services and development mechanisms

#### 9. Decentralization and multilevel governance reform processes

9.1. Description of recent and on-going reforms

9.2. Institutional factors supporting reform planning and implementation

#### Annex 1: LoGICA Intergovernmental Context and Country Profile

#### Annex 2: LoGICA Score Card

#### Annex 3: References / information sources

The content of the LoGICA Country Brief / Assessment Report should draw heavily on the LoGICA Intergovernmental Context, Country Profile and Score Card. The sections contained in each segment of the LoGICA Framework (i.e., the sections in each worksheet of the Excel template) can be used to guide the different (sub-)sections of the Brief/Report. As appropriate and convenient, the discrete responses on the assessment indicators included in the Intergovernmental Context and Country Profile (as well as the responses on the Score Card Indicators) may be copied and included in the Brief/ Report as tables. The rest of this annex provides guidance on the completion of the LoGICA Brief and the LoGICA Report. The Annex follows the structure of the LoGICA Brief / Report.



## Summary Assessment

This section aims to provide an integrated and strategic picture of the effectiveness of the multilevel governance structure and local governance institutions in the country under review. The summary assessment (at the beginning of the report) uses the LOGICA Score Card (the aggregate score for each of the five institutional dimensions) to provide an integrated assessment of the country's local governance system. The summary assessment also discusses the likely impact of the observed strengths and weaknesses of the different institutional dimensions of the multilevel governance system on the effectiveness of the public sector as a whole. The indicative length of this section is three to four pages (shorter for LoGICA Brief).

The summary assessment provides the following information:

### *(i) Integrated assessment of the multilevel governance system and local governance institutions*

The indicator-led assessment is summarized along the five institutional dimensions of the local governance system identified in the Assessment Framework:

- A. Multilevel governance structure and assignment of functions to the local level
- B. Political aspects of the subnational public sector
- C. Administrative aspects of the subnational public sector
- D. Fiscal aspects of the subnational public sector
- E. Inclusive and responsive services and development

A brief summary table should reflect the total score obtained on the LOGICA Score Card (i.e., the Scorecard Total and the Dimension Scores). In addition to a comparative table, a radar diagram should also be used to visually present the assessment data. If comparative data are available (e.g., for neighboring countries), a comparative table could be prepared allowing for the comparison of the Scorecard Total as well as the five institutional Dimension Scores in the different countries.

In synthesizing the effectiveness of the multilevel governance system, the analysis aims at identifying the main strengths and weaknesses of the subnational governance system. Rather than simply repeating the detailed list of weaknesses identified later in the Brief/Report, the analysis seeks to capture the interdependence between the different dimensions, i.e., the extent to which poor performance in one of the core dimensions is likely to influence the effectiveness of local governance institutions in relation to the other dimensions.

### *(ii) Assessment of the impact of institutional weaknesses (LoGICA Report only)*

This part analyzes the extent to which the different dimensions and aspects of the subnational governance system appear to be supporting or affecting the overall performance of the multilevel public sector. In other words, it provides an understanding of why the weaknesses identified in the multilevel governance system matter for the performance of the public sector as a whole. The assessment does not examine the extent to which multilevel governance systems are effective *per se*, but rather uses information from the foregoing analysis of the aggregate assessment indicators and the situation analysis to assess the extent to which the multilevel governance systems contribute (or fail to contribute) to an efficient, responsive, inclusive, legitimate and accountable public sector.

### *(iii) Prospects for reform planning and implementation (LoGICA Report only)*

This part assesses the extent to which institutional arrangements are in place to support the planning and implementation of institutional reforms to local governance systems. Is the Ministry of Local Government (or the Ministry of State Administration) a champion? Is there a Local Government (Finance) Commission, or a similar intergovernmental coordinating body? What is the role of the Local Government Association(s), if any? In addition, for aid-dependent countries, a statement is included on existing donor practices and on the extent to which donor interventions affect the local governance Institutions performance.

## Section 1: Introduction

The objective of the introductory section is to understand the context and the process by which the LoGICA Brief/Report was prepared and to outline the scope of the LGI assessment. The indicative length of this section is one page. The introduction includes the following:

- **Objective of the LOGICA Brief/Report**, including why it has been undertaken at this time and its contribution to on-going subnational governance reform activities, if any.
- **Process of preparing the LOGICA Brief/Report**, including the organization(s) associated in the preparation of the report (with a description of their role and contribution) and an indication of the involvement of (central and local) government in the preparation of the report.
- **The methodology for the preparation of the report**, such as reliance on information sources, interviews, etc.
- **Clarifications on the scope of the assessment**, including identification of limitations on the coverage of the report. For instance, clarifications may be required if—due to the country’s local governance structure—different parts of the assessments were applied to different types of local government bodies or to local government units at different levels or tiers. Likewise, the scope of the assessment may be limited if part of the country or the local governance system was excluded from consideration due to asymmetric local governance arrangements.

## Section 2: Country Background Information

The objective of this section is to provide background information on the country whose subnational or local governance system is being assessed, to allow for a sufficient understanding of the wider country context. It includes a high-level review of the country including the country’s geographic, demographic and economic conditions, and a introductory description of the nature of the country’s multilevel governance system. The indicative length of this section is one to two pages. The section is structured along the following lines and provides the following information:

- Country background information and context, including information on the size of the country’s population, as where relevant (in the context of a discussion on multilevel governance), the country’s income level, its urbanization rate, percentage of population living below the poverty line, economic growth rate, economic structure and main challenges for development.
- Central public sector information.
- Brief description of the framework guiding intergovernmental relations, including the legal framework establishing regional and/or local governments and the legislation guiding subnational government finances, administration and operations. This description may include the Local Government Act and/or the Local Government Finance Act, but also, as relevant, the Public Finance Act, the Public Service Act, the Procurement Act, or similar legislation.

- An overview of key stakeholders involved in multi-level governance and multi-level governance policy debates.

The description should reflect the actual (*de facto*) situation. Any gaps between the legal framework and the *de facto* situation should be noted.

### **Section 3: Subnational Organizational-Governance Structure**

Sub-section 3.1 provides details on the country's subnational (or administrative-territorial) governance structure. Discuss the number of local government levels and/or the number of local administrative tiers; the number of local government jurisdictions at each level/tier and the average population size (and population range) of local governments (by type, as appropriate).

For the main types or levels of subnational governance institutions (levels / tiers / types), Sub-section 3.2 discusses the legal/institutional nature of these entities. For instance, do they meet the key definitional criteria of a regional or local government organization (see Annex 1 and Annex 2), or are these bodies (deconcentrated) local administrative entities?

Sub-section 3.2 may further provide a brief overview of the general organizational structure of subnational government bodies (e.g., relations between local executive, local legislative council, and local service delivery departments).

### **Section 4: Functional Assignments**

This section provides a description of the assignment of functional responsibilities for the delivery of key local public services. The description should again reflect the actual (*de facto*) situation. Any gaps between the legal framework and the *de facto* situation should be noted.

For each of the public services considered in segment 4 of the Country Profile, the report describes the extent to which central, regional and/or local entities are responsible for (and/or contribute to) *delivering* or *providing* the service. As part of the narrative provided, the Brief/Report may describe the extent to which higher-level governments bear responsibility for *financing* each service as well as the degree of *higher-level government involvement in priority-setting and regulation*.

Recent changes in the assignment of responsibilities can be mentioned, including trends in the intergovernmental context of service delivery (e.g., trends in the centralization or decentralization of expenditures and functional authorities).

In the LoGICA Report, sub-section 4.2 should present an assessment of the extent to which functional assignments adhere to good practices. In the LoGICA Brief, such issues are captured in the detailed assessment of the subnational governance institutions (LoGICA Brief Section 5).

### **Section 5: Assessment of Multilevel Governance and Subnational Governance Institutions (LoGICA Country Brief only)**

Section 5 of the LoGICA Brief assesses the current performance of multilevel governance systems, processes, and institutions, as captured by the assessment questions in the LoGICA Score Card. The section is divided into the following five sub-sections:

- 5.1. Multilevel governance structure and assignment of functions
- 5.2 Political aspects of the subnational public sector
- 5.3 Administrative aspects of the subnational public sector
- 5.4 Fiscal aspects of the subnational public sector
- 5.5 Inclusive and responsive services and development

The indicative length of this entire section is about five to ten pages. Each sub-section discusses the assessment questions contained in the relevant segment of the LoGICA Score Card.

The discussion of each of the assessment questions focuses on the assessment of the present situation. To the extent that an identified weakness is already being addressed by specific interventions or reforms, a separate paragraph will describe these reform measures. The assessment based on the indicator and the reporting on progress are separated in two different paragraphs, in order to avoid confusion between what the situation is and what is happening in terms of reforms.

### **Sections 5-8: Political, administrative, fiscal, and service delivery aspects of the public sector (LoGICA Report only)**

Sections 5-8 of the LoGICA Assessment report deal with the political, administrative, fiscal and service delivery aspects of the public sector (LoGICA Report). Each of the sections corresponds to the relevant segment of the LoGICA Country Profile.

The indicative length of each section is about two to five pages. Each section provides, first, a description of the state of subnational governance institutions based on the assessment questions contained in the relevant segment of the LoGICA Profile, and second, an assessment of the institutional strengths and weaknesses of the multilevel governance system.

### **Section 9: Local Governance Institutions reform processes (LoGICA Report only)**

The LoGICA Report's final section briefly summarizes recent and ongoing interventions and reform measures being pursued or implemented (either by central government or development partners) to improve decentralization, multilevel governance, intergovernmental systems and/or local governance institutions. This section further assesses the institutional factors that are likely to impact the effectiveness of multilevel governance and localized service delivery planning and implementation in the future. These discussions are captured in two sub-sections: a description of recent and on-going reforms (sub-section 9.1) and a discussion of institutional factors supporting reform planning and implementation (sub-section 9.2).

It should be noted that the Local Governance Institutions Comparative Assessment Report is a statement of the overall effectiveness current local governance system and does not include recommendations for reforms or action plans.

In case the report is jointly prepared by different stakeholders (for instance, by central and local government officials, or by governmental officials and NGOs) and different views are held by different stakeholders with regard to the findings of the report, dissenting or supplementary opinions could be reflected in an annex of the report.