



Strong Local Governments through Multi-Level Governance

Factsheet

VNG International's approach to decentralisation

About VNG International

VNG International is the International Cooperation Agency of the Association of Netherlands Municipalities (VNG). Rooted in the Netherlands' rich tradition of local governance, we invest in empowering local governments worldwide to build better futures for all. Established in 2001, we focus on practical and innovative solutions that enhance the capacity and resilience of local governments.

VNG International designs and manages large, complex projects across a variety of sectors, collaborating with a diverse range of donors, including the Ministry of Foreign Affairs, European Commission, World Bank, and USAID. We take pride in our ISO-9001 certified quality management system, which underpins our commitment to high standards and client satisfaction. Our success is driven by our ability to combine local expertise with international knowledge, enabling us to implement solutions that are both practical and effective.

Together with local governments and their citizens, we are creating resilient, thriving communities that are equipped to face the future. At VNG International, we are not just building projects, we are building better futures for all.

Decentralisation: Empowering Local Governments through Multi-Level Governance

Local government, as the sphere of government closest to citizens, is an important actor in local development and basic service delivery. Local governments do not work in isolation. They operate in a wide web of different actors. They interact with local entrepreneurs, community representatives, and citizens in their respective municipalities. Also, they interact with central government and its deconcentrated entities or other governmental institutions, such as water agencies or national cadastres. This is why, in our support to local governments, we apply a **multi-actor approach** to foster cooperation at local level, where local governments have a coordinating and catalyst role.

Local governments' responsibilities are outlined in national laws and therefore vary from one country to another. Local governments typically provide a wide range of services to local residents of a defined geographical area, and hold a degree of political, administrative and fiscal autonomy and authority to respond to the needs and priorities of its constituents. They receive some of their funding from the national government, their staff may be paid by the national government, and their training is often provided at the national level. In most countries, local governments are entitled to levy taxes to finance the services they provide to their constituents. For policies to be effective and services to be delivered efficiently, it is important for different levels of government to work together, which is called **multilevel governance**. In many cases, local government practices can also influence national laws.



When supporting local development, we promote bottom-up approaches by creating a shared vision with local actors and developing strategies that fit the local context. For most people, **the local level is where they can participate in the democratic process**. This may be indirectly, through elected council members. This can also be very concrete: by engaging in decision-making on specific issues and demanding accountability for the use of public funds. In many countries, local councils are seen as a training ground for democracy.

Local governments are well-positioned to take an integrated approach to development. This means using limited resources wisely, improving the living environment, addressing urban-rural divides, reducing inequalities, and balancing different interests. VNG International has adopted the **Territorial Approach to Local Development (TALD)**, which highlights how local governments, together with other local stakeholders, can lead local development in a way that is both inclusive and sustainable.



Our approach: a Systems Approach

VNG International focuses on working with local governments while improving coordination and communication across all government levels. For this we adopt a Systems Approach to understand and address complex problems by acknowledging (local) government and its various functions as an **interconnected system**, emphasizing the relationships and interactions between different actors. This commences with a solid understanding of the context in which the local government operates. A key part of our approach is a **political economy analysis** to examine the interplay of political and economic factors, revealing the distribution and contestation of power, and underlying interests and incentives of different actors. That helps us understand both formal and informal governance processes at the local level. We often find that there is a gap between what is officially assigned to local governments and the reality on the ground. Often, we complement this with a gender analysis.

When designing **change strategies**, we involve all stakeholders at both local and national levels. In practice, our projects often combine a national approach (legal and regulatory framework) with a local, area-based approach to improve local government service delivery (implementation). We help clarify mandates, roles and responsibilities of various actors within the system and support effective intergovernmental and multistakeholder collaboration resulting from this. For this, we create training programs for civil servants at all levels of government and provide on-the-job coaching. We also promote inclusivity and accountability by engaging citizens, civil society organizations (CSOs), and private sector organizations. We typically involve local government associations to bring local experiences from implementation into national policy recommendations.

VNG International has been supporting decentralization processes—administrative, political, and fiscal—for over forty years. Over time, our focus has shifted from developing appropriate legislation to **building institutions** such as training centers, municipal development funds, and associations, and strengthening their capacity, to the more recent multi-actor and area-based approaches.

Our approach is based on **partnerships** and combines the expertise of our country offices, our headquarters in The Hague, and many associated experts, mainly from the local government sector. It includes technical assistance, grants, training and capacity building, lobbying and advocacy, peer learning as well as tools and approaches inspired by our strong connection with VNG, Dutch municipalities, and best practices from the Netherlands.

With tailored support fostering **local ownership** and **experiencing the practical applicability**, we institutionalise new ways of working throughout the governance system, from national to local level.

PARD – Support Programme to Decentralisation Reforms

Where

Tunisia

When

2019-2022

This project, funded by the European Union, helped support the decentralization and de-concentration process in Tunisia, led by the Ministry of Local Affairs and Environment. The project aimed to improve territorial development and reduce differences between local and regional areas in the decentralization process. At the national level, it assisted the Ministry in managing the reform, changing the legal, institutional, and technical rules for local government financing, and updating how local finances are managed. At the local level, elected officials and civil servants were trained on the new decentralization laws and the development of local pilot projects.

Municipal Accountability, Governance and Inclusive Communities

Where

Myanmar

When

2018-2022

This project, funded by the European Union, aimed to put the TALD approach into action to improve the quality of service delivery by local governments. A special roadmap was created to help municipalities improve their services step by step. The roadmap focuses on two main areas: the technical skills of the municipalities, such as planning, finance, and income generation, and building soft systems for citizens' engagement, accountability, and transparency. The project helped improve the work of Township Development Affairs committees and authorities at state and regional levels, and showed better services in areas like solid waste management, access to water, and health services during the COVID-19 pandemic.

A sample of VNG International's key products on decentralisation:



*Tools for Promoting
Inclusive and Resilient
Economic Development*



*Toolkit Strengthening the
social contract in fragile
and conflict affected
states*



*Video:
Local Governments,
Global Impact*



*Everyone Participates!
Handbook towards a
Local Inclusion Agenda*



*A Toolkit for Leaders and
changemakers in local
governments*



*The SDGs: Global
Commitment,
International
Cooperation, Local Action*





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