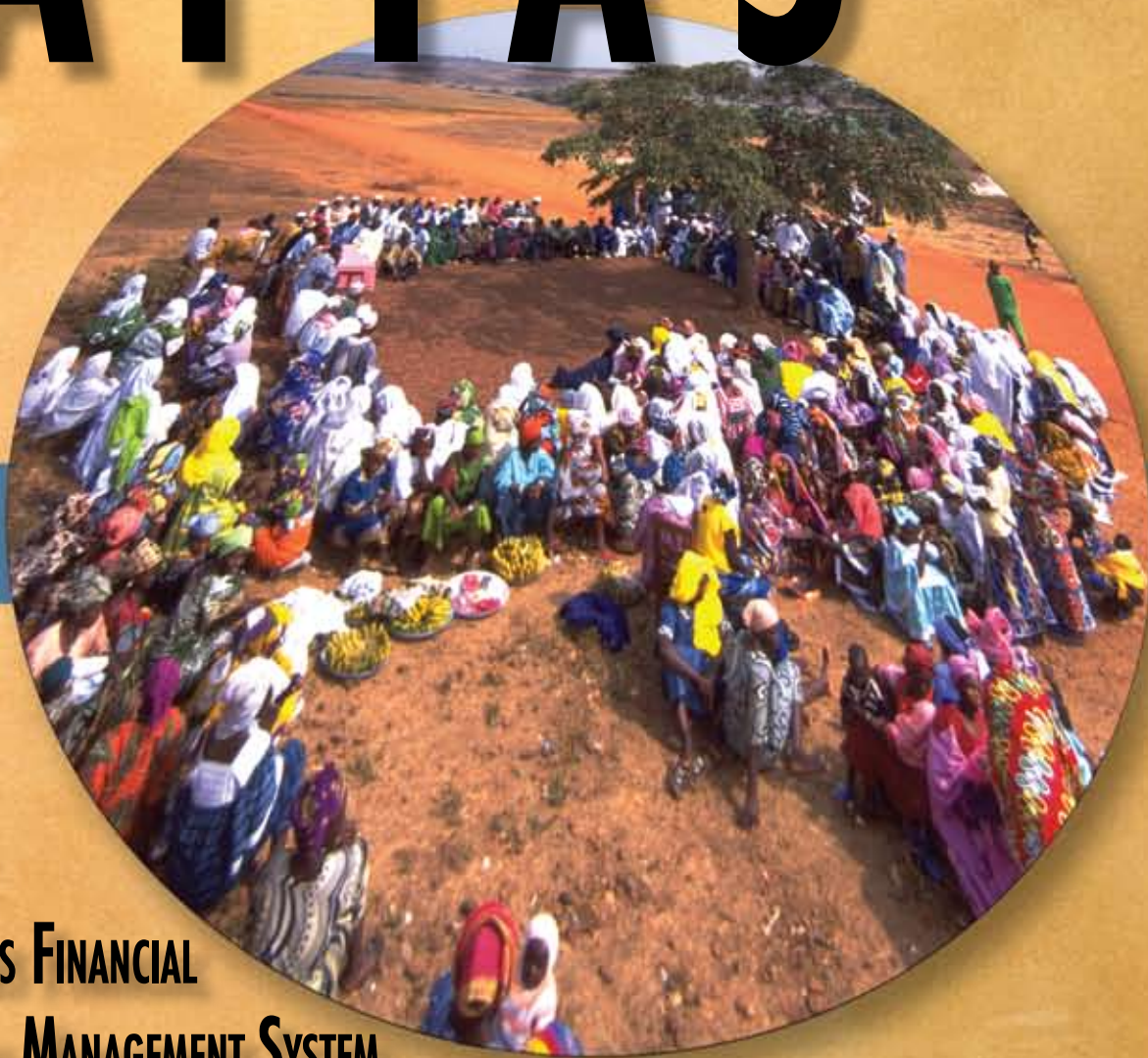


# LAFIAS



**LOCAL AUTHORITIES FINANCIAL  
AND INSTITUTIONAL MANAGEMENT SYSTEM**

**A SUPPORT TOOL FOR DECISION MAKING**



**United Nations Capital Development Fund**

# LOCAL AUTHORITIES FINANCIAL AND INSTITUTIONAL MANAGEMENT SYSTEM

## LAFIAS,

*a support tool for decision-making*

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UNITED NATIONS CAPITAL DEVELOPMENT FUND  
LOCAL DEVELOPMENT UNIT — UNDP



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## ACRONYMS AND ABBREVIATIONS

<b>ADECOI</b>	<i>Projet d'Appui au Développement des Communes et aux Initiatives Locales</i> (Project in Support of Communal Development and Local Initiative in Bourgou)
<b>ANICT</b>	<i>Agence Nationale d'Investissement des Collectivités Territoriales</i> (National Investment Agency of Territorial Communities)
<b>ARD</b>	<i>Agence Régionale pour le Développement</i> (Regional Development Agency)
<b>CC</b>	Communal Council
<b>CFU</b>	<i>Contribution Foncière Unique</i> (Single Land Tax)
<b>CGI</b>	<i>Code Général des Impôts</i> (General Tax Code)
<b>DNI</b>	<i>Direction Nationale des Impôts</i> (National Tax Directorate)
<b>FDL</b>	<i>Fonds de Développement Local</i> (Local development Fund)
<b>FICT</b>	<i>Fonds d'Investissement des Collectivités Territoriales</i> (Investment funds of territorial communities)
<b>IMDL</b>	Minimum Local Development Tax
<b>MDP</b>	Municipal Development Programme
<b>LAFIAS</b>	Local Authorities Financial and Institutional Analysis System
<b>PADEL</b>	<i>Plan de Développement Economique Local</i> (Support to Local Development)
<b>PARFIC</b>	<i>Plan d'Actions de Redressement Financier et Institutionnel de la Collectivité Locale</i> (Action Plan for the Financial and Institutional Recovery of the Local Authority)
<b>PARIEFIC</b>	<i>Plan d'Actions de Redressement Institutionnel, Économique et Financier des Collectivités</i> (Action Plan for the Institutional, Economic and Financial Recovery of the Local Authorities)
<b>PDC</b>	Communal Development Plan
<b>PDLG</b>	<i>Programme de Développement Local en Guinée Local</i> (Local Development Programme in Guinea)
<b>PIP</b>	<i>Programme d'Investissement Public</i> (Public Investment Programme)
<b>RDA</b>	Rural Development Authority
<b>SAF</b>	<i>Service Administratif et Financier</i> (Financial and Administrative Services)
<b>SAFIC</b>	<i>Système d'Analyse Financière et Institutionnelle des Collectivités Locales</i> (LAFIAS, Financial and Institutional Analysis System of the Local Authorities)
<b>TDL</b>	<i>Taxe de Développement Local</i> (Local Development Tax)
<b>TDRL</b>	<i>Taxe de Développement Régional et Local</i> (Regional and Local Development Tax)
<b>TFU</b>	<i>Taxe Foncière Unique</i> (Single Land Tax)
<b>TPU</b>	<i>Taxe Professionnelle Unique</i> (Single Professional Tax)
<b>VAT</b>	Value-added tax
<b>UNCDF</b>	United Nations Capital Development Fund
<b>UNDP</b>	United Nations Development Programme





# FOREWORD

*Local development and innovation — two concepts that are at the heart of UNCDF's operational concerns.*

Since its creation, UNCDF has been dedicated to searching for the right tools to assist local authorities to increase their efficiency and find sustainable solutions to face their challenges — decentralization, local development, services provision to their local populations and the strengthening of local democratic life.

The issues relating to managing, operating, and financing local authorities, the delivery of local services, and the development of local economies are difficult. They are complex issues that involve a great many actors: citizens, locally elected authorities and governments as well as development partners.

In the past, the world of development aid has worked with experts whose advice may no longer be relevant. This puts us in the position of having to show that we can meet expectations by proposing practical answers and developing simple yet rigorous approaches and tools in keeping with the concerns of the citizens and decision-makers, so that each can adapt them accordingly.

This is precisely what this book endeavours to do. It shows that local authorities, the governments and partners must work towards great efficiency and effectiveness of local structures in order to ensure sustainable and lasting development of local operations and local public services — a development that fulfills the expectations of local capacities. To achieve this, it is necessary to be able to make an objective diagnostic on the deficiencies and potential within the local authority.

*Le système d'analyse financière et institutionnelle des collectivités* (SAFIC, Local Authorities Financial and Institutional Analysis System [LAFIAS]) is an exact response to this need. This tool allows for a diagnostic on the operations of the authorities

at the organizational and institutional level as well as the financial and economic level. It thus provides decision-makers and local populations with information that they need to make informed decisions. It is therefore an extremely valuable decision-making tool when planning development within the context of decentralization.

I am convinced that this book is an essential contribution to the search for increasingly useful tools for responding to the expectations and challenges of decentralization.

A handwritten signature in black ink, appearing to read 'Richard Weingarten', is written over a light gray rectangular background.

Richard Weingarten  
Executive Secretary  
United Nations Capital Fund Development

## EXECUTIVE SUMMARY

Due to the wave of democratization that has swept almost all West African countries one after the other, decentralization is becoming the key reform for improving ways of governing, freeing local energies and promoting a more equitable development. This is possible due to the emergence of new public actors who are closer to the legitimate concerns and expectations of local populations.

After approximately a decade and a half of decentralization in West Africa, however, it is clear that many challenges still remain in most of the countries. The local authorities, particularly rural ones, do not have the means to fully play their roles as efficient intermediaries in the combat against poverty and as main facilitators of local development.

The rural communes encounter many difficulties in their efforts to support satisfying responses to the legitimate expectations of underprivileged communities for basic public services. Some of the fundamental difficulties are issues of local finances, communal management and local economic development. In spite of all the support provided to the local governments in the region, and all the studies, interventions and experiments undertaken within the framework of mobilizing resources for local communities, one has to recognize that there has been a lack of any real impact on the ground.

The context of decentralization and taxation in West Africa is indeed characterized by a great majority of rural territorial authorities (more than 87 per cent in Guinea, 85 per cent in Mali, 84 per cent in Burkina Faso and 82 per cent in Senegal) exercising their responsibilities very poorly due to lack of adequate human and financial resources. The authorities' own resources are extremely limited due to weaknesses of the tax base and the tax yield, on the one hand, and irregularity of transferred resources, on the other.

Within this situation, and in order to strengthen self-management capacities of the rural communes and improve the economic and social situation of local populations concerned, the United Nations Capital Development Fund (UNCDF) has developed a pilot scheme, *Système d'Analyse Financière et Institutionnelle des Collectivités Locales* (SAFIC, the Local Authorities Financial and Institutional Analysis System) in three countries, Guinea, Mali and Benin.

LAFIAS is a concerted approach that aims, through analytical tools, to grasp the problems linked to local management and governance and, in particular, the organizational operations of the authorities, their financing and the economic dimension of their development. It relies on diagnostics (organizational, financial and economic), public consultations and action plans created with input from all concerned stakeholders.

Its piloting in three West Africa countries (Guinea, Benin and Mali) enabled UNCDF to test these analysis and diagnostic tools as well as the local public consultation approaches on technical issues.

## Key observations

LAFIAS was tested in the rural communes in the UNCDF project areas in these three countries and selected on the basis of differentiated criteria so that the sample included communes where economic and tax potential varied from good to weak.

These are the results from the observations made:

### *Mobilization of resources*

■ Total revenue of rural authorities is quite low with respect to the issues and challenges of decentralization, varying from one country to another: Outside the standard communes in Mali where average total revenue per person per year exceeds US\$2 (1 176 CFAF),<sup>1</sup> the average total revenue of communes in Benin and Guinea are generally below this level (US\$1 in Benin and US\$0.25 in Guinea). This situation is explained by a sustainable financial support mechanism in Mali, in contrast to Guinea and Benin, which allows communes to benefit from significant financial transfers for the realization of investments. These transfers vary from 66 per cent to 93 per cent of total revenue of Malian communes studied.

■ The shortfall in local source revenue is the result of low yield from local taxation in the three countries, even if the sample authorities in Benin have a higher resource mobilization performance than the others; the local revenue/total revenue ratio is on average 289 FCFA (US\$0.56) in Benin, compared to 269 CFAF (US\$0.52) in Mali and 105 CFAF (US\$0.20) in Guinea.

An extremely low local taxation can be observed in Guinea; the local revenue per person per year ratio is an average of 105 CFAF, or US\$0.20 with a variation ranging from 52 CFAF (US\$0.10) per person, the lowest ratio, to 170 CFAF (US\$0.33) per person, the highest level.

In Mali, the financial contribution of the National Investment Agency of Territorial Communities (ANICT) must not hide the reality, that is, local revenues are very low. In fact, the revenue per person per year ratio is on average 269 CFAF or US\$0.52 per person per year with a variation from 78 CFAF (or US\$0.15), the lowest level, to 408 CFAF per person (US\$0.79), at the highest. The considerable financial support to communes to build infrastructure services has not contributed to improving local revenue; on the contrary, most of the communes of the Malian sample experienced a drop of their local revenue even though they made investments with state financial support. The analysis showed that the communes concerned did not take advantage of this opportunity to organize a large resource mobilization system and merely limited themselves to financial transfers. By contrast, the Pel Maoudé commune has shown constant growth in revenue in the period due to measures that it took in revamping its taxation, which led its citizens to contribute more easily by the fact that they observed concrete service provided by the municipal office.

■ The poor yield of taxes and levies generated by the deconcentrated state services also explain the low revenue of the local authorities. The revenue generated by the services concerned are more than 2 per cent of local revenue of the Rural Development Authorities (RDAs) in Guinea<sup>2</sup> and negligible in Mali. This weakness is related to the inadequate coordination between the commune and the deconcentrated financial services, which explains the non-transfer of the share of the collected taxes due to the commune and the lack of regularity in the fiscal census and of follow-up to collection, among others.

#### *Budget implementation*

■ In contrast to standard communes of Mali and Guinea, the communes in Benin provide a poor level of services to citizens; the services expenditures/total expenditures ratio is 8 per cent in 2003 against 33 per cent in Guinea and 35 per cent in Mali. This situation is explained partly by a larger size of communes in Benin (on average 81,000 inhabitants, compared with 20,000 in Mali and 18,000 in Guinea), which have more organized communal services and therefore higher operating expenditures. On the other hand, it is also due to the fact that these communes were all at the start-up phase and not yet benefiting from financial support.<sup>3</sup>

The table below shows the situation of the communes in the three countries in respect to the main management performance indicators.

<b>Financial performance indicators (LAFIAS data, 2004)</b>	<b>Benin</b>	<b>Guinea</b>	<b>Mali</b>
Total revenue/person (US\$)	\$1.01	\$0.25	\$2.28
Local revenue/person (US\$)	\$0.56	\$0.20	\$0.50
Local revenue/total revenue	53%	49%	23%
Operating expenditures/total expenditures	91%	25%	38%
Structural expenditures/total expenditures	92%	33%	35%
Services expenditures/total expenditures	8%	67%	66%

These facts show that the weakness of financial resources of the local authorities and the mediocre quality of services provided to citizens largely result from organizational dysfunctions, which prevent them from fully playing their roles in managing their finances and promoting local economies, in particular:

- an organization poorly adapted to the missions of the decentralized authorities and characterized by very poorly organized communal services (extreme weakness of human and material means) and a mediocre level of operating. This situation explains a large number of dysfunctions identified;
- poor budget formulation and monitoring of its implementation: weak methods of forecasting revenue and costs; the lack of collaboration linked to the lack of a budgetary planning process involving all the stakeholders (communal service chiefs, heads of deconcentrated services, civil society); the communes' poor monitoring budget implementation; lack of relations between them and the deconcentrated services operating in their financial life (tax services, the Treasury, etc.); weak budgetary control of the elected bodies (communal council, budgetary committee); and insufficient rigour of the supervisory services



in exercising required controls on budget approval. This situation explains the adoption of poorly adapted budgets within terms the real economic context of the local authorities;

- shortcomings in the local taxation mechanism itself linked to drawbacks in the tax-sharing system, granting to local authorities of narrow tax base resources that are hard to mobilize. The example of the financial system of local authorities is promising in this regard since there are numerous local taxes and levies that the authorities are not able to mobilize.

LAFIAS has shown that, in reality, there is some resource potential, although modest, in the communes concerned. This potential is linked to physical assets in agriculture, exploited natural resources (mines, forests, etc.) and commercial infrastructure (markets, terminals) serving as a point of attraction. However, for various reasons, they are poorly exploited and especially badly managed.

A summary assessment of the pools of local resources resulting from the economic potential identified in the local authorities allowed to assess, on the one hand, resource potential, and on the other hand, the gaps between different categories of local authorities.

The analysis of current tax yield with regard to theoretical, simulated tax potential and to revenue potential of leading taxes and levies collected for the communes revealed the importance of the discrepancy between the currently mobilized resources and the potential revenue in regard to the legal framework in place. Indeed, most of the local authorities studied mobilize their tax potential very poorly; the currently mobilized revenue is far from reaching 20 per cent of the resource potential, even in the most realistic fiscal tax base scenario. In the standard communes from Guinea, the current revenue is on average less than 5 per cent of the simulated resource potential against 20 percent on average for the standard communes of Mali.

Apart from the reasons cited above which explain the weak local taxation revenue, it is also necessary to point out the narrowness of the tax base in some local authorities, which is linked both to unequal division of economic potential but also to constraints to economic development in areas concerned, the most important of which are generally:

- the lack of exploitation or underexploitation of often considerable agricultural potential. The lack of water management (flooding in the wintering period and scarcity during the dry season) is experienced by local populations as a major constraint to agricultural development, the main sector of economic activity in the locations concerned;
- the lack of management and sometimes non-appropriation by the authorities of the weekly markets — places concentrating the essential economic activities in rural areas, being the polarizing centres where there are opportunities for the local populations to earn income (marketing of agricultural products) and an important channel of revenue for the communes (rental payments, various duties). In Guinea, in particular, most of these markets are difficult to access and often isolated in the rainy seasons, and their management is generally overlooked by the RDA;

- The weak integration of activities of production, processing and marketing, and the lack of a network of markets integrating important production areas into the trading areas.

This situation is essentially due to the lack of a coherent policy to promote activities that are apt to become revenue opportunities for the local populations and a basis of resources for the local authorities..

## **Conclusions and lessons learned from LAFIAS experiences**

In light of all these observations, analyses and lessons learned, the LAFIAS experience has produced the following main conclusions, which to some extent offer the necessary conditions to improve finances and management of the local authorities:

1. A minimum organization of local authorities (own services and personnel) is essential for an efficient management and local development. The example from Guinea, where the rural authorities have neither their own services nor technical personnel, has shown the limits of support programmes to developing these authorities.
2. A minimum information base on which the management of local authorities could rely, because “to manage means first of all to know and assess for successful planning.” Sure progress towards managing local resources is through the organization and the managing of information bases on the resources of their territorial jurisdiction by the local authorities themselves. In this way they may have the means to control the collection services and to play a more important role in mobilizing their resources.
3. Despite the efforts accomplished, the local taxation system is not yet adequately adapted to realities of the local authorities, particularly the rural ones. This unsuitability of taxation explains in part the low level of local revenue collected in Mali, particularly in the Socoura commune that has, however, a significant urban core. Indeed, the tax system of the local authorities — as emerges from legislation in Mali, for instance — includes many rural taxes that are difficult to mobilize and that yield low revenue in the urban context, while the largest share of the tax resources is concentrated in urban property, which is quite dense in most of the regions of Mali. In addition, a simplification and flat-rate taxation — as much as possible — of local taxation with the aim of larger tax decentralization will allow the authorities to play a more important role in mobilizing resources and conducting a collection strategy adapted to their means.
4. The great variety of resource channels is not sufficient to improve the rural authorities’ local revenue. It would still be necessary nonetheless that these levies/taxes have an acceptable revenue and not be too numerous and dispersed at the risk of leading to disproportionate costs to manage their incomes. Despite the numerous taxes and levies for the benefit of local Malian authorities, their revenue is still low.

5. The resource potential of rural authorities is essentially in market activities and facilities (markets, terminals, slaughterhouses and other income-generating infrastructures) that concentrate the basics of the economic activities. A proper management of these facilities will allow the authorities to diversify and considerably improve their resources.
6. The rural authorities are not all poor. Many of them have some measure of economic potential, which is under-utilized for various reasons. There is a clear correlation between the population, tax potential and collected revenue. The existence of economic infrastructures is a determining factor in resource potential and consequently, revenue of local authorities. This is the case with the Socoura commune, which has the largest population size in the standard communes in Mali, but has a relatively modest potential, with the lowest level of local revenue. Also, the local populations are attracted to the more dynamic local authorities because they are located in an area of agricultural production, employment or marketing. This is the case of the authorities in the sample from Guinea where the RDA is located in the mining areas that are generally more populated than others that face with the exodus of the most able agricultural workers.
7. The implementation of a true local economic development must go beyond the rural spaces that make up the rural communities given the socio-economic dynamics in the territories of the authorities studied and the weakness of their human and financial resources.

In regard to the constraints and the scope of challenges that concern several authorities at once and that need significant means and efforts, in Guinea, the LAFIAS analyses showed the limitations of a true economic development within the rural spaces that make up the rural development authorities. Also, the approach on promoting local economic development consisted in creating an inter-community cooperation dynamic (inter-RDA) based on “development hubs” or “inter-RDA cooperation territories” or even still, “clusters of growth” that best take advantage of the socio-cultural, geographical, historical and economic opportunities that two or several RDAs share together. This exercise identified seven “development hubs” within the framework of a participative approach and led to the implementation of a strategy on sustainable actions for local economic development by creating action plans for local economic development. This led UNCDF to adjust and remodel its approach, its investment tools and, in particular, the Local Development Fund (LDF) that was made available to finance inter-community economic development actions.

8. Finally, investment per se cannot stimulate improvement in local finances; it must be supplemented by taxation support measures, but also communal management and local governance.

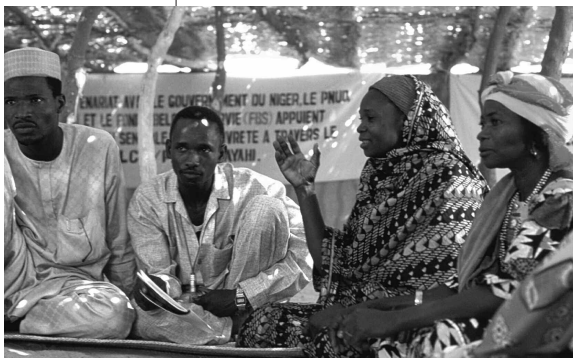
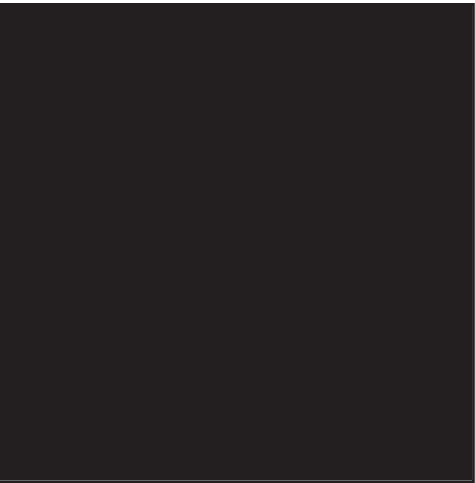
In sum, there are considerable margins to improving available local resources, however minimal they may be, for organization, procedures and follow-up. The resource potential of rural authorities is essentially in markets, which concentrate the base of economic activities.

The State bears considerable responsibility for the inadequacy of the resources of the rural authorities studied. It is possible for the State, with a minimum of political will, to provide the local authorities with an acceptable level of transfer resources so that they could play the roles devolved to them within the context of decentralization.

One of LAFIAS's institutional aims is to assist governments to better understand communal management, local finances and local economic development with simple tools adapted to the local context. This consists of relevant and convincing elements to encourage a true dialogue:

- on the one hand, between citizens and local decision-makers concerning the level of the services to provide and the acceptable taxes;
- on the other hand, between the local authorities and the State concerning the definition of financial means to provide them so that they may be able to fully assume their devolved missions within the framework of decentralization policy, including, in particular, the provision of services to local populations.

As such, LAFIAS is perceived as a negotiation process in the hands of the local authorities. The State in turn aims at influencing the discussions on national policy on the resources to grant the local authorities.



# INTRODUCTION

Decentralization in West Africa soared in the 1990s with the implementation of structural adjustment programmes and the need for central state disengagement following the failure of their policies. Therefore, due to the wave of democratization that gradually swept through the countries of West Africa, decentralization became the key reform that could improve methods of governance, enabling the freeing of local energies and more equitable development (provision of better quality basic public services, accessible to a greater number of people), due to the emergence of new public actors who are closer to the concerns and legitimate expectations of the local populations.

After around ten and a half years of decentralization in West Africa, however, it should be pointed out that many challenges remain in most of the countries; local authorities, particularly rural ones, do not have the means to fully play their roles of efficient intermediary in the combat against poverty and as main facilitators of local development.

The local authorities therefore encounter many problems in their efforts to bring satisfactory responses to legitimate expectations of marginalized populations in basic public services.

Communal management and local economic development are the main challenges in local finances. In the end, the main problem of decentralization always surfaces, that is, financing of the local authorities. Indeed, the means available to the local authorities influence a good part of outreach services development, which is the ultimate step in communal action to legitimize decentralization in the eyes of the local populations.

Several studies, approaches and experiences have been carried out in the subregion to improve the resources of the local authorities:

- reforms of local taxation (single tax, single tax on economic activities, particularly the informal sector, etc.) and the land information systems for tax purposes (for example, the urban land register of Benin);
- study on local taxation, the local authorities' facilities fund, and decentralization funds in Senegal;
- ECOLOC studies (the local economy) of the Municipal Development Programme (MDP), which consists of creating a local development framework on the basis of a local economic profile that would allow negotiation between different stakeholders — local public, private and associative actors of the hub city and its hinterland — on measures to mobilize local resources in order to guide local development;
- urban and financial audits developed by the World Bank;
- different studies on strategy proposals to mobilize local resources on the basis of analyses/diagnostics;
- support programmes to develop and market infrastructure management;
- implementation of *Agence Nationale d'Investissements des Collectivités Territoriales* (ANICT, National Agency for Investment Local Government) in Mali;
- *Agences régionales de développement* (ARD, regional development agencies) in Senegal);
- others.



All of these experiences had little impact on the small rural local authorities, which are numerous and must provide basic public services and answer to the legitimate needs of their local populations.

In order to strengthen self-management capacities of communes and improve the social and economic situation of the populations concerned, UNCDF developed a pilot test called LAFIAS in three countries, Guinea, Mali and Benin.

**Map 1**  
**LAFIAS test countries**



LAFIAS is a holistic tool that aims to understand the problems linked to local management and governance, particularly, organizational operations of the authorities, their financing and the economic dimension of their development. It consists of a concerted process with main local actors and is based on, on the one hand, analysis or diagnostics tools that allow to identify economic, financial and organizational dysfunctions of the authority, and on the other, on proposing measures to improve local management in its different aspects.

LAFIAS's approach essentially aims to:

- Involve the commune in a true dynamic sense in improving its self-governing capacity to allow it to sustainably supply services at an acceptable level to citizens through an effective improvement of local revenue and of the quality of their expenditures;
- Promote local citizenry by collecting exhaustive information on the local authority and mechanisms that could fuel social dialogue between different local development actors, in particular, between the communal institution and the citizen;
- Gather an information base on the results of the decentralization systems in Africa, on the basis of concrete case analysis and lessons drawn from various experiences at the institutional, organization, economic and financial level.

By virtue of its experimental nature, LAFIAS was able to consider approaches to local public consultation on technical issues often reserved to specialists.

This research, which deals with communal management dynamics in West Africa, aims to provide a true picture or portrait of the operations of the local authorities in the rural area from field experience carried out in Benin, Guinea and Mali. By using LAFIAS testing conducted in their countries, it aims at:

- analysing the legal, financial, economic and managerial environments of the local authorities in order to identify the advantages and constraints specific to each system;
- discerning the mechanisms and tools implemented in different countries that had had conclusive results, and measuring their degree of convergence;
- analysing the LAFIAS experience and, on the basis of lessons learned, proposing a methodological and instrumental approach that could be replicated in different environments.

This document, which presents the results of this research, consists of three parts:

- The first part concerns the environment and the legal-institutional context of decentralization. This part is fundamental because it allows the reader to frame and understand the operational environment of the local authorities to the extent that they are governed by codes that define their competences, their financial systems, their roles and their responsibilities, and all of this with respect to the law.
- The second part of the document presents the lessons learned from the LAFIAS experiment according to the three main pillars sustaining the operations of a local authority, that is, its administration and management, its operations, and its economic dynamics.
- Finally, the third part presents LAFIAS's methodology based on lessons drawn from the experiment.

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## Notes

<sup>1</sup> US\$1 = 515 CFAF, United Nations rates as at June 2006.

<sup>2</sup> The RDAs in Guinea are known as "rural development governments".

<sup>3</sup> In Benin, the communes were set up through local elections in December 2002.

# PART 1

**THE OPERATIONAL  
CONTEXT OF  
DEVELOPMENT**  
*by*  
**THE LOCAL  
AUTHORITIES**



**D**ecentralization requires local authorities to take more responsibility due to the competences transferred to them in different fields of development.

The efficient operation of these competences within the framework of promoting local development implies that the local authorities are provided with the necessary resources in order to provide the necessary basic services to improve the local populations' living conditions.

## Territorial organization of the local authorities

"The organization of territorial administration is almost identical throughout the sub-region, except in Benin.

The institutional architecture of local organization shows three levels of deconcentration for Senegal, three for Burkina Faso, Guinea, Mali, Niger and Senegal and one for Benin. These are levels where there is representation from a central authority (supervisory body) and a range of decentralized state services (technical expertise, and implementation of public sectoral policies). With the exception of Benin, all the countries have begun regionalization, or at least have a legal framework instituting it. In Senegal and Mali, regionalization is truly operational with regional assemblies that deliberate on local policies under their responsibility. However, territorial divisions at the same level do not have the same title in these countries. A *département* in Senegal corresponds to a province in Burkina Faso, a *cercle* in Mali and a prefecture in Guinea, while *département* in Burkina Faso refers to an *arrondissement* in Senegal, a *commune* in Mali and a sub-prefecture in Guinea. In contrast, a *département* in Benin represents the only level of decentralization and is not comparable to a region, but first-level administrative constituencies where the communes are under supervision.

At the level of the local authorities, the juxtaposition of decentralization and deconcentration predominates. This co-territoriality is complete in Mali, while it is partial in Senegal, Burkina Faso and Niger where local authorities share two levels of territorial division with administrative constituencies, as opposed to three. However, in Guinea, the sub-prefecture in the rural development community does not have jurisdiction over this community; this prerogative belongs to the prefecture. Co-territoriality is totally absent from the institutional architecture of Benin: the *département* (territorial district) and the *commune* (local community) are not at the same territorial level.

**Table 1**  
**The institutional architecture of decentralization**

Country	Local constituency (number)	Local communities and their number	Synthesis of local system
<b>Benin</b>	<i>Département</i> (12)	Commune (77)	One (1) level of deconcentration
<b>Burkina Faso</b>	Region (13), province (45), <i>département</i> (350)	Region (13), commune (351), i.e. 49 urban communes and 302 rural communes	Three (3) levels of deconcentration Two (2) levels of decentralization
<b>Guinea</b>	Region (4), prefecture (7), sub-prefecture	Commune (422): urban communes and rural development community	Three (3) levels of deconcentration One (1) level of decentralization
<b>Mali</b>	Region (8), <i>cercle</i> (49)	Region (8), <i>cercle</i> (49), commune (703)	Three (3) levels of deconcentration
<b>Niger</b>	Region (11), <i>département</i> (34), <i>arrondissement</i>	Region (8), <i>département</i> (36), commune (265)	Three (3) levels of deconcentration
<b>Senegal</b>	Region (11), <i>département</i> (34), <i>arrondissement</i> (103), villages	Region (11) and commune (387), including 67 urban communes, 43 communes of the <i>arrondissement</i> and 320 rural communities	Three (3) levels of deconcentration Two (2) levels of decentralization

This architecture of territorial division shown in the table above is based on heterogeneous sizes of local authorities. In total, there are 2,205 communes for the six countries, including 1,915 rural or ordinary communes.

The set-up of communal territory in Mali was based on the free choice of villages and fractions that wished to merge. It has the most communes in the sub-region, with a total of 703, of which 523 have under 17,000 inhabitants. This number represents the average population of a Malian commune. An estimated 15.1 per cent of Malian communes have under 5,000 inhabitants; 15.6 per cent have over 20,000 people. This disparity affects the economic viability of communes that greatly depend on the population's ability to contribute.

In Senegal and Burkina Faso, on the other hand, a commune must have a population of at least 10,000, compared with 5,000 in Benin and Guinea. However, the demographic size is highly variable and uneven, both within each country and between countries. The average population of a commune is 70,000 in Senegal, 35,000 in Burkina Faso, and 39,000 in Niger.

If the average surface area of communes in Mali is 1,700 km<sup>2</sup>, that of the commune of Salam in the Timbuktu region is 1.22 times the entire surface area of Benin and 0.7 times that of Senegal.

In Niger, there is some contrast between communes, with areas varying between 500 km<sup>2</sup> on average in the south to over 10,000 km<sup>2</sup> in the far north. The rural commune of N'Gourty, a UNCDF-supported commune in Niger, covers 96,000 km<sup>2</sup>, with a widely dispersed population of 23,000 spread over 265 villages.”<sup>1</sup>

## Responsibilities of the local authorities and their distribution between different government levels

Most of the decentralization legislation grants general and transferred responsibilities to local authorities, i.e. the communes. The analysis of the different decentralization legislation of some West African countries showed that competences devolved to territorial authorities are similar from one country to the other and focus on:

- maintenance of civil registration records;
- economic and social planning and development;
- market facilities;
- basic or fundamental education;
- roads, public places and tracks;
- hygiene, primary health;
- the environment and natural resources management;
- development and urban planning;
- rural hydraulics;
- sports and culture;
- property;
- security policing;
- taxation and local finances.

There are considerable differences, nonetheless, between countries, in particular, as regards the combinations or grouping of fields, but also and above all, the content of these competences.

In Benin, for example, the environment is under the same competence as are hygiene and safety, and includes: supply and distribution of drinking water; the collection and treatment of liquid and solid waste; sanitation network (drainage of rainwater); the creation and management of cemeteries and funeral services; the creation and maintenance of green spaces; the conservation of public hygienic conditions with regard to drinking water; sanitation, etc. In Mali, on the other hand, the corresponding block of competences consists of the environment, utilization and management of natural resources and groups together public hygiene, sanitation, environmental protection and natural resources management. Hydraulics, which is part of the environment in Benin, constitutes a separate block of competences in Mali.



**Table 2**  
**Fields of competences of local authorities (Benin, Guinea, Mali)**

Benin	Guinea	Mali
Local development, planning	Programming and carrying out development projects	Urban planning and development
Infrastructure, facilities and transportation	Roads, public places and tracks (classification, construction and maintenance)	
	Management of state property and goods	
Primary and maternal education	Construction and maintenance of socio-collective infrastructure	Education
Adult education and literacy		
Health, social and cultural action	Hygiene and safety	Health, social and cultural action
The environment, hygiene and public health	Environmental protection	The environment, utilization and management of natural resources
	Hydraulics, access and use of water points	Hydraulics
State registry	State registry and census	
		Rural development
Market services and investments	Creation, management and development of economic infrastructure (markets, fairs, etc.)	Economic development
Finances	Taxation, finances	Taxation, finances
Security policing	Civil protection Creation and management of cemeteries	

### **Distribution of competences between the State and the local authorities**

Competences between the State and the local authorities are divided according to the competences that the State decided to transfer to the local authorities. Most West African countries with a French tradition grant general and transferred competences to local authorities. But very often, however, the legislation is inexact on the division of tasks and duties between the State and the local authorities; and few locally elected officials, particularly those in rural areas, fully understand the real limits of their tasks and duties. This opens up opportunities for the central and deconcentrated authorities to interfere into local affairs, resulting in many conflicts of competences between the local authorities and the territorial representatives of the State.

In most cases, the State provides the national sectoral policies, the national rules and regulations, the construction, reparation and maintenance of infrastructure and facilities of national and regional interest (when there are no other levels of authorities), salaries of technical personnel (managers), etc.

The competences of the local authorities often involve: implementation of promotional and development activities of the sectors under their jurisdiction in line with state-prescribed norms; and the construction, maintenance and management (repairs, staff management, salaries and additional compensation of support staff, etc.) of infrastructures and facilities. This is the case, for example, of the fields of education and health in most countries of the subregion, including Benin, Guinea, Mali, Côte d'Ivoire and Burkina Faso.

It should be pointed out, however, that within the context of different fields of competences granted to the local authorities, the extent of their competences varies from one country to another according to the number of decentralization levels.

The tables in Annex 1 show the distribution of competences between the State and the local authorities in Benin and Côte d'Ivoire.

### **The exercise of powers of local authorities**

As regards legislation, even though the local authorities receive important responsibilities under decentralization (the principle of general competence of local authorities in local matters — transferable competences), the actual exercise of these responsibilities is far from becoming a reality in almost all the countries studied. This is true even though considerable actions have been noted such as workshops and seminars on the transfer of powers, definition of competences in exact tasks, evaluation of costs of competences that will be transferred, etc. In Côte d'Ivoire, in particular, there has been gradual transfer of competences in education following the signing and implementation of a protocol agreement; in Mali, following a national workshop on the transfer of competences, decrees were made providing exact details on transferable competences to local authorities in the fields of education, health and hydraulics, etc.

In reality, the transfer of powers often depends on conditions (regulations on methods of implementing laws, technical and financial capacities of local authorities, etc.) that are frequently lacking to such an extent that the competences are definitely not transferred.

The local authorities have very great responsibility in theory, but in practice, they exercise little if any power over most of the local competences granted to them by law. Some reasons for this situation are lack of legislation on decentralization and the resistance of state services to transfer powers.

In fact, while the State maintains strict control over the local authorities' activities through a priori supervision applied in many matters that form the essence of local autonomy, the technical ministries still continue to exercise a large share of the responsibilities coming under policies (education, health, etc.). In addition, many competences transferred by law to the local authorities remain the responsibility of private companies or state companies, for instance, water and electricity in almost all countries of the sub-region and the large markets in the capitals (in Benin).

In Benin and Guinea, as in Mali, the local authorities only exercise part of the competences devolved to them for lack of adequate human and financial resources.

Concerning the exercise of powers, which is linked to transferring state services, the local authority is still far from having true decision-making powers. The more advanced of the three countries is Mali, which is still at the beginning of the process of transferring powers. In Guinea, this issue is not of concern. In Benin, the transfer of powers to local authorities is not an affirmed principle in decentralization legislation; it is up to each sectoral ministry to start initiatives — aimed at the local authorities — that they deem useful according to their abilities to adopt in the context of decentralization.

In contrast, in the countries whose administrative tradition is inspired by the Anglo-Saxon model, the competences of local authorities originate from the constitution and the issue of transfer of competences is less problematic. The local authorities therefore have more responsibilities with better control of their powers (true transfer of powers); this is the case of Ghana and Nigeria. In Nigeria, for example, the constitution lists a group of competences that each federated State should incorporate into its legislation for the benefit of the local authorities.

### **Distribution of competences of local authorities among different levels of decentralization**

The distribution of competences among different levels of local authorities is not very precise. The same powers are often granted to the different levels without a distinction of tasks. Some demarcations have been observed for some fields, nonetheless, such as education and health, in particular. For example, in Mali, the following are among the powers granted to local authorities on education:

- The commune is in charge of the policy of creating and managing facilities for pre-school education, literacy and the first cycle of basic education.
- The *cercle* is responsible for the policy of creating and managing facilities for the second cycle of basic education.
- The region is in charge of the policy of creating and managing facilities for secondary, general, technical and professional education, as well as specialized education.

In Senegal, among the allocated competences devolved to local authorities, the rural community and the commune are in charge of education, construction and equipping of elementary and pre-schools, support staff and educational support, while the region is responsible for the equipment and maintenance of *lycées* (upper secondary school) and *collèges* (lower secondary schools), participating in their management and educational support. The tables in Annex 2 show the distribution of competences among different levels of the authorities.

## Financing of the local authorities

To accomplish their missions, the local authorities have three main sources of financing:

- Local resources mobilized within the territory of the authority (locally);
- transfers coming from the State (subsidies, grants, taxes);
- other resources (loans, financial support from external partners, donations and legacies, etc.).

The resources of the local authorities are generally inadequate to fully finance their functions. The tables in Annex 2 on Benin, Mali and Guinea show the distribution of the local authorities' financial resources according to their functions.

### Locally mobilized resources

The directly mobilized resources on the commune's territory come from local tax incomes, capital income, income from assets, state property revenue, and revenue from services rendered. The comparative analysis of local revenue nomenclature of Benin, Guinea and Mali showed that local revenue of communes generally concerns:

- **individual persons** (local development tax in Guinea; regional and local development tax, and tax on wages and salaries of the local authorities in Mali);
- **land and property** (single land tax, land tax on developed properties and on undeveloped properties in Benin; single land tax in Guinea);
- **economic activities** (patents, licences and tax on homemade fermented beverages in Benin, single professional tax, patents and licences in Guinea; presumptive tax, patents and licences in Mali);
- **two- and four-wheeled transport** (tax on two-, three- or four-wheeled city taxis in Benin; tax or vignette (road tax) on motorcycles and bicycles in Mali);
- **river transport** (tax on motorized boats and canoes in Benin; tax on boats in Mali);
- **advertising and postering** (tax on publicity and tax on postering in Benin, tax on publicity and postering in Mali);
- **shows, games and amusements** (tax on shows, games and amusements in Benin; tax on popular shows and celebrations in Guinea; tax on authorization of shows and amusements, taxes on automatic distributors and gambling equipment installed in public places in Mali);
- **mines and quarries** (taxes on quarrying and mining in communes in Benin, mines and quarries fees in Guinea; additional taxes on mining and quarrying and taxes on issuing authorizations for artisanal gold mining or quarrying in Mali);
- **forests** (felling tax in Benin; forestry fees in Guinea; transfers on felling permits in Mali);
- **income on livestock farming** (grazing tax and food safety inspection in Benin; charges on livestock parking, proceeds of slaughter tax and on slaughterhouses in Guinea; tax on livestock and charges and duties on health services in Mali);
- **agricultural products** (tax on agriculture products collected in Benin);

- **finances and impounding** (income from court-issued fines in Benin, fines in Guinea; sale of impounded animals and impound tax in Mali);
- **the environment** (tax and fees on hygiene and safety, fees or charges on waste and material collection, and refuse disposal tax in Benin; hygiene and safety tax in Guinea; health fees, fees on pest control and household refuse disposal in Mali);
- **operational urban planning** (tax on issuing residence permits, tax on issuing construction permits in Benin, topographical charge in Guinea; fees for occupation permits and tax on construction authorizations in Mali, etc.);
- **electricity and water** (electricity and water charges in Benin; charges for public lights in Guinea);
- **markets** (dues on market stalls and charges for constructing appatams (straw huts) and sheds by the commune in Benin; duties on market stalls and kiosk rental in Guinea; duties and market stalls and fairs, including animals, in Mali);
- **terminals and parking** (tax on truck stop parking, and parking fees in Benin; duties on motor vehicles in Guinea; fees on taxis and public transport vehicles; exit tax on transport vehicles in the terminals and parking in Mali);
- **occupation of public property** (fees on parking and occupation of public roads, tax on private use of public property, and fees and revenue from using property in Mali);
- **cemeteries** (taxes on burials and burial plots in Benin; burial plots, fees and taxes on funeral /funeral homes [burials/exhumation] in Mali);
- **culture, leisure and sports** (charges and fees on cultural services, and charges and fees on sports services in Mali);
- **delivery of administrative records and civil registration records** (proceeds from delivery of civil status records, proceeds from delivery of administrative records and transfer tax in Benin; civil status registry expenses in Guinea; tax on delivery of civil status records and copies; fees and duties on administrative services; duties on authentication of signatures and issuing family record books in Mali);
- **rentals** (rent on real and personal property of the Benin commune, rental tax on real property and land in Guinea; youth clubs, rental of equipment and vehicles [machines, ambulances, etc.] in Mali).

**Table 3**  
**Local revenue classification of communes (Benin, Guinea, Mali)**

BENIN Nature of revenue	GUINEA Nature of revenue	MALI Nature of revenue
A—Locally mobilized revenue	A—Locally mobilized revenue	A—Locally mobilized revenue
Land tax on developed and undeveloped property	<i>Taxe foncière unique</i> (CFU, single land tax)	
	<i>Taxe professionnelle unique</i> (TPU, single professional tax)	Presumptive patents
Patents and licences	Patents	Patents and licences
<i>Taxe de développement local</i> (TDL, local development tax)	<i>Impôt minimum de développement local</i> (IMDL, minimum local development tax)	<i>Taxe de développement régional et local</i> (TDRL, regional and local development tax)
Tax on firearms	Tax on firearms	Tax on firearms
	Tax on goods in mortmain	
Tax on two-, three- or four-wheeled city taxis		Tax or road tax on motorcycles and bicycles
Tax on shows, games and amusements	Tax on popular shows and celebrations	Tax on permits for shows and amusements
		Tax on automatic distributors and game machines installed in public places
Advertisement tax		Advertisement and postering tax
Postering tax		
Tax on motorized boats and canoes .		Tax on boats
Fees on issuance of residence permits	Topographical tax (geodesic fees)	Occupancy permit
		Tax on construction authorization
Quarrying and mining in the commune	Fees on mines and quarries	Additional tax on mining and quarrying
		Tax on issuing authorizing for artisanal gold mining and quarrying
Felling tax	Timber royalties	Transfer on felling permits
Other forest products (from coal)	Tax on artisanal and traditional fishing	
Grazing fee.	Livestock parking fees	Tax on livestock
Tax on selling alcoholic beverages		Tax on selling alcoholic beverages



BENIN Nature of revenue	GUINEA Nature of revenue	MALI Nature of revenue
A—Locally mobilized revenue	A—Locally mobilized revenue	A—Locally mobilized revenue
		Road tax
		Tax on wages and salaries (local authority staff)
		Tax on carts
		Tax on night clubs and discos
		Tax on mills
Expenses from delivery of civil status records	Civil registration	Issuance of civil status records and copies
Expenses from delivery of administrative records		Charges and fees on administrative services
Transfer tax		Authorization of signatures
		Family record books
Other taxes and fees on hygiene and public health	Tax on hygiene and health	Charges and duties on health services
Tax on food products inspection	Proceeds of slaughterhouse taxes	Health fees and pest control
Fees or charges on scraps and used materials collection	Proceeds of slaughterhouse taxes	
Refuse disposal taxes		Household refuse disposal tax
Fees for market stalls	Fees for market stalls	Fees for market stalls and fairs (including animals)
Fees for setting up <i>appadams</i> and sheds by the commune	Kiosk rental fees	Fees and revenue on using state property
		Tax on private use of state property
Parking tax on terminals	Motor vehicle parking fees	Parking fees and taxes for occupation of public spaces
Charges on parking and parking spaces	Other state property revenue	Fees for parking taxis and public transport vehicles
		Exit taxes on transport vehicles in terminals

<b>BENIN</b> Nature of revenue
<b>A—Locally mobilized revenue</b>
Tax on burials and burial plots
Court-declared fines
Rent from personal and real property of the commune
Electricity and water charges
Other services provision
Other income
Tax on collected income

<b>GUINEA</b> Nature of revenue
<b>A—Locally mobilized revenue</b>
Fines
Impound fees and charges
Rental of real property and land
Equipment tax
Sale of products or services

<b>MALI</b> Nature des recettes
<b>A—Locally mobilized revenue</b>
Burial plots, fees and taxes on funerals/ funeral homes (burials/exhumations)
Fees and charges on cultural services
Fees and charges on sports services
Latrine fees
Fees for petrol pumps
Fees and charges on social services
Fees and duties on educational and extra-curricular services
Other current operating expenses (sale of impounded animals, impound fees)
Rental of equipment
Rental of youth clubs
Vehicle rental: ambulances, etc
Charges on public clearance
Services provision

## Local taxation

Local taxation revenue comes from taxes and levies on: individual persons; land and property; economic activities; means of transportation, publicity, shows, games and amusements; natural resources (mining, quarrying, forestry, etc.); and livestock.

The diversity of these resources varies according to each country and within the same country and location. The characteristic elements of the fiscal context of the local authorities in West Africa and notably in the three countries are summarized as follows:

- The local tax resources are less diversified in Guinea (ten assimilated taxes and levies) than in Mali (18 assimilated taxes and levies) and in Benin (14 assimilated taxes and levies).
- In Mali, local taxation does not include the taxation of developed and undeveloped properties as in Benin (single land tax, land tax on developed and undeveloped property) and in Guinea (single land tax).
- Local taxation in Benin does not include taxes on individuals (civic tax eliminated in 1994) as is the case in Mali (regional and local development tax) and in Guinea (local development tax).
- In Benin, the implementation of presumptive taxes within fiscal reform is limited to three special status communes and does not yet concern ordinary communes (including rural communes), as opposed to in Mali and Guinea where these taxes are applied to all communes.
- In contrast to Mali and to a certain extent to Guinea where there is implementation of presumptive taxes, tax simplification and a flat-rate taxation of small activities of the informal sector, the tax system in Benin is still complex and poorly accessible.
- Local taxation (direct and indirect) provides the three countries with most of the essential local revenue (more than 85 per cent) and mainly consists of:
  - In Benin, patents and licences and land tax on developed properties;
  - In Mali, local and regional development tax, taxes on road tax on mopeds and bicycles, and livestock tax;
  - In Guinea, local development tax (for instance, IMDL), timber royalties and mining and quarrying fees (concerning mining areas).

Table 4 compares local taxation resources in the three countries.

**Table 4**  
Comparison of local taxation resources (Guinea, Mali and Benin)

Taxable items	GUINEA	% Commune	MALI	% Commune	BENIN	% Commune
Physical persons	1. Local development tax (for example, IMDL))	90%	1. <i>Taxe de développement régional et local</i> (TDRL, regional and local development tax)	80%		
			2. Road tax	100%		
			3. Tax on wages and salaries of personnel of the local authority	100%		
Land and property	2. <i>Contribution foncière unique</i> (CFU, single land tax)	80%			1. <i>Taxe foncière unique</i> (TFU, single land tax) (*)	100%
					1' Land tax on developed property	100%
					1'' Land tax on undeveloped property	100%
Economic activities	3. <i>Taxe professionnelle unique</i> (TPU, single professional tax)	80%	4. Presumptive tax		2. Single professional tax (*)	100%
	4. Patents	40%	5. Patents	60%	3. Patents	100%
	5. Licences		6. Licences	60%	4. Licences	100%
					5. <i>Taxe de développement local</i> (TDL, local development tax) (**)	100%
					6. Tax on homemade fermented beverages	100%
Firearms	6. Tax on firearms	100%	7. Tax on firearms	80%	7. Tax on firearms	100%
Means of transportation			8. Tax or road tax on mopeds	60%	8. Tax on three- or four-wheeled city taxis	100%
			9. Taxes or road taxes on bicycles	100%	9. Tax on motor boats and motorized canoes	100%
			10. Tax on carts	100%		
			11. Tax on boats	100%		
Advertising			12. Posting and advertising tax	100%	10. Advertisement tax	100%
					11. Posting fee	100%
Shows and games	7. Tax on popular shows and celebrations	100%	13. Tax on authorizations of shows and amusements	100%	12. Tax on shows, games and amusements	100%
			14. Tax on automatic distributors and gambling equipment installed in public places	100%		

MATIERES IMPOSABLES	GUINEA	% Commune	MALI	% Commune	BENIN	% Commune
Animal products			15. Tax on livestock	80%		
Plant products					13. Tax on collected products	100%
Mines and quarries	8. Fees on authorizations for artisanal mining (gold, diamond, etc.)	60%	16. Tax on issuing authorization on artisanal gold mining and quarrying	80%		
	9. Tax on quarrying and collection of quarriable substances	25%	17. Additional tax on mining and quarrying			
Forests	10. Timber royalties		18. Tax on felling permits		14. Felling tax	100%

(\*) Taxes applied only on the three special communes (Cotonou, Porto-Novo, Parakou);

(\*\*) Tax not yet operational

Source : Code général des Impôts et textes de loi portant régime financier des collectivités locales (General Code on Taxes and Legislation on the Financial System of the Local Authorities)

### Income/revenue of state property and assets, and income from different services and sales

They consist of duties and taxes on: public hygiene and environmental protection; operational urban planning;<sup>2</sup> electric and water supplies; marketing of plant and animal agricultural products; administrative and civil status records; operations of market infrastructures (markets, terminals, parking, slaughterhouses); and other socio-community infrastructure (cemeteries, show halls, sports grounds, etc.).

The income/revenue from public property, assets, and sundry services and sales provide on average less than 15% of local revenue in the three countries and mainly consist in the following:

- Benin: revenue from operating markets and revenue from issuing administrative and civil status records;
- Mali and Guinea: revenue from operating markets.

The financial resources for local development are very limited due to a narrow tax base and poor local taxation yield. With insufficient financial resources, the exercise by local authorities of transferred powers becomes problematic. Supporting measures were implemented in the different countries through state transfers and allocations.

### State transfers and allocations; mechanisms of transfers to the local authorities

In the context of transferring powers, the legislature provides for a concomitant transfer of human, financial and state-owned means for the benefit of the local authorities. These means are, in principle, those previously belonging to the State in order to exercise its powers.

Most of the countries have fine-tuned financial support tools for the local authorities. There are two kinds of state transfers: resource transfers and financial transfers.

The following table presents the transferred resources of the local authorities for the three countries as they appear in decentralization legislation..

**Table 5**  
**State transfers and grants (Benin, Guinea and Mali)**

<b>BENIN</b> Nature of revenue	<b>GUINEA</b> Nature of revenue	<b>MALI</b> Nature of revenue
<b>B—Transfer revenue</b>	<b>B—Transfer revenue</b>	<b>B—Transfer revenue</b>
Resource transfers	Resource transfers	Resource transfers
Tourist tax		
Motor vehicle tax		
Value Added Tax (VAT) collected at customs		
Tax on quarrying and mining		
Road tax collected at customs		
Other payments and returns on taxes and levies		
Financial transfers: operations	Financial transfers: operations	Financial transfers: operations
Grants and holdings	State-granted rebates (specific grants, State operating grants)	General decentralization grant
Salary grant paid by the State		Equalization grant
Substitution grant paid by the State		Other grants
Intercommunal solidarity fund		State grants
Other organizations		Grants of the territorial communities
Stabilizing grants		Grants of other bodies
Stabilizing grants paid by the State		Financial contributions for the operations of kindergartens
Other stabilizing grants		Financial contributions for the operations of basic schools
		Other contributions
		Other non-recurrent management charges

<b>BENIN</b> Nature of revenue	<b>GUINEE</b> Nature of revenue	<b>MALI</b> Nature of revenue
<b>B—Resource transfers</b>	<b>B—Resource transfers</b>	<b>B—Resource transfers</b>
Financial transfers: investment	Financial transfers: investment	Financial transfers: investment
Facilities grants	Grants	Basic grant (value of integrated assets)
State facilities grants	Grants	Overall investment fund: state and public authorities
		State investment grants
Decentralized public communes and authorities		Investment grants of territorial authorities
Other public or semi-public enterprises		Investment grants of international and foreign organizations
Donations and legacies	Donations and legacies	Donations and legacies
Public funds	Public support funds and public aid funds	
	Public support funds from other authorities and national bodies	
	Public support funds from other authorities and national bodies	
	Public funds from international bodies	
Income from loans and advances	Loan (income from principal amount of loan)	Assimilated loans and debts

The transfers of resources generally consist in transferring in total or in part by the State of some taxes (VAT and others) and the transfer of productive assets from revenue. In most countries, the implementation of decentralization is expressed in the legislation by the transfer by the State of some taxes and levies to the local authorities.

Despite the efforts accomplished in Guinea, this transfer is still partial for many taxes and levies that are still shared between the rural development authorities and the prefecture, which remains a deconcentrated territorial body of the State. This is the case, in particular, of revenue from the single land tax, the single professional tax, patents and licences, among others.

Financial transfers, which are generally in the form of grants or subsidies, are very often ineffective, inadequate or unpredictable. These grants could be generalized or specific; their low amounts and their irregularity are a handicap to the local authorities in exercising their powers. There are transfers to cover operating expenditures (various operating subsidies, stabilization subsidies, solidarity funds or equalization funds, specific subsidies, etc.) and those relating to investment costs (state equipment subsidies or allocations, territorial authorities, and international and foreign bodies; overall investment funds, etc.).

In Bénin, there are several kinds of state transfers to the local authorities:

- the transfer to the local authorities of part of the income from taxes and levies, namely; tourist tax, motor vehicle tax, value-added tax (VAT) collected at customs, road tax collected at customs, tax on quarrying and mining, State subsidies and shareholding for operating local authorities (salary subsidies paid by the State, civic tax substitution subsidy, stabilizing grants, allocation of inter-communal solidarity funds).
- State facilities grants.

Among the ten resource transfers planned for the benefit of the local authorities, only four are operational: value-added tax transfers, the road tax; wage subsidies and civil tax substitution subsidies.

Equipment grants are not given to local authorities, but the latter sometimes benefit from socio-community infrastructures built by sectoral *départements* within the *Programme d'Investissement Public* (PIP, Public Investment Programme).

In Mali, the State transfers to local authorities consist of, in particular:

- State grants in the form of local authority equalization grants (general decentralization grant) and solidarity funds for the territorial authorities;
- Subsidies earmarked by the State and various financial contributions for the operations of educational, health and hydraulic infrastructures;
- Overall investment funds and state investment subsidies.

Only two of the five sources of planned transfers are operational: allocations as equalization grants and subsidies of overall investment funds or *fonds d'investissement des collectivités territoriales* (FICT, territorial communities investment funds).

In Guinea, planned transfers of resources from the state to local authorities mainly consist of:

- State operating grants and other specific subsidies;
- State grants in support of investment for the local authority.

In fact, the Guinean local authorities very rarely benefit from these transfers that only operate in exceptional cases. It should be pointed out, however, that the experiences developed in the past few years in the mining areas where the State transfers a portion of the taxes paid by the mining companies operating in its territory to the local authorities. The income serves to partially finance local investment projects.

## Notes

<sup>1</sup> TOMETY, Simon-Narcisse, Local development practices and instruments in West Africa and their link with Millennium Development Goals. A synthesis of case studies of UNCDP, June 2006.

<sup>2</sup> Operational urban planning (subdivision, residence permits, construction permits, etc.).



# PART 2

## THE LAFIAS EXPERIENCE IN FRENCH-SPEAKING AFRICA: BENIN, GUINEA AND MALI



**L**AFIAS was implemented to varying degrees in the rural authorities of three countries — Benin, Guinea and Mali.

## LAFIAS in Benin: results and main lessons learned

The LAFIAS experience in Benin involved seven communes of the new Bougou Département, which all share the common characteristics of being essentially rural and relatively large: Pèrèrè, Nikki, Kalalé, N'dali, Bembèrèkè, Sinendé and Tchaourou.

The main characteristics of the standard communes in Benin are as follows:

**Table 6**  
**Benin – Characteristics of the communes (2003) (in CFAF)**

BENIN	Tchaourou	Kalalé	Nikki	Bembèrèkè	N'dali	Sinendé	Pèrèrè	Average
Population	107 000	100 000	99 000	94 300	66 500	63 200	43 000	81 857
Local revenue	15 159 793	25 935 190	40 468 300	52 022 418	17 504 588	11 095 133	9 602 594	24 541 145
State transfers	25 862 016	18 723 416	24 375 497	22 953 811	12 300 746	17 303 133	10 493 382	18 858 857
Total revenues	41 021 809	44 658 606	64 843 797	74 976 229	29 805 334	28 398 266	20 095 976	43 400 002
Local revenue/total revenues	37.0%	58.1%	62.4%	69.4%	58.7%	39.1%	47.8%	53.2%
Local revenue/person	142	259	409	552	263	176	223	289
State transfers/person	242	187	246	243	185	274	244	232
Total revenue/person	383	447	655	795	448	449	467	521

As the table shows, the financial structure of the communes concerned is characterized by a low level of local resource mobilization with a large financial dependence on external resources, particularly, state transfers, as follows:

- The ratios of revenue per capita are rather low in respect to the issues and challenges to meet within decentralization. As a whole, the communes have generally mobilized less than US\$2 per person per year. There is a very large variation of total revenues per capital from one commune to another, ranging from 383 CFAF (US\$0.74/person/year), the lowest level obtained by the commune of Tchaourou, to CFAF 795 (US\$1.55/person/year),<sup>1</sup> the highest level obtained by the commune of Bembèrèkè.
- The share of local revenue in the total revenue is rather low for some communes that consequently become increasingly dependent on state transfers. This is the case for the communes of Tchaourou (37 per cent), Sinendé (39 per cent) and Pèrèrè (48 per cent). Indeed, the more a commune has its own financial means, the less it is subject to the uncertainty of the State transfers that could vary greatly from one year to another, especially when these subsidies are subject to annual decision. Should these become part of a framework agreement applicable over several years, they would be more stable, allowing the commune to control its budget (predictability of transfers).

In addition, there is a considerable variation from one commune to the other in the ratio of local revenue/total revenue, from 0.4 (the lowest level) to 0.7 (the highest level). This variation is essentially explained by the unequal distribution of economic potential between the local authorities, the low development of potential, and difficulties in mobilizing resources in some communes. The communes that show the highest ratios here are those having important cotton production activities (Bembérékè, Kalalé, Nikki, N'dali), some with on-site gin plant industries (Bembérékè, N'dali).

This study is part of actions taken to improve local finances of the *Projet d'Appui au Développement des Communes et aux Initiatives Locales* (ADECOL, Project in Support of Communal Development and Local Initiatives in Bourguou) project funded by UNCDF, UNDP and the Belgian Survival Fund, and of the support programme to the seven communes involved in the project. This study consisted in carrying out summary organizational, financial and accounting audits and establishing an action plan in the form of operational measures to improve the finances and management of the communes concerned. The study is based on the review of:

- the current budgetary and accounting framework;
- respect of the principles, rules and procedures of local public finance management;
- monitoring and transparency of budget implementation;
- performances of communal management in resource mobilization and quality of expenditures, as well as financial and accounting information.

## Main observations

The main dysfunctions observed of the local authorities in Benin are, in particular:

- organization that is poorly adapted to the missions of the decentralized communes and characterized by very weakly organized communal services (extreme weakness of human and material means) and a mediocre level of operations.
- shortcomings in the financial and budgetary management, which relate to three aspects of the budgetary cycle:
  - the weakness of estimated budgets that reflect little on the realities and local socio-economic dynamics, taking into account:
    - (i) the lack of a reliable method of revenue and expenditure forecasting—there is neither an operating costs analysis nor an assessment of the aims integrating a dynamic approach; the budget is set according to the rules of the penultimate year with the defects of the previous budget years;
    - (ii) the scarce coordination linked to the lack of a budget process planning involving all stakeholders (communal service chiefs, heads of deconcentrated services, civil society);
    - (iii) the weakness of the role of the elected bodies (communal council, budget commission) on budgetary control;
    - (iv) the inadequate rigor of supervisory services in exercising required control in budget approval.

- the weakness of the information network or the communication flow between different services involved in communal finances. The communal financial services therefore do not have the financial information needed for monitoring and managing communal finances. The following are important shortcomings identified: production delay and lack of a systematic exchange of main financial and accounting data (situation of issuance and collections of taxes, and balances to be collected; implementation of revenues and expenditures; treasury plan, statistics on physical monitoring of profitable operations/services, etc.); as well as the fact that the commune does not have information on the calculation bases of the communal share of payments of the road tax and the VAT by the Treasury services, nor any means of controlling the exhaustiveness of payment owing;
- the lack of measurement indicators for allow communes to assess their financial performance and to commit to necessary recovery actions, in case of need.

As a result of these major dysfunctions, a weak level of resources is mobilized and, consequently, a low quality of services is provided to users, especially the local populations.

## Results and main lessons learned

The study resulted in setting up tools and procedures to improve local finances, in particular:

- a proposal for reorganizing communal services;
- a new approach on budget preparation and adoption within the process of local budgeting;
- a system of generating and circulating information between main services involved in the financial life of the local authorities;
- the performance measurement and monitoring indicators of the communes' financial management.

### The local budgeting process: the communal budget preparation and adoption approach

This approach aims to allow local authorities to draft a budget in which the financial volume is suitable to economic and financial realities. This approach, based on assessing objectives and summarized in table 7 below, highlights the following:

- the main technical tasks of communal budget preparation and adoption with deadlines to respect regulatory deadlines;
- the necessary dynamic relations between the main actors in the communal financial life (local authorities, communal services, deconcentrated tax services, deconcentrated treasury services, civil society, etc.);
- the necessary documents to be used and produced for good budget preparation.

**Table 7**  
**Bénin—The Budget Preparation and Adoption Process (Steps)**

N°	ACTIVITIES	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Structures concerned	Tools /documents used	Documents produced
<b>0</b>	<b>PREPARATORY ACTIVITIES</b>															
0.1	Drafting accounts from previous financial year													Local authority (SAF), deconcentrated services (Collection)	Registers, development status report	Administrative accounts, management account
0.2	Defining budgetary directions													Local authority (municipal office)		Guidance notes of the mayor
0.3	Drafting a budgetary schedule													Local authority (SAF)		Schedule of activities
0.4	Analysis of the different services and assessment of the revenue activities and main cost centres													Local Authority (SAF, Planning Services)	Services assessment and analysis records	Analysis table of services and main cost centres
<b>1</b>	<b>REVENUE ASSESSEMENT</b>															
1.1	Updating of socio-economic data and evaluation of tax potential of leading taxes and levies													Local Authority (Planning Services, SAF, Market Services), Deconcentrated Services (Taxes)	Basic socio-economic data grid of the tax base (public buildings, economic activities, means of transportation, market facilities, etc.)	Table on the tax potential of the main resource channels
1.2	Simulations and calculation of revenues for the collection services													Local Authority (Planning Service, SAF)	Average amount of previous collections. Statistics on collections in year 1 and year 2.	Revenue targets, notification to different revenue services

N°	ACTIVITIES	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Structures concerned	Tools /documents used	Documents produced
1	<b>REVENUE ASSESSEMENT</b>															
1.3	Acceptance of justified views of the collection services on the calculated objectives													Local authority (all revenue services), Deconcentrated Services (taxes)		
1.4	Analysis and summaries of revenue assessments													Local Authority (SAF)		Revenue Summary Table
2	<b>ASSESSMENT OF EXPENDITURES</b>															
2.1	Transmission to the consumer services the statement of operating needs													Local Authority (SAF)	Statement of services' needs	Summary table on the Needs in Services Operations
2.2	Assessment of local populations' expectations in the territorial subdivisions of the local authority on the operations and maintenance of public property													Local Authority (Planning Services, Social/community activities Services, Head of territorial subdivision)	Grid on meeting populations' expectations in the subdivisions of the local authority	Assessment report on local populations' expectations in the territorial subdivisions of the local authority
2.3	Development and assessment of the programme for maintaining state property and infrastructure assets													Local authorities (Technical Services, Planning Services)		Report on the programme and budget for maintaining infrastructures and state property
2.4	Analysis of the strategic directions of the Communal Development Plan and investment projects													Local Authority (Planning Services)	<i>Plan de développement communal</i> (PDC, Communal Development Plan)	
2.5	Consultation meetings and approval on the Annual Investment Plan													Local authority (planning services, technical services, SAF)	Consultation meetings with the stakeholder of the community	Annual investment plan shared by all

N°	ACTIVITIES	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Structures concerned	Tools /documents used	Documents produced
<b>2</b>	<b>ASSESSMENT OF EXPENDITURES</b>															
2.6	Analysis and summary of expenditure assessments													Local authority (SAF)		Expenditures summary table
<b>3</b>	<b>BUDGET COMMITTEE MEETING</b>													Local authority (President, Commission of Elected Bodies SAF), deconcentrated services (taxes, treasury)		
3.1	Budget management indicators and budgetary assessment summary													Idem	Budget management indicators	
3.2	Arbitration, decision on amounts and adjustment of the budget													Idem		
3.3	Draft budget and conditions for achieving budget objectives													Idem		Draft budget
3.4	Forwarding to councilors of the records on the draft budget													Local authority (SAF)		
<b>4</b>	<b>ADOPTION OF THE BUDGET</b>															
4.1	Budget review and adoption													Local authority (council)		
4.2	Taking into account budget modification and finalization													Local authority (SAF)		
4.3	Budget finalization (project brief, self-financing rate)													Local authority (SAF)		Budget Project Brief

N°	ACTIVITIES	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Structures concerned	Tools /documents used	Documents produced
<b>4</b>	<b>ADOPTION OF THE BUDGET</b>															
4.4	Finalization of an action plan for achieving budgetary objectives													Local authority (mayor)		Action plan for achieving budgetary objectives
4.5	Transmission of the budget record to the supervisory authority													Local authority (SAF)		Budget adopted
<b>5</b>	<b>BUDGET APPROVAL</b>															
5.1	Budget study adopted and observations													Prefectoral services	Budget adopted	
5.3	Taking into account modifications and finalization													Local authority (SAF)		
5.4	Budget approved													Prefect		Budget approved

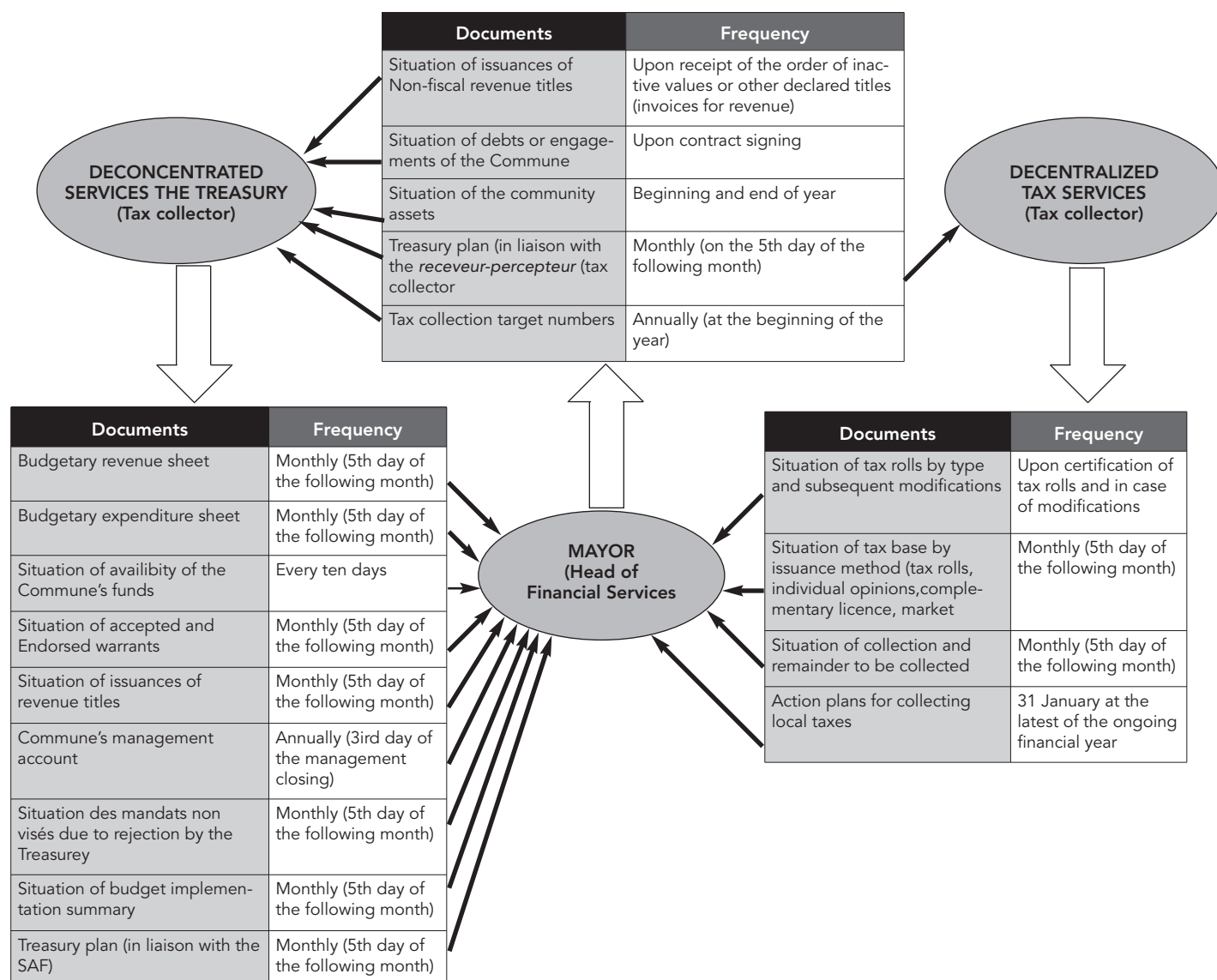


## System of generating and disseminating information among main services involved in local resources management

This system aims to remedy the problems linked to monitoring revenues and expenditures that generate considerable financial losses for the local authority. The proposed system focuses on the following:

- collection, production, exchange and centralization procedures of financial and accounting information, both on revenue and expenditures;
- dissemination of financial and accounting information among different services concerned (tax services, revenue collection, financial service of the municipality office);
- the financial service of the local authority as a central element of the revenues and expenditure monitoring mechanisms.

**Figure 1**  
**Benin—Monitoring revenues and expenditures—procedures for collecting, producing and disseminating financial and accounting information**



## Measurement indicators of financial management performance

A series of around 20 indicators was created to determine the level of commune management performance as well as performance on revenues, expenditures and financial stability. The most significant selected are as follows:

### Performance indicators on resources mobilization

The commune's objective is to mobilize local resources at its growth rate and according to its needs and communal development issues. Achieving this objective depends on the commune's capacity to efficiently organize its resource mobilization system in such a way as to make its potential profitable by implementing mechanisms to widen its own resource base through rigorous collection monitoring.

**Total revenue per person:** This generally measures the level of resources granted to the local authority. It depends on both efforts to mobilize local resources (internal resources), transfers of state resources, and the capacity of the municipal team to negotiate, promote the local authority and mobilize external resources. The higher the ratio, the more the authorities are efficient and the better the financial relations between the state and the local authorities.

**Local revenues<sup>2</sup> per person and local revenue out of total revenue:** This determines the internal resource mobilization capacity by the communal services. Further, it allows one to assess the degree of financial autonomy or dependence of the local authority and particularly, its efforts in developing local revenues from different resource channels.

The commune is much more efficient when local revenues per person are higher and when the local revenue/total revenue ratio approaches one. Therefore, the larger the internal mobilization capacity of the local authority, the less it depends on state transfers and the more it enjoys autonomy. On the contrary, the closer the local revenues/total revenues ratio approaches zero, the more the commune depends on state subsidies and the less it enjoys financial autonomy.

It is important to point out that it is not a dysfunction if the tax system depends on tax transfers. If these transfers are part of a just and predictable tax agreement, then there is no need for alarm; however, if there is no tax agreement between the state authorities, then a very large dependence becomes dangerous because the subsidies could fluctuate from one year to another, rendering budgetary forecasting difficult.

### Performance indicators on service provision to citizens

The objective is that the communal administration organize itself in such a way as to improve the efficiency of the combination "administrative management charges and level of services provided to populations." Achieving this objective depends on the commune's ability to:

- reduce its expenditures for unproductive personnel, particularly in order to take best advantage of the available staff through redeployment, employment adjustment and recruitment of qualified managers in order to raise the level of the communal services' efficiency;
- increase expenditure services to local populations in order to maintain infrastructure at a satisfying level, provide social assistance services and promote local economic development.

***Services<sup>3</sup> expenditures per person and services expenditures out of total expenditures:*** This allows one to determine the level of services provided to citizens by the communal institution.

The efficiency of the commune increases much more when the cost ratio of services per person is higher and the ratio of service expenditures to total expenditures approaches one. On the other hand, if this ratio moves away from one and approaches zero, the result is the degradation of services provided by the commune to the inhabitants.

These indicators allow authorities to determine the commune's efforts in improving the quality of expenditures, specifically, for services to local populations in terms of the extent of needs, for which the population represents an essential point of reference.

***Investment expenditures per person and investment expenditures out of total expenditures:*** These ratios measure the level of local public expenditure injected into the commune to acquire new facilities, in particular, socio-collective and community infrastructure, in order to strengthen the commune's capacities to provide services.

In principle, the higher the ratio of investment expenditures per person, and the closer that the investment expenditures to total expenditures ratio approaches 1, the more the commune is committed to a facilities policy. It should be noted that this policy should take into consideration the commune's ability to maintain existing equipment. Indeed, it would be inappropriate for the commune to plan on making new investments while lacking the means to maintain the existing assets. At the very least, investing under such conditions could come to resemble a "waste" of resources, since the infrastructure concerned would become degraded sooner than expected, and the same problems, sometimes even more serious, would return in a few years.

#### **Performance indicators on administration management costs**

***Operating expenditures per person and operating expenditures out of total expenditures:*** This allows authorities to determine the operating expenditures of communal services, both in personnel and in material.

***Structural expenditures per person and structural expenditures out of total expenditures:*** This allows authorities to determine the general cost of municipal administration management, both in operating and in investment.

This ratio should absolutely not exceed 0.5; the closer it approaches one, the less the commune is efficient, therefore concentrating most of its mobilized resources on the municipal administration.

A degradation of the gross margin throughout the years means that there is a discrepancy between the rate of growth of management expenditures and that of operating revenues: the lifestyle of the local authorities increases without its net resources doing so in the same proportion, thus risking in accelerated degradation of the financial balance unless the local authority implements a drastic reduction of its investments and its debt at the same time.

#### **Performance indicators on financial balance**

***Gross savings<sup>4</sup>/real operating revenues:*** This ratio determines the level of operating revenues for the investment section.

***Local revenues out of operating and capital maintenance expenditures:*** This ratio measures the capacity of the commune to finance itself at least its operating expenses and its locally operating infrastructure capital.

In principal, a commune's ordinary annual budgetary resources must, as a priority, ensure the regular operations and maintenance of infrastructure and facilities.

In absolute terms, the ratio should approach 1; the farther it moves away from 1 and moves closer to 0, the deeper the commune's financial imbalance, given that it cannot cover its operating and maintenance expenditures, even more so needing to release funds for investment.

A commune that finds itself in these conditions would essentially depend on external contributions and could not truly conduct its own strategy; this could create a problem in terms of its viability.

Table 8 below presents the situation in seven standard communes from Benin, relating to the main financial management performance indicators for 2003. The following was observed:

- The commune of Bembèrèkè shows the best indicators on resource mobilization; it is followed by the communes of Nikki and N'dali. Compared to the others and with slight exceptions, these three communes share almost the same economic characteristics, namely, an agricultural production dominated by cotton cultivation and cotton gin plants. The lower performance levels showed by the commune of Tchaourou are linked not only to gaps in its economic potential, but also weak local tax revenue.
- All the communes provide negligible services to their citizens. Indeed, the ratio of service expenditures per person varies from the lowest, 10 CFAF (US\$0.01 per person per year) for the commune of Tchaourou to the highest, 53 CFAF (US\$919 per person per year) for the commune of Sinendé. The commune of Sinendé has the best ratio of service provision to citizens (12 per cent of expenditures for providing services to citizens), followed by the communes of Kalalé, Bembèrèkè and Nikki. The commune of Tchaourou, with the lowest ratio, only earmarks 2.9 per cent of the total expenditures to providing services to the populations, with almost no investment expenditures.
- The commune of N'dali has the most costly administration, with the highest ratio of operating expenditures per person at 658 CFAF/person (US\$1.28/person). The operating expenditures alone represent 99.5 per cent of total expenditures and the ratio of structural expenditures (expenditures for the communal administrative structure, including investments) per person is less than 2.5 times local revenues per person.
- With the exception of the Bembèrèkè commune and to a lesser extent, the Nikki commune, financial balances are critical in most of the communes. There is a weak investment financing capacity with savings rates of less than 15 per cent for the commune of Sinendé (11.7%), Tchaourou (13.2%) and Pèrèrè (14.2%), and even a negative rate for N'dali (-50.8%), whereas the fixed prescribed rate is at least 25%. Local revenues mobilized by the communes cannot even manage to cover their operating expenditures. The situation of the communes of N'dali, Tchaourou and Sinendé is very critical, given that they cannot manage to finance 50 per cent of their operating expenditures from local revenues. The commune of N'dali fulfilled its financing need from available funds from previous financial year surpluses.

- This situation calls for a series of support measures to rectify the situation because these communes do have a tax potential but have not taken advantage of it for developing the local authorities and consequently, improving local public services.
- The gross operating surplus, no matter how narrow, is also not consumed, or very partially, while many needs of the local populations wait to be fulfilled. This explains the high ratio of investment financing capacity to investment expenditures for several communes. This situation illustrates the communes' planning problems in local finance management.

It must be pointed out, however, that the above observations refer to 2002 and 2003, when the communes were yet to be set up. The situation has changed considerably since the set-up of LDF within the framework of the ADECOI project.

**Table 8**  
**Benin—Financial Management Performance Indicators of the Communes (2003)**

2003	Pèrèrè	Kalalé	Nikki	Bembéréké	Sinendé	N'dali	Tchaourou
<b>REVENUES</b>							
<b>Per capita revenue indicators</b>							
Total revenue/person (CFAF)	467	447	655	795	449	448	383
Local revenue/person (CFAF)	223	259	409	552	176	263	142
Tax revenue/person (CFAF)	103	102	267	393	146	193	58
Income from state property and services/person (CFAF)	53	84	58	26	1	27	36
<b>Revenue structure indicators</b>							
Local revenue/total revenue (%)	47.8%	51.1%	62.4%	69.4%	39.1%	58.7%	37.0%
Tax revenue/local revenue (%)	55.2%	47.1%	78.5%	85.5%	99.4%	87.8%	49.1%
Tax revenue/operating revenue (%)	23.9%	25.2%	45.6%	55.9%	34.6%	47.6%	16.1%
<b>EXPENDITURES</b>							
<b>Per capita expenditure indicators</b>							
Overall expenditures/person (CFAF)	401	453	541	611	430	658	336
Operating expenditures/person (CFAF)	401	354	481	428	396	658	333
Structural expenditures/person (CFAF)	385	407	496	560	376	612	326
Investment expenditures/person (CFAF)	0	99	58	184	34	0	3
Services expenditures/person (CFAF)	14	45	45	52	53	45	10
<b>Expenditure structure indicators</b>							
Operating expenditures/total expenditures (%)	99.7%	78.1%	8.0%	70.0%	92.0%	99.5%	99.0%
Structural expenditures/total expenditures (%)	96.0%	8.8%	91.7%	91.7%	87.4%	93.0%	97.0%
Investment expenditures/total expenditures (%)	0.0%	21.9%	10.7%	30.1%	7.9%	0.0%	1.0%
Services expenditures/total expenditures (%)	3.5%	9.9%	8.3%	8.5%	12.2%	6.9%	2.9%
Personnel expenditures/operating expenditures (%)	75.6%	59.5%	67.6%	54.3%	54.3%	52.9%	73.8%

2003	Pèrèrè	Kalalé	Nikki	Bembéréké	Sinendé	N'dali	Tchaourou
<b>FINANCIAL BALANCE</b>							
Local revenue/operating and maintenance expenditures (%)	55.6%	73.2%	84.9%	129.1%	44.5%	40.0%	42.7%
Net savings/operating revenue (%)	14.2%	20.8%	26.3%	46.4%	11.7%	-50.8%	13.2%
Cash flow on investments/investment expenditures (%)	sans valeur	93.3%	296.2%	252.4%	155.9%	sans valeur	1595.5%

Source: From data on the communes' administrative accounts

To address these challenges, action plans should be set up to reverse the trends in order to bring the indicators to acceptable thresholds. Taking into consideration the extent of the problems that could be found at several levels (authorities level, state level, etc.), a gradual approach of enhancing the financial strength of the communes is implemented over a four-year period (2004 to 2007). This requires defining the annual objectives, a qualitative plan (identification of actions to be taken), and a quantitative plan (minimum level of indicators). These objectives, which integrate a phasing of changes in performance, can assess the impact of different actions on the finances of the local authority.

In the case of the commune of Nikki presented below (table 9), the recovery actions must allow considerable improvement of local revenues by causing changes in the local revenue per person ratio from 409 CFAF/person/year in 2003 to CFAF 1 100/person/year by the end of 2007. Therefore, this ratio is expected to go from 409 CFAF in 2003 to 450 CFAF in 2004, to 650 CFAF in 2005, and then to 900 CFAF in 2006, to reach the acceptable threshold of 1 100 CFAF by the end of 2007.

Table 9

**Bénin—Performance grid on the communes' financial management**  
(example from the commune of Nikki)

COMMUNE OF NIKKI	2002	Year of référence 2003	PHASING OF THE CHANGES IN PERFORMANCE			
			2004	2005	2006	2007
<b>REVENUES</b>						
<b>Per capital revenue indicators</b>						
Total revenue/person (CFAF)	700	655				
Local revenue/person (CFAF)	440	409	450	650	900	1100
Tax revenue/person (CFAF)	153	267				
Income from state property and services/ person (CFAF)	75	58				
<b>Revenue structure indicators</b>						
Local revenue/total revenue (%)	62.9%	62.4%	65%	70%	75%	80%
Tax revenue/local revenue (%)	34.7%	78.5%				
Tax revenue/operating revenue (%)	21.8%	45.6%				
<b>EXPENDITURES</b>						
<b>Per capita expenditure indicators</b>						
Overall expenditures/person (CFAF)	675	541				
Operating expenditures/person (CFAF)	445	481				
Structural expenditures/person (CFAF)	452	496				
Investment expenditures/person (CFAF)	230	58				
Services expenditures/person (CFAF)	172	45	300	500	700	900
<b>Structural expenditures indicators</b>						
Operating expenditures/total expenditures (%)	58.4%	89.0%	65%	55%	45%	35%
Structural expenditures/total expenditures (%)	67.0%	91.7%	80%	75%	70%	65%
Investment expenditures/total expenditures (%)	34.1%	10.7%				
Services expenditures/total expenditures (%)	25.5%	8.3%	35%	45%	55%	65%
Personnel expenditures/operating expenditures (%)	62.1%	67.6%				
<b>FINANCIAL BALANCES</b>						
Local revenues/operating and maintenance expenditures (%)	111.8%	84.9%	85%	90%	95%	100%
Net savings/operating revenue (%)	36.5%	26.3%	25%	27%	29%	30%
Cash flow on investments/investment expenditures (%)	111.1%	296.2%				

Source: Data from the administrative account of the Nikki commune



## Conclusions and lessons learned

In light of the analyses and all these observations, it emerges that the weakness of the local authorities' financial resources and the mediocre quality of services provided to citizens results, to a large extent, from organizational dysfunctions, which do not prevent the local authorities from fully playing their roles within a framework of financial control. Some points to emphasize are:

- the lack of organization of the services with human, material, and technical means adopted to the communes' missions;
- the weakness of the relations between the communes and the deconcentrated services operating in their financial period (tax service, the treasury services, etc.).

The strengthening of the capacities of the communal services, particularly, those concerned with collection of revenues and financial management, will allow the local authority to play a stronger role in mobilization, monitoring and control of their resources and thus considerably improve their revenues, due to the following:

- the creation of a state revenue body, which would be accountable for monitoring and improving the performance of income collection;
- organizing and keeping statistics on the physical monitoring of income-generating activities/operations for the commune (stalls in markets, civil status records, agricultural produce loading, vehicles in transit, authorization of motorcycle-taxis, etc.) to better determine resource potential;
- systemization of information links and the formalization of relations between the collection services (tax services for the tax revenues, revenue collection and the financial affairs services for other revenue);
- control of the bases of the payment system of communal shares of state tax revenues in order to ensure that all the revenue due to the communes is paid to them.

## LAFIAS in Guinea: results and main lessons learned

The LAFIAS study in Guinea concerned two prefectures of Upper Guinea (Kouroussa and Siguiri), with a total of 23 small rural development authorities (RDAs).

The LAFIAS initiative was carried out in two parts:

- First, a study on local taxation was carried out. This study, which serves as a gateway to LAFIAS in Guinea, consists in carrying out three diagnostics/audits (institutional, legal and organizations diagnostic; a financial diagnostic; and a diagnostic on the local economy) in order to take stock of taxation and local finances (dysfunctions and problems) and to propose — given the established diagnostic and simulations — necessary improvements for a better yield from local taxation and the strengthening of local finances.
- Then, drafting the *plans d'actions de redressement financier et institutionnel* (PARFIC, Action Plans for Financial and Institutional Recovery) and *Plans d'Actions de Développement Économique Local* (PADEL, Local Economic Development Action Plans). This study consisted in assessing at the level of each of the 23 rural authorities, the strengths and weaknesses with respect to dysfunctions identified and improvement measures for the recommended local taxation. It aimed to create — in close collaboration with the local actors — a priority action plan at the organizational and financial level, on the one hand, and on the economic level, on the other.

Before carrying out the analysis of results obtained, however, it would be useful to trace the main characteristics of the RDAs of the Guinea sample:

**Table 10**  
**Guinea—Characteristics of the Rural Development Communities**  
**of the Siguiri Prefecture, 2003**

	Population	Local revenue (CFAF) <sup>5</sup>	State transfers (CFAF)	Total revenue (CFAF)	Local revenue/ total revenue	Transfer /total rev- enue	Local revenue/ person (CFAF)	Trans- fers/ person	Total revenue/ person (CFAF)
Doko	39,000	4,189,092	851,115	5,040,208	83.1%	16.9%	107	22	129
Kintinian	30,000	5,191,385	1,324,846	6,516,231	79.7%	20.3%	173	44	217
Siguirini	27,000	2,892,092	184,610	3,076,702	94.0%	6.0%	107	7	114
Norassoba	26,000	2,891,815	1,320,704	4,212,519	68.6%	31.4%	111	51	162
Maléah	21,000	2,321,600	1,066,745	3,388,345	68.5%	31.5%	111	51	161
Franwalia	20,000	2,336,708	269,125	2,605,832	89.7%	10.3%	117	13	130
Kiniébakoura	20,000	1,715,385	0	1,715,385	100.0%	0.0%	86	0	86
Nigassola	18,000	1,932,615	312,692	2,245,308	86.1%	13.9%	107	17	125
Naboun	16,000	1,787,197	0	1,787,197	100.0%	0.0%	112	0	112
Niandankoro	15,000	1,878,185	1,227,506	3,105,691	60.5%	39.5%	125	82	207
Noukounkan	14,000	1,420,554	461,538	1,882,092	75.5%	24.5%	101	33	134
Bankon	12,000	1,209,831	686,886	1,896,717	63.8%	36.2%	101	57	158
		29,766,459	7,705,768	37,472,226	79.4%	20.6%	115	30	145
		<b>2,480,538</b>	<b>642,147</b>	<b>3,122,686</b>	<b>80.8%</b>	<b>19.2%</b>	<b>113</b>	<b>31</b>	<b>145</b>

**Table 11**  
**Guinea—Characteristics of the Rural Development Communities**  
**of the Kouroussa Prefecture, 2003**

	Population	Local revenue (CFAF)	State transfers (CFAF)	Total revenue (CFAF)	Local revenue/total revenue	Transfer/total revenue	Local revenue/person (CFAF)	Transfers/person (CFAF)	Total revenue/person (CFAF)
Cisséla	28,000	1,472,61	0	1,472,615	100.0%	0.0%	53	0	53
Douako	18,000	1,535,846	0	1,535,846	100.0%	0.0%	85	0	85
Sanguiana	17,500	1,086,462	0	1,086,462	100.0%	0.0%	62	0	62
Banfèlè	15,500	1,079,415	0	1,079,415	100.0%	0.0%	70	0	70
Balato	14,000	1,413,292	230,769	1,644,062	86.0%	14.0%	101	16	117
Doura	14,000	1,385,138	326,163	1,711,301	80.9%	19.1%	99	23	122
Kiniéro	13,000	1,539,815	0	1,539,815	100.0%	0.0%	118	0	118
Baro	12,000	1,924,969	401,108	2,326,077	82.8%	17.2%	160	33	194
Babila	11,000	706,769	0	706,769	100.0%	0.0%	64	0	64
Koumana	10,000	1,068,554	1,548,062	2,616,615	40.8%	59.2%	107	155	262
Komolakoura	10,000	788,692	0	788,692	100.0%	0.0%	79	0	79
	163,000	14,001,569	2,506,101	16,507,670	84.8%	15.2%	86	15	101
	<b>14,818</b>	<b>1,272,870</b>	<b>227,827</b>	<b>1,500,697</b>	<b>90.0%</b>	<b>10.0%</b>	<b>91</b>	<b>21</b>	<b>111</b>

The analysis of the two tables above show a very low taxation in Guinea. As a whole, the total annual revenue per person of the RDAs do not exceed 262 CFAF (US\$0.50 per person per year),<sup>5</sup> fluctuating from as low as 53 CFAF per person per year (US\$0.10) for the RDA of Cisséla, which is the lowest. As a whole, revenues are lower in the RDAs of Kouroussa than in the RDAs of Siguiri, which have most of the gold deposits.

Far from representing the performance of these authorities, the very large share of local revenues out of the total revenues, is linked to the country's lack of a systematic mechanism for financial transfers of the state towards the local authorities.

### Main observations

The RDAs' local revenue in Guinea essentially consists of revenue that they manage, particularly, IMDL, which represents almost all the revenue (more than 90 per cent). These revenues are extremely low considering the issues and challenges of the RDAs within the context of decentralization (less than 175 CFAF, or US\$0.34 per person per year).

As a whole, from 2000 to 2003, local revenue of the Siguiri RDA grew very considerably (more than 25 per cent on average), except in Niagassola. The RDAs that had a notable growth in revenue from 2000 to 2003 were Kintinian (90 per cent), Bankon, (70%) and Norassoba (50%). This trend is essentially due to the following:

- Kintinian: efforts to improve collection of main taxes, duties and fees, in particular, the *contribution foncière unique* (CFU, single land tax) (which went from zero GF in 2000 to 8 million GF in 2003), markets stall fees (which went from 250 000 GF in 2000 to 4 million GF in 2003) and mining and quarrying fees (which went from nil to 1.8 million GF in 2003);

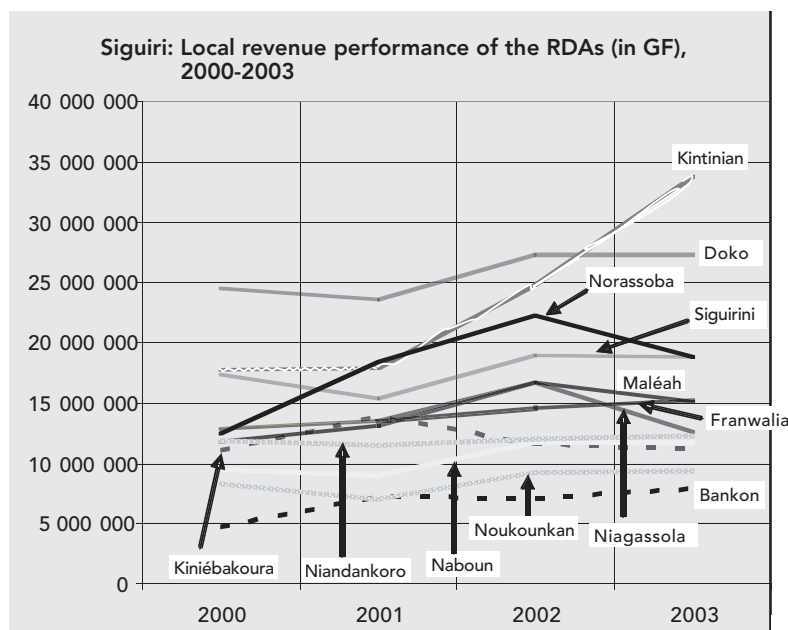
- Bankon: controlling the IMDL, which went from 4.4 million GF in 2002 to 7.2 million FG in 2003;
- Norassoba: increase, in particular, of the IMDL (from 11 908 999 GF in 2000 to 15 807 000 FG in 2003) and market stall fees (from 74 100 GF in 2000 to 1 864 000 in 2003).

From 2002 to 2003, however, local revenues of some RDAs dropped considerably; this is the case in particular in Niagossala (-25 percent) and Maléah (-9 per cent). The large drop in local revenues in Niagossala was essentially linked to the decline in collection of the IMDL, which undergoes large fluctuation from one year to another. The management of this tax is still one of the RDA's goals.

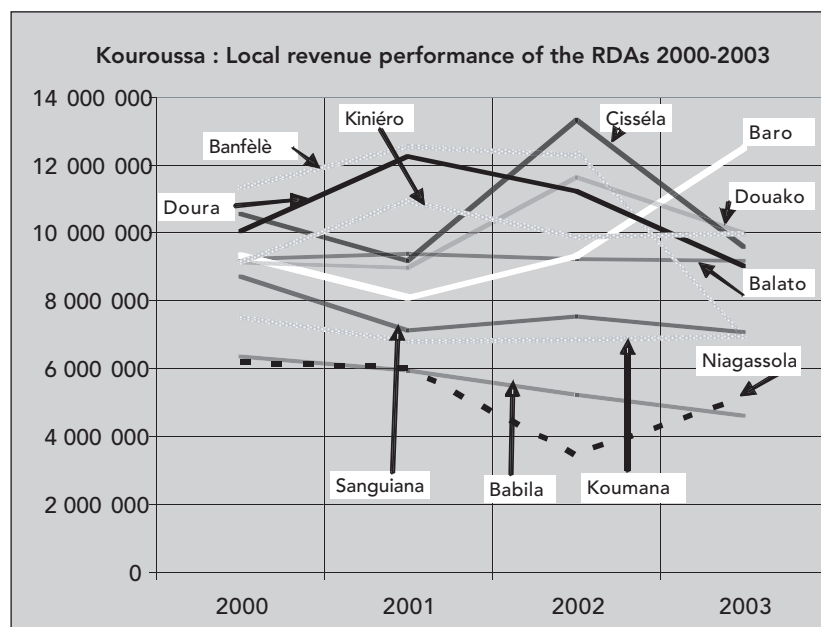
In contrast to the RDAs of Siguiri whose local revenues have considerably increased from 2000 to 2003, most of the RDAs of Kouroussa have experienced a considerable drop in their local revenues throughout the same period, except for Baro, Kiniéro and Douako, whose revenues have increased by 34.2%, 9.4% and 9.2%, respectively. This poor performance of the RDAs of Kouroussa is essentially linked to very poor collection of the IMDL, state property revenues and income on services provided that experienced considerable fluctuation between 2000 and 2003. The 34.2% growth rate in Baro is due to the fees collection in 2003 related to regular laterite quarrying (four million GF) as part of asphaltting the Kankari-Siguiri road.

Graphs 1 and 2 below show the changes in local revenue of the RDAs of Siguiri and Kouroussa.

**Graph 1**  
**Guinea/Siguiri—Local revenue performance of RDAs, 2000-2003**



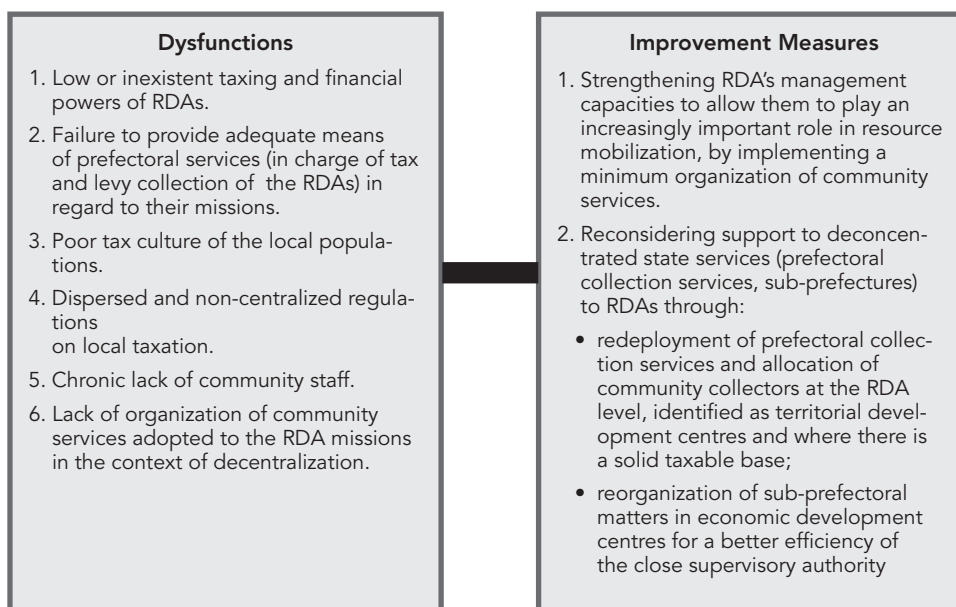
**Graph 2**  
Guinea/Kouroussa—Local revenue performance of the RDAs, 2000-2003



LAFIAS tools allowed to identify the main causes for low local resources and the improvement measures for local finances.

**Figure 2**  
Main observations in the RDAs of the Kouroussa and Siguiri—Guinea

#### THE INSTITUTIONAL AND ORGANIZATIONAL LEVEL



## THE TAX AND FINANCIAL LEVEL

### Dysfunctions

1. The non-application of tariffs as per local fiscal legislation.
2. The lack of coordination between the prefectural collection services and the RDAs in the issuance and collection of local taxes and levies on their territory.
3. The community authorities' lack of knowledge of their roles in local taxation management (procedures for issuing and collecting local taxes and levies).
4. The lack of control of market infrastructures by the RDAs.
5. The dysfunctions in maintaining RDA accounts.
6. The sharing of income from local taxes and levies with deconcentrated state services (prefecture, sub-prefecture).

### Improvement Measures

1. Simplification of the local taxation system by the packaging of the CFU and TPU.
2. The introduction of a revenue procedures manual.
3. The reduction of the pool of taxes shared by the granting to RDA of all of the income from CFU, TPI and the taxes and fees related to artisanal gold mining.
4. The introduction of a tax on collecting agricultural products following the example of the livestock transfer tax in order to allow the RDAs that have important agricultural potential to mobilize the resulting resources in the marketing of agricultural products, especially within assembly markets.

## THE ECONOMIC LEVEL

### Dysfunctions

1. Unequal distribution of economic potential among the RDAs.
2. Isolation of RDAs, particularly in production and marketing areas.
3. The poor development of the local territories' natural resources (agro-pastoral, industrial, commercial, tourist, etc.).
4. The lack of a complex of employment-generation activities due to the lack of enhancement local production development.
5. The lack of a dynamic development and management policy of economic infrastructures (markets, truck depots, slaughterhouses).
6. The weakness of popular financing.
7. The weakness of energetic capacity.
8. The weakness of the RDA's role in promoting economic development (creation of favourable conditions to generate and develop economic activities).

### Improvement Measures

1. The strengthening and the development of the economic potential of RDAs through identification of the centres of economic development in the economically relevant local communities, and development of a local economic development plan based on:
  - the opening of economically important areas (structure-providing markets, production areas)
  - promotion the agro-pastoral areas of the RDA territories;
  - strengthening energy capacities and promoting rural electrification;
  - developing a partnership with the financial institutions in order to facilitate access to credit adopted to financing the investments for agro-pastoral areas;
  - taking advantage of the opportunity of important resources in the region that consist in industrial gold mining to finance the structuring infrastructures of the subregional economy;
  - attempting to improve the level of facilities, especially through rehabilitating the main rural roads providing access to RDAs and markets.
2. Strengthening the RDA in order that it would play a greater role in promoting the local economy.

The low level of resource mobilization is one of the causes for low RDA revenue. Indeed, as a whole, the economic potential is diversified to some extent (dense hydrographic network, considerable subsoil resources, large availability of cultivable land, active and experienced population, etc.). Unfortunately, they are weakly exploited for various reasons. These potentials are summarized and shown in the following matrices (table 12 and 13), which allow for a rapid comparative reading of the RDA situation.

**Table 12**  
**Guinea/Siguiri — Matrix of economic potential**

	Bankon	Doko	Franwalia	Kiniébakoura	Kintinian	Naboun	Niagassola	Niandankoro	Noukounkan	Norassoba	Maléah	Siguirini
Physical environment												
Population												
Agriculture (plant production)												
Livestock farming (animal production)												
Fishing (fish production)												
Forestry and hunting												
Markets and marketing activities												
Terminals and transport												
Tourism, recreation and accommodation												
Mines and quarries												
Crafts and industry												

Very strong potential	
Strong potential	
Medium potential	
Low potential	
Non-existent potential	



**Table 13**  
**Guinea/Kouroussa— Matrix of economic potential**

	Babila	Balato	Banfèlè	Baro	Cissela	Douako	Doura	Kiniéro	Komolakoura	Koumana	Sanguiana
Physical environment											
Population											
Agriculture (plant production)											
Livestock farming (animal production)											
Fishing (fish production)											
Forestry and hunting											
Markets and market activities											
Gares routières et transport											
Tourism, recreation and accommodation											
Mines and quarries											
Crafts and industry											

Very strong potential	
Strong potential	
Medium potential	
Low potential	
Non-existent potential	

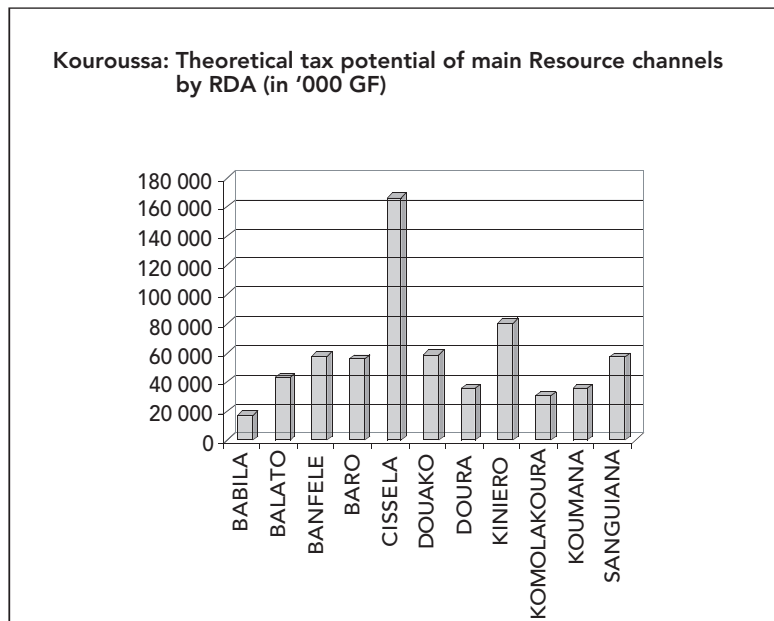
The tables show that economic potential is physically divided unequally among the RDAs:

- RDAs with high economic potential: in Siguiri, the RDAs of Kinitinian, Norassoba, Doko and Siguirini; in Kouroussa, the RDAs of Cisséla and Douako;
- RDAs with medium economic potential: in Siguiri, the RDAs of Franwalia, Maléah, Niagassola, Bankon and Kiniébakoura; in Kouroussa, the RDAs of Kiniéro, Baro, Sanguiana, Koumana, Banfèlè, Balato and Doura;
- RDAs with low economic potential: in Siguiri, the RDAs of Naboun, Noukounkan and Niandankoro; in Kouroussa, the RDAs of Komolakoura and Babila.

A summary assessment of the pools of local resources resulting from these economic potentials allow to assess the differences between different categories, on the one hand, and between RDAs of a same category, on the other.

Tables 14 and 15 as well as graphs 3 and 4 show the distribution of tax potential in the RDAs of the Kouroussa and Siguiri Prefectures

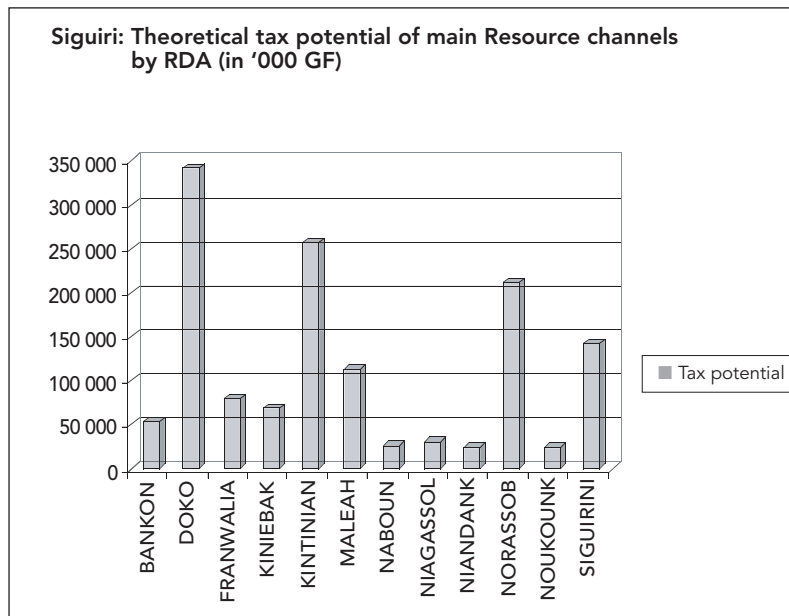
**Graph 3**  
Guinea/Kouroussa—Distribution of theoretical tax potential, by RDA



**Table 14**  
Kouroussa—Share of tax potential by RDA

KOUROUSSA	% of potentiel
Babila	2.65%
Balato	6.81%
Banfèlè	9.02%
Baro	8.70%
Clissela	26.05%
Douako	9.23%
Doura	5.63%
Kiniéro	12.59%
Komolakoura	4.86%
Koumana	5.58%
Sanguiana	8.88%
TOTAL	100.00%

**Graph 4**  
Guinea/Siguiro—Share of theoretical tax potential, by RDA



**Table 15**  
Siguiro—Share of tax potential by RDA

SIGUIRI	% of potentiel
Bankon	3.87%
Doko	24.92%
Franwalia	5.82%
Kiniebakoura	4.96%
Kintinian	18.75%
Maleah	8.24%
Naboun	1.92%
Niagassola	2.21%
Niandankoro	1.78%
Norassoba	15.44%
Noukounkan	1.75%
Siguirini	10.37%
TOTAL	100.00%

These figures confirm to some extent the analysis of the physical distribution of economic potential. Resource potential is relatively important and diversified, but is unevenly distributed with considerable differences between prefectures and between RDAs of the same prefecture.

- The RDAs of Siguiri as a whole are clearly better-off than those in Kouroussa, with a theoretical average potential of 114.4 million GF compared to 58 million in Kouroussa.
- In Kouroussa, the RDAs of Cisséla, Kiniéro, Banfèle and Douako have more than 57% out of the overall estimated potential. The RDA of Cisséla is by far the richest fiscally with 26.05% of the overall potential compared to 2.65% for Babila, the poorest RDA.
- In Siguiri, the RDAs of Doko, Kintinian, Norassoba and Siguirini have almost 71% out of all overall estimated fiscal potential. The RDA of Doko is the richest fiscally, with almost 25% of the entire potential, compared to 1.75% for Noukounkan, the poorest RDA.
- The resource potential of the RDAs essentially lies in economic activities concentrated in markets and terminals, and mainly consists of taxes and fees from mines and quarries, duties and incomes from markets, and from TPU and IMDL.

In order to better understand the causes of these differences, 23 RDAs from two prefectures were subject to three classifications according to different criteria: a first classification according to population size; a second according to theoretical tax potential; and a third according to local revenues collected in 2003. The comparative analysis of these three classifications showed that the RDAs having a high potential are those with a large population and an equally large revenue base.

There is, therefore, a strong correlation between population, tax potential and collected revenues. This is explained by the populations' attraction towards dynamic RDAs that have a polarizing effect on the others since they are situated in an area of agricultural production, employment or marketing. This is the case for most of the RDAs located in mining areas. Indeed, "people go where the people are" and the smallest RDAs tend to empty of their inhabitants.

On the basis of an analysis of a sample RDA, table 16 below shows the relationship between population, resource potential and revenue of the local authorities.

Table 16

Guinea—Distribution of RDAs according to population size, potential main resource channels and local revenue collected, in 2003

Classification according to the tax potential (CFAF)			Classification according to population		Classification according to the amount of local revenue collected in 2003 ('000 CFAF)	
1st category	Doko	52 644	Doko	39 000	Kintinian	5 191
	Kintinian	39 611	Kintinian	30 000	Doko	4 189
2nd category	Norassoba	32 616	Cisséla	28 000	Siguirini	2 892
	Cisséla	25 607	Siguirini	27 000	Norassoba	2 892
	Siguirini	21 902	Norassoba	26 000	Franwalia	2 337
	Maléah	17 400	Maléah	21 000	Maléah	2 322
3rd category	Kiniéro	12 382	Franwalia	20 000	Nigassola	1 933
	Franwalia	12 288	Kiniébakoura	20 000	Baro	1 925
	Kiniébakoura	10 477	Nigassola	18 000	Niandankoro	1 878
	Douako	9 071	Douako	18 000	Naboun	1 787
	Banfèlè	8 870	Sanguiana	17 500	Kiniébakoura	1 715
	Sanguiana	8 734	Naboun	16 000	Kiniéro	1 540
	Baro	8 549	Banfèlè	15 500	Douako	1 536
	Bankon	8 175	Niandankoro	15 000	Cisséla	1 473
4th category	Balato	6 693	Noukounkan	14 000	Noukounkan	1 421
	Doura	5 539	Balato	14 000	Balato	1 413
	Koumana	5 488	Doura	14 000	Doura	1 385
	Komolakoura	4 774	Kiniéro	13 000	Bankon	1 210
	Nigassola	4 666	Bankon	12 000	Sanguiana	1 086
	Naboun	4 051	Baro	12 000	Banfèlè	1 079
	Niandankoro	3 752	Babila	11 000	Koumana	1 069
	Noukounkan	4 694	Koumana	10 000	Komolakoura	789
	Babila	2 603	Komolakoura	10 000	Babila	707

This table presents four categories in the selected sample of the local authorities:

- The first category consists of two RDAs (Doko, Kintinian) whose average potential is largely above the others (two to ten times more), and which mobilize resources much more (two to four times more). These RDAs have: (i) intense mining activities; (ii) markets with a large reach; and naturally (iii) a larger population.

- **A second category** consists of four RDAs (Norassoba, Cisséla, Siguirini and Maléah), whose average potential is three to five times higher than the others (except those in the first category) and which also mobilize their local revenues twice as much. These RDAs are, in particular, those that have structuring or polarizing markets with limited artisanal gold mining. Nonetheless, the revenues mobilized by the RDAs of Cisséla are clearly lower than the average, which indicate its true problems in controlling the main resource channel, i.e. the market.
- **A third category consists in 8 RDAs** (Kiniéro, Franwalia, Kiniébakoura, Douako, Banfèlè, Sanguiana, Baro, Bankon) whose average potential is at least twice those of the fourth category and that mobilize slightly more resources than they do. Most of the RDAs have one to three markets of average economic importance. The situation of the RDA of Baro shows the impact of market infrastructures on the finances of the local authorities. Indeed, this RDA — classified in the fourth category by its population — is in the third category in terms of its resource potential due to its markets, notably the Sonkoroni market.;
- **A fourth category** groups together 9 RDAs (Balato, Doura, Koumana, Komolakoura, Nigassola, Naboun, Niandankoro, Noukounkan and Babila) whose potential is quite weak (less than 30 million GF on average). These are RDAs that have neither mining resources nor significant market infrastructures.

Therefore, the factors that significantly influence potential and consequently, the resources of RDAs in Guinea are, in particular: population, exploited natural resources (mines, forests, etc.) and market infrastructures (markets, terminals) with a polarizing effect.

The analysis of current yield of tax potential and potential performance of leading taxes and levies (principal taxes and levies) collected for the RDAs have shown the importance of difference between currently mobilized resources and potential return within the legal frame-work in place. Indeed, the RDAs mobilize their tax potential very poorly; the current revenues are:

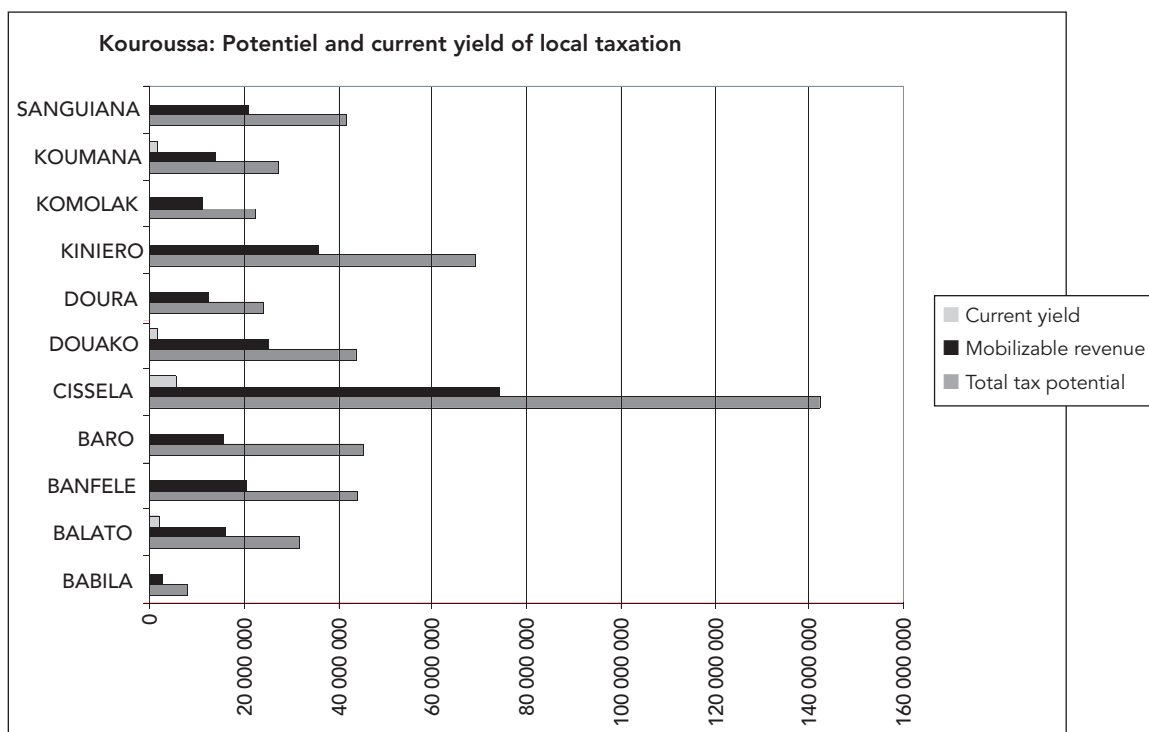
- a low scenario of the fiscal tax base — around 4% of estimated potential in Siguiri and 2% in Kouroussa;
- a high and middle scenario of the fiscal tax base — at the most around 3% potential estimated in Siguiri and less than 1% in Kouroussa.

Graph 5 below illustrates the low local taxation revenue of the RDAs in Guinea.

#### Guinea: Scenarios of tax simulations

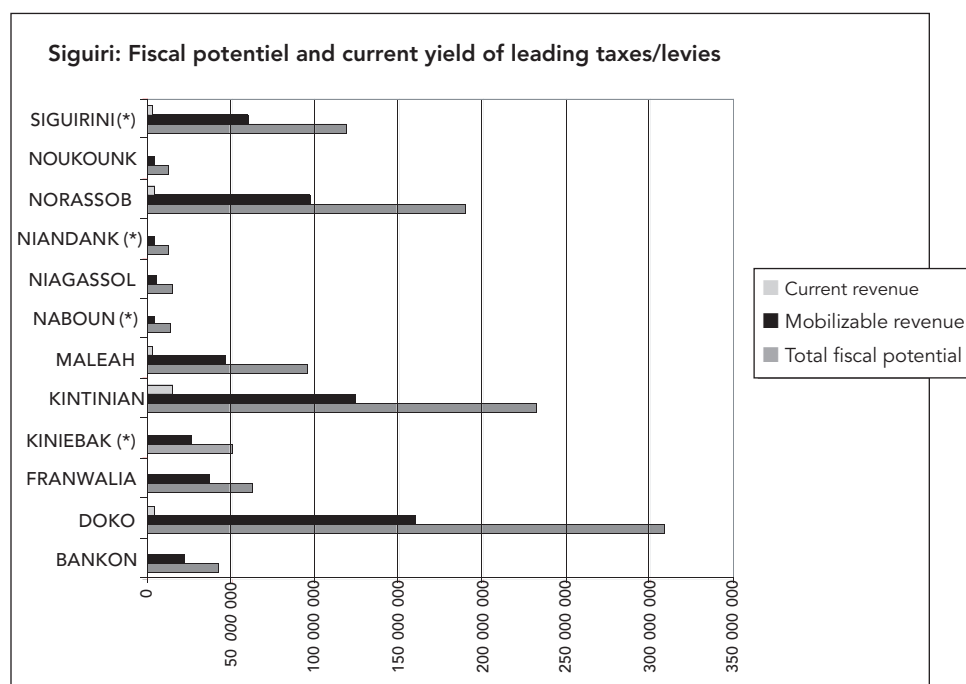
- Potential scenario for expanding the tax base to all taxpayers and total application of legislation in effect on local taxation include:
  - *la taxe professionnelle unique* (TPU, the single professional tax) (application of Decree No. 0355);
  - *la contribution foncière unique* (CFU, single land tax);
  - rehabilitation of market equipment (market, truck depot) with implementation of an appropriate delegated management method.
- A middle scenario on the reduction of taxable charges/fees includes:
  - the tax relief on adobe buildings and buildings with straw rooftops at the CFU level;
  - the adaptation of Decree No. 0355 to economic realities by a 50% tax abatement at the TPU level.
- A low scenario that stresses the reduction of the tax burden of taxpayers includes:
  - a tax relief on buildings occupied by their owners as their primary dwelling place.
  - maintenance of market facilities in their current physical state with implementation of a reasonable pricing policy.

**Graph 5**  
**Guinea/Kouroussa—Theoretical resource potential—**  
**potential and current yield of local taxation**



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**Graph 6**  
**Guinea/Siguiri—Theoretical resource potential—**  
**Fiscal potential and current yield of local taxation**



\*Figures for 2003 were unavailable and thus extrapolated.

Apart from the problems of resource mobilization by the RDAs, the other major cause for the low local revenues is the narrowness of the tax pool in many RDAs. This situation is essentially due to the lack of a coherent policy to develop available economic potential in order to promote activities that would likely provide income opportunities for the local populations and a resource base for the RDAs.

The main constraints to the economic development of RDAs are summarized as follows:

- Vast plains and lowlands making up important agricultural potential are unexploited or underexploited because they require a minimum of development for agricultural activities. With its complex river system made up of the Niger River, its tributaries and many other watercourses, the local populations deem the lack of water management (flooding in the wintering period and shortages during the dry season) as a major constraint to agricultural development, the main economic activity sector in the RDAs.
- The weekly markets, areas that concentrate most of the economic activities in the RDAs, are neither developed nor controlled by the RDAs although they provide revenue opportunities for local populations (marketing agricultural products), and are an important revenue channel for the RDAs (rent collection and various duties). Most of these markets are difficult to access and often isolated in the rainy season.
- The important production areas contribute little in creating local richness due to their isolation.
- Several RDAs that are distant and isolated from the urban centres contribute little to facilitating town-country relationships or their economy, which is not centralized and therefore directed towards neighbouring prefectures.
- The considerable gold deposits that are mined industrially and artisanally and that are apt to secure large financial resources contribute inefficiently to local development financing.

As concerns the analysis of economic dynamics and their constraints, and given the scope of the issues concerning several RDAs at once and that require important means and efforts, a true economic development must be envisaged beyond the overly limited rural spaces that constitute the RDAs. Given the current level of their human and financial resources, most of the RDAs are individually incapable of promoting endogenous sustainable development.

#### **The role of markets in the local economy**

Trade is clearly at the heart of the market, which is why — even before discussing market taxation — it is important to clearly understand its role at the market level. This trade is largely structured around informal entrepreneurs and these highly hierarchical marketing circuits are reflected in the specialization of some markets.

The markets are also structured in networks connected by a wide infrastructure of roads and tracks that make up the fabric of an economic symbiosis. The traders and transporters play an important role here because they are the ones who create the production firms — the small and medium enterprises (SMEs) or small- and medium-sized industries (SMIs) — since they are the best informed of the opportunities and the competition, and have accumulated capital from their first activity.



In Guinea, the market analysis was made in two prefectures including all of the local authorities. The analysis of the agricultural produce marketing circuits showed that the markets facilitate the network of exchanges of the two prefectures with flows (back and forth) towards other prefectures of the Kankan Region (Kankan, Kérouané and Mandiana), other regions of the country (Dinguiraye, Dabola, Faranah, Conakry, the forest region) and neighbouring countries (Mali, Côte d'Ivoire). The following has been observed:

- Important exchanges between various capital town centres of the prefectures that serve as collection and redistribution centres of agricultural production coming from RDAs as well as supply areas for products coming from the south area, notably in the forest region of Guinea. The important role by the regional capital (town of Kankan) in these exchanges is observed; it serves as an intermediary and an area of transit to other urban centres for most products from the south area.
- Concerning the hinterland between the RDAs, there are reciprocal exchanges between different rural traders according to the seasonality of products and market specialties.

The following is also observed:

- Intra-prefectoral flows regarding the relations that the markets of the RDAs maintain among themselves (reciprocal supplying) with the central market of the capital of the département, the urban commune of Siguiri and Kouroussa-centre, that serves a redistributive role for internal markets and consumption markets located in the mining areas. These flows also involve the collection of agricultural products from production areas towards the trading or consumption markets.
- The inter-prefectoral and intra-regional flows are essentially dominated by the relations between the urban markets of Siguiri and Kouroussa and that of Kankan (regional capital), which serve as supply intermediary of these two markets.
- Extra-regional flows that rely on relations with the markets of Dinduiraye of the forest region of Guinea, Dabola, Faranah, Fouta and Conakry.
- International flows, specifically, towards Côte d'Ivoire and to Mali via Siguiri.

Concerning RDA participation in these exchanges, the following can be distinguished in the local network:

- RDAs with weekly markets having a large reach (regional) in terms of trade flows and client origin. These bustling markets use up many large vehicles with several large carriers.
- RDAs with distribution markets having limited reach, which comprises the large majority of retailers of food and manufactured goods.
- RDAs that do not have markets of large economic significance or markets integrating the local exchange network.

Several studies showed that despite the importance of the potential, the revenue coming from the markets contribute at least 5% of the total revenue of the communes. Numerous factors certainly limit the impact of the markets on the communes' finances: a poor identification of the fiscal tax base, the fluidity or the mobility of the taxable income, inefficient collection methods and a poorly transparent revenue management. Finally, few services are

provided to market users and residents of the communes. All of these factors concur to turn these marketing infrastructures into ones with potential but without a positive impact on communes' finances.

At first glance, the issue of markets is essentially financial, but one should be careful; an essentially financial approach in effect risks leading the elected official to make choices only on the basis of attracting more funds for their coffers. In order to improve communal revenues by increasing revenues collected from the markets, a holistic analysis of their economic, sociological, historical and physical environment is necessary.

#### **Possible improvement measures linked to market operations**

Markets are centres of very important local economic development for the communes as well as for the hinterland. Further, various analyses have well demonstrated that tax potential is underused and that collection is not done optimally.

The decentralization laws have transferred a series of rights to locally elected administrations including ensuring market management. This right is accompanied, nevertheless, by duties and responsibilities, particularly in supplying services. Consequently, the local administration must be accountable to its tax-paying citizens. At the level of the markets studied, there is a real discrepancy between these rights (collection of local taxes and levies) and services rendered (construction, maintenance, health and safety). Indeed, few communes provide real services to traders and market users. As a result, although there is a legal legitimacy of the right to manage these markets, they should be done jointly together with an offer of services corresponding to the users' collected revenues. LAFIAS experience has shown that in reality, there is a major gap between supply and services due to the problem in collecting taxes and levies.

In order to provide this right to the local authorities, it is necessary to make important decisions such as to implement local public services within the markets or even to develop more functional markets. Nevertheless, this cannot be done without a rigorous analysis of the environment and without involving local actors such as market users, traders and transporters. Therefore, by coordinating a strategy focusing on interventions in public areas and places, and by assuming the responsibility of managing key projects (such as the markets), the commune could be given the means of its ambitions by re-establishing its role as local service supplier.

The basic problem is that most of the time, the markets were built on public areas by users that belonged to the state before decentralization and that today belongs to the commune. The State considers them their property and not that of the commune since it was they who invested the money and expended the necessary efforts to build them.

In addition, the collection method seems very inefficient with very low revenues and non-existent control. In fact, the users and residents are not well aware of what the commune does to ensure smooth operations, health and safety of markets. The amounts collected are very low because the users, who do not know what happens to this money, refuse to pay, and the commune cannot provide services because the amounts collected are too low.

The simulations of revenues carried out within LAFIAS show that the current pricing grids are not adapted to the development of future facilities. The profitability of such investment is therefore doubtful if these grids as well as collection methods are not considerably adjusted. It is necessary first to tackle the issue from the planning approach in order to avoid both case-by-case investment and improvisation in investment. This clearly needs greater involvement of users and stakeholders, including traders. It also assumes setting up a consultation framework for developing markets. Any pricing renovation, rehabilitation or modification (without physical changes) concerning a market, needs the support of vendors and consumers of this market in a consultation process.

It is imperative never to forget that facilities poorly designed and installed are very difficult to make profitable. In addition to consultation, which is an essential element, it is necessary to carry out a rigorous physical-spatial analysis of the site in order to take into account relations between the market and the existing buildings, and the physical elements needed to ensure fluidity, safety and integration of such facilities.

Further, it is difficult for the commune to justify tax collection if it does not offer services in return. As a solution, the commune should make the first steps and gain credibility from market users by implementing a services visibility programme. Indeed, it is necessary to create a climate of truth and show market users that the commune works for them. This may begin by visible actions that clearly identify initiatives taken by the commune (cleaning sites after market days, targeted renovation of the market or its neighbouring areas, etc.).

Once these trust-building actions are in place, the local authorities can develop a programme aimed at revising the market revenue collection methods. It is therefore important to launch a consultation and information campaign for citizens and market users to gain their support. The council could submit various operations scenarios and define the best formula for market management with the local populations and users. The method of management selected by the authorities is not important; it is necessary to show profitability of this mechanism by good results.

This does not mean that the commune should be committed to delivering all the services themselves. On the contrary, it should contract services with local providers in order to devote themselves to administrative aspects only.

To achieve this, it should prepare an appropriate management programme that integrates:

- simulation of revenues;
- assessment of management fees;
- setting up of more reliable collection procedures in the markets.

The exact knowledge of the number of traders and the kind of market installations is clearly an indispensable precondition to managing the collection. This assumes a sufficiently clear organization of space. Keeping record cards on stalls and market spaces then allows authorities to exactly determine the theoretical revenue of a market, sector by sector, and to control collections. Such a system avoids the possibilities of tax evasion for the fixed stalls and places as long as the file is updated regularly and records possible abeyances. The possibilities of any major failure would only concern street vendors.

Monthly payments for the fixed installations greatly improve the collection process and should be systematically favoured (including a price incentive) whenever possible (that is, it should be accepted by traders, which is not always the case).

In order to best exploit the markets, the communes should review the census method of the activity as well as the pricing grid so that the users pay the real management costs. They should also apply a stricter policy on market stalls with a single occupant per rented space. Clearly, the authority committed to such a reform could be faced with a difficult situation and be forced to make unpopular decisions against offenders. It is necessary, nonetheless, to be determined in applying the same rules and regulations for all. Despite everything, it is difficult for the local authority to generate enough resources to create a healthy local financial environment without modifying the pricing grid.

In conclusion, a market is an undeniable source of revenue for a local authority, but this potential must be connected to its physical environment, and in particular, its human environment. This latter point is the key to the success or failure of any intervention on a market.

### **Main observations on the support of *Programme de Développement Local en Guinée* (PDLG, Local Development Programme in Guinea)**

As discussed above, LAFIAS implementation is carried out through the *Programme de Développement Local en Guinée* (PDLG, Local Development Programme in Guinea). It is also important to understand that LAFIAS development originates in the operational inadequacies observed in the PDLG. In fact, it is observed on the field that although the PDLG responded well to the objective of infrastructure delivery, this apparent success hides numerous gaps or inadequacies, such as very uncertain sustainability of investments. Essentially, it depends on the combination of several important factors, such as a very weak communal organization, great poverty in the area, and finally, inadequate local taxation, as LAFIAS has well demonstrated.

#### *The instruments, organization and operations of the RDAs*

Although the participative planning process has allowed the local populations to express their ambitions concerning prioritizing development actions, they are generally not in tune with local revenue of the community, which is rather low. It is important, then, to be realistic regarding the needs expressed in the development plan versus the real financial capacities of the local authorities.

The other side of the coin of a participative approach is that it also creates much stronger expectations than what a project such as PDLG is capable of meeting. There is a gap, therefore, between supply and demand. Further, this often materializes by local plans that look more like shopping lists than a real development programme with exact development directions.

Even today, despite substantial guidance in market procedures, RDAs are not yet able to prepare and set up a bid dossier without external aid (research consultancy/expert advice). Further, even though this approach would allow to apply criteria of transparency and rigorous analysis methods, such criteria has proven to be difficult to implement and sometimes slightly limiting for the community, taking into account illiteracy as well as strongly anchored previous practices that are incompatible with transparent management of the public affairs.

Finalizing cofinancing was also one of the major problems in delivering infrastructures since it caused major delays that have sometimes penalized entrepreneurs and, in other cases, the local authorities themselves.

With regard to local democracy, it is very often limited to the collaboration frameworks that are palliatives for the democratic insufficiencies of the region. Also, community involvement in the coordination structures is very demanding both in terms of time spent at meetings as well as time needed to cover large distances. The territorial dimension of some RDAs are thus a substantial restraint to community's effective participation in the democratic life. This is therefore risk in losing local volunteers.

In addition, in terms of democracy, the local populations no longer feel represented by their elected officials. In addition to their advanced ages, the fact that their positions continue for a long time after the legal mandate of four years has caused them to lose a certain degree of credibility.

The communal services are still lacking in most RDAs. The RDAs are not capable of assuming their responsibilities regarding the competences transferred to them and their management duties in public affairs were not assumed properly. The organizational diagnostic showed that the current organization of the RDA prevents it from achieving the objectives assigned to it within the framework of decentralization owing to:

- a very poorly organized and inefficient community service taking into account the lack of an internal control mechanism based on the definition of clear objectives, work procedures, monitoring and evaluation of results. This results in significant dysfunction that explains the weak level of mobilized resources and the poor quality of services provided to users, especially to local populations;
- community staff limited to one agent, the community secretary, a state agent appointed by decree by the Minister of Decentralization. The community authorities have no control over managing staff.

These poor community services prevent the RDA from monitoring and controlling the tax operations by the tax services on its behalf. Due to the lack of a minimum organization of adapted services, the RDA has no statistics on the activities carried out on its territory and which in fact constitute the basic elements of its finances. This is true for the sellers in the markets, the artisanal gold mining activities (gold miners, gold collectors, etc.) forestry, the civil registrar records, the collection operations of agricultural products, the vehicles in the terminals and the market days, among others.

The local services cannot be provided without adequate financing mechanisms both at the level of local taxes and tax transfers. This depends on the relationship maintained by the population between services provided and the tax payment. In this regard, it is necessary to highlight the low level of fiscal culture in the RDAs of the two prefectures. There are many reasons for this situation: lack of a tax tradition (particularly for land); confusion over the final destination of the tax; inadequate awareness-raising campaigns, particularly as concerns local taxation; fear of waste, that is, a partisan use of collected resources; and lack of comprehension of complex taxes/levies.

Moreover, the PDLG has implemented strengthening actions, but despite their relevance, the results are still very fragile because the assimilation of knowledge is still very limited and the presence of the deconcentrated services is very random in the specific intervention area of the project.

#### *The financial level*

Even if they represent a good financing tool for local development, nonetheless, the tools and approaches of the local development funds (LDFs) are complex for the local populations, who are mostly illiterate and who sometimes have difficulty in understanding and assimilating the norms and procedures presented to them. Further, the three available facilities within the LDFs, only the one for socio-collective infrastructure was truly used. The one for income-generating activities experienced many problems, and the one for intercommunality was not used at all, which is the reason that the government, the RDAs and UNCDF should reconsider and adapt them to make them more attractive.

The LDF has obviously played an important role in mobilization but has also represented an obstacle in the operations of the local authorities. This is due mainly to a local revenue structure concentrated essentially on IMDL. In order to have a firm grasp on the limits of LDF, it is appropriate to consider in relation to local taxation as a whole, as the LAFIAS analysis well showed.

If taking the example of the revenues of the 12 RDAs of Siguiri (which can also be applied to the RDA of Kouroussa), irregular growth from 2000 to 2003 can be observed (except for the RDAs of Kintinian and Franwalia, whose local revenue increased from year to year since 2000). In fact, this irregular growth is essentially due to problems in controlling local resources by the RDA, of which IMDL is the main component.

The analysis of the composition of RDA's internal revenue show that they essentially consist of revenue where RDA guarantees the management, notably, the IMDL, which represents almost all the income (at least 99% for the RDAs of Naboun, Kiniébakoura, Franwalia, Niandankoro, Maléah and Bankon, and more than 90% for the RDAs of Nougounkan, Siguirini and Niagassola). The beginning of diversification of revenue sources in Siguiri can be observed due to artisanal gold mining, especially in RDAs of Kintinian, Doko and Norassoba where the IMDL represents less than 86% of revenue managed by the RDA.

#### *The institutional level*

- There is a lack of clarification in determining the responsibilities of the deconcentrated and decentralized services.
- There is still reluctance about decentralization within the central structures, which are always absent from state priority sectors.
- There is unequal distribution of responsibilities and means among different local, pre-fectoral and regional levels (for instance, 17 services at the regional level that should be more an impetus for coordination and control, than for implementation).

- There is confusion over the election method of community councils between the proportional voting of the first-past-the-post list system (according to the electoral code) and the nomination of members elected by district councils and representatives of socio-economic bodies.

The current spatial structuring of some key decentralized technical services — the prefectural services in charge of collecting various local taxes and levies, sub-prefectures in charge of administering territories and of the supervisory authority of the local authorities — pose some operational problems. Also, the fact that the supervisory authority has been brought closer to the local authorities has produced rather significant costs, of which a large share is assumed by the local authorities although their financial resources are already scarce (sharing local taxes and levy incomes among the prefecture, the sub-prefectures and the RDAs). The maintenance costs of these structures should normally return to the State.

The assessment of the human and material means of the different prefectural services has shown the inadequacy of the means available to the services for their missions. The general observation is that these administrations, whether it is desirable or not, tend to neglect the decentralized authorities and, in particular, their taxation that mainly benefits the local authorities to the detriment of the state. Given the weakness of their available human and material means, the deconcentrated services concerned tend to consider local taxes low priority, given that they are essentially assessed against state taxes. Due to the lack of means, it is difficult to determine tax bases, especially in the areas where the level of agglomeration is weak or where the habitat is very dispersed (as in the RDAs). As a result, there is a low tax cover, very irregular tax operations from one year to another, and an underestimated tax base.

## Results and main lessons learned

The LAFIAS programme has developed: (i) an approach for simulating resource potential according to different scenarios; (ii) financial indicators to determine the performance of local authorities in financial management; and (iii) an approach to promote the local economy within the inter-communal framework through “development hubs” or “cooperation territories” or even “cluster growth”.

### Simulation of the theoretical resource potential

The simulation exercise of the resource potential consisted in establishing a socio-economic database with different tax base elements (number of taxable items or fees, applied tariffs, etc.) for the principal taxes/levies and other resource channels of a local authority.

The simulation grid on tax potential is entirely automated and found in Annex 9, taking into account different taxes/fees relating to the taxation systems of the countries of West Africa, specifically, Benin, Guinea and Mali.

## Financial management performance indicators of the local authorities

The experience in Guinea further developed financial management performance indicators identified within the study carried out in Benin. In regard to these indicators, the financial situation of the RDAs is characterized as follows:

### Resource mobilization

- As a whole, local revenue mobilized by the RDAs reached more than 130 CFAF per person per year, or US\$0.25, with the exception of the RDAs of Baro in Kouroussa and Kintinian in Siguiri that obtained a higher level at 160 CFAF (US\$0.31) and 170 CFAF (US\$0.33), respectively.
- In Kouroussa, with the exception of Baro and in order of performance, the ratios of revenue/person/year of the RDAs of Kiniéro, Koumana, Balato exceeded 100 CFAF per person per year. The RDA of Cisséla is the least efficient, with a ratio of 52 CFAF (US\$0.10).
- In Siguiri, with the exception of Kintinian and in order of performance, the ratios of revenue/person/year of the RDAs were 126 CFAF (US\$0.25) in Niandankor, 120 CFAF (US\$0.23) in Norassoba, 115 CFAF (US\$0.22) in Franwalia and 111 CFAF (US\$0.21) in Maléah. These RDAs had made efforts in IMDL collection.
- The tax and levies revenue generated by the deconcentrated state services (shared revenues) is very low. The ratio of revenue shared/person and shared revenue/total revenue are insignificant: less than 1% of the total revenue for most of the RDAs in Kouroussa (except for Baro, Balato and Cisséla) and less than 3% for most of the RDAs in Siguiri (except for Kintinian, Niagassola and Maléah).
- *Impôt minimum de développement local* (IMDL,<sup>7</sup> minimum local development tax) consists of most of the revenue generated by the RDAs: on average, 97% of the revenue in Kouroussa and 94% in Siguiri. Local revenue is essentially based on the IMDL, which constitutes mostly of the operating revenue of the RDAs, except in some RDAs in Siguiri that have mining resources (Kintinian, Doko, Siguirini).

Tables 17 and 18 below present the situation of the RDAs in the sample from Guinea, for the main performance indicators on financial management in 2003.



**Table 17**  
**Guinea/Siguri — Performance indicators of resource mobilization**

1	SIGURI REVENUES (2003)	Bankon	Doko	Franwalia	Kiniébakoura	Kintinian	Maléah	Naboun	Niagassola	Niadankoro	Noukounkan	Norassoba	Siguirini
11	Per capita revenue indicators												
	Total revenue/person (CFAF)	523	393	307	261	564	404	411	202	537	213	411	273
	Local revenue/person (CFAF)	95	106	115	90	170	111	116	106	127	102	120	120
	Tax revenue/person (CFAF)	90	86	111	90	138	98	113	87	126	121	95	88
	Income from state property, assets and services/person (CFAF)	5	20	5	0	32	13	2	19	1	9	25	13
	IMDL/person (CFAF)	87	86	107	90	93	96	112	81	125	92	93	87
	Revenue managed by the RDA/person	89	96	108	90	115	98	114	89	125	98	110	96
	Shared revenue/person (CFAF)	6	10	8	0	55	98	2	17	2	4	10	6
12	Revenue structure indicators												
	Local revenue/total revenue (%)	18.2%	27.0%	37.6%	34.6%	30.2%	27.4%	28.2%	52.7%	23.7%	48.0%	29.2%	37.0%
	Tax revenue/local revenue (%)	94.7%	81.3%	96.0%	99.5%	81.2%	88.5%	98.1%	82.1%	98.9%	91.2%	78.8%	87.4%
	Income from state property and services/local revenues (%)	5.3%	18.7%	4.0%	0.5%	18.8%	11.5%	1.9%	17.9%	1.1%	8.8%	21.2%	12.6%
	IMDL/operating revenue (%)	91.6%	80.9%	92.8%	99.1%	54.5%	86.9%	97.2%	76.1%	98.1%	90.1%	77.7%	86.3%
	IMDL/revenue managed by the RDA (%)	98.4%	89.8%	99.3%	99.6%	80.7%	98.8%	99.0%	90.5%	99.5%	93.8%	85.1%	91.3%
	Revenue managed by the RDA/total revenues (%)	17.0%	24.3%	35.1%	34.4%	20.4%	24.1%	27.6%	44.3%	23.3%	46.1%	26.6%	35.0%
	Shared revenue/total revenue (%)	1.2%	2.7%	2.5%	0.2%	9.8%	3.3%	0.5%	8.4%	0.3%	1.9%	2.6%	2.0%
	Revenue managed by the RDA/local revenue (%)	93.1%	90.1%	93.4%	99.5%	67.5%	88.0%	98.1%	84.1%	98.5%	96.1%	91.2%	94.6%
	Operating revenue/investment revenue (%)	19.1%	30.2%	94.5%	37.5%	43.3%	30.6%	30.5%	71.5%	26.2%	54.9%	33.7%	43.4%

Table 18  
Guinea/Kouroussa — Performance indicators of resource mobilization

1	KOUROUSSA REVENUES (2003)	Babila	Balato	Banfèle	Baro	Cisséla	Douako	Doura	Kiniéro	Komolak	Koumana	Sanguiana
11	Per capita revenue indicators											
	Total revenue/person (CFAF)	425	393	69	501	52	85	231	117	78	732	62
	Local revenue/person (CFAF)	75	106	69	160	52	85	100	117	78	109	62
	Tax revenue/person (CFAF)	74	86	69	100	48	83	100	116	78	105	59
	Income from state property and services/person (CFAF)	1	20	0	60	4	2	0	1	0	4	4
	IMDL/person (CFAF)	74	86	69	100	48	83	100	116	78	105	59
	Revenue managed by the RDA/person	75	96	69	108	51	85	100	117	78	98	96
	Shared revenue/person (CFAF)	0	10	0	52	1	0	0	0	0	0	1
12	Revenue structure indicators											
	Local revenue/total revenue (%)	17.6%	27.0%	100.0%	32.0%	100.0%	100.0%	43.4%	100.0%	100.0%	14.8%	100.0%
	Tax revenue/local revenue (%)	99.0%	81.3%	100.0%	62.5%	91.4%	97.5%	99.7%	99.0%	100.0%	96.6%	94.4%
	Income from state property and services/local revenues (%)	1.0%	18.7%	0.0%	37.5%	8.6%	2.5%	0.3%	1.0%	0.0%	3.4%	5.6%
	IMDL/operating revenue (%)	99.0%	80.9%	100.0%	62.5%	91.4%	97.5%	99.7%	99.0%	100.0%	96.6%	94.4%
	IMDL/revenue managed by the RDA (%)	99.4%	89.8%	100.0%	92.9%	0.0%	97.9%	99.7%	99.2%	100.0%	96.6%	95.3%
	Revenue managed by the RDA/total revenues (%)	17.6%	24.3%	100.0%	21.5%	98.9%	99.6%	43.4%	99.8%	100.0%	14.8%	99.1%
	Shared revenue/total revenue (%)	0.1%	2.7%	0.0%	10.5%	1.1%	0.4%	0.0%	0.2%	0.0%	0.0%	0.9%
	Revenue managed by the RDA/local revenue (%)	99.6%	90.1%	100.0%	67.3%	98.9%	99.6%	100.0%	99.8%	100.0%	100.0%	99.1%
	Operating revenue/investment revenue (%)	18.8%	30.2%	261.3%	37.5%	250.0%	194.7%	56.4%	238.3%	487.8%	15.9%	152.9%

### *Expenditures*

- Low operating expenditures are due to lack of RDA community services for accomplishing the multiple tasks needed for efficient operating of the community administration.
- A large share of the total expenditures for investment (investment expenditures/total expenditures ratio) is due to the legal obligation made to the RDA to earmark at least 65% of their budget to investment.
- As a whole, the RDAs of Siguiri provide a good level of services to inhabitants for basic infrastructures (services expenditures to total expenditure ratio of 86% on average) due to their legal obligation to invest at least 65% of their budget to financing local development funds of the PDLG. Concerning the RDA of Kouroussa, their expenditures on services to inhabitants are at a lower level; the services expenditures/total expenditures is 59% on average.
- The savings rate of the RDAs (net savings/operating revenues ratio) is on average at least 62% for the RDAs of Siguiri and 48% for those of Kouroussa. In Siguiri, this rate fluctuates from 20.5% (the lowest obtained by the RDA of Komolakoura) to 40% (the lowest achieved by the RDA of Franwalia) to 77.5% (the highest obtained by the RDA of Kiniébakoura).
- Concerning the RDAs as a whole, local revenue generally covers the operating expenditures, which are generally low.

Tables 19, 20, 21 and 22 below show the situation of the RDAs in relation to main financial management performance indicators in the sample from Guinea in 2003.

Table 19  
Guinea/Siguiri — Performance indicators of expenditure execution

2	SIGUIRI EXPENDITURES (2003) (CFAF)	Bankon	Doko	Franwalia	Kiniébakoura	Kintinian	Maléah	Naboun	Niagassola	Niandankoro	Noukounkan	Norassoba	Siguirini
21	Per capital expenditure indicators												
	Total expenditures/person	524	393	307	261	562	403	405	195	861	214	184	273
	Operating expenditures/person	25	42	69	20	80	42	32	42	52	27	54	40
	Structural expenditures/person	23	42	66	20	57	42	405	37	135	27	54	40
	Investment expenditures/person	499	351	238	241	482	361	374	153	809	187	130	233
	Services expenditures/person	501	351	241	241	504	361	0	158	725	187	130	233
22	Expenditure structure indicators												
	Operating expenditures/total expenditures (%)	4.8%	10.7%	22.6%	7.8%	14.2%	10.5%	7.8%	21.7%	6.1%	12.4%	29.6%	14.8%
	Structural expenditures/total expenditures (%)	4.4%	10.6%	21.6%	7.8%	10.2%	10.5%	100.0%	19.2%	15.7%	12.4%	29.6%	14.8%
	Investment expenditures/total expenditures (%)	95.2%	89.3%	77.4%	92.2%	85.8%	89.5%	92.2%	78.3%	93.9%	87.6%	70.4%	85.2%
	Services expenditures/total expenditures (%)	95.6%	89.4%	78.4%	92.2%	89.8%	89.5%	0.0%	80.8%	84.3%	87.6%	70.4%	85.2%
	Personnel expenditures/operating expenditures (%)	17.0%	5.7%	24.1%	0.0%	43.7%	29.3%	10.1%	6.0%	11.1%	16.8%	17.9%	19.7%

Table 20  
Guinea/Kouroussa—Performance indicators of expenditure execution

2	KOUROUSSA EXPENDITURES (2003) (CFAF)	Babila	Balato	Banfèle	Baro	Cisséla	Douako	Doura	Kiniéro	Komolakoura	Koumana	Sanguiana
21	Per capital indicators expenditure											
	Total expenditures/person	377	202	70	483	52	84	231	117	78	732	61
	Operating expenditures/person	27	55	43	73	31	42	53	68	62	47	22
	Structural expenditures/person	377	28	43	73	44	37	47	66	56	46	22
	Investment expenditures/person	350	147	27	410	21	43	178	49	16	685	40
	Services expenditures/person	0	174	27	410	8	47	184	51	22	686	40
22	Expenditure structure indicators											
	Operating expenditures/total expenditures (%)	7,1%	27,1%	60,9%	15,2%	60,0%	49,3%	23,0%	58,0%	79,5%	6,4%	35,2%
	Structural expenditures/total expenditures (%)	100,0%	13,6%	60,9%	15,2%	84,9%	44,2%	20,2%	56,5%	71,6%	6,2%	35,2%
	Investment expenditures/total expenditures (%)	92,9%	72,9%	39,1%	84,8%	40,0%	50,7%	77,0%	42,0%	20,5%	93,6%	64,8%
	Services expenditures/total expenditures (%)	0,0%	86,4%	39,1%	84,8%	15,1%	55,8%	79,8%	43,5%	28,4%	93,8%	64,8%
	Personnel expenditures/operating expenditures (%)	10,7%	6,8%	19,8%	33,4%	21,7%	18,5%	18,6%	8,6%	25,5%	21,6%	61,4%

Table 21  
Guinea/Siguri—Financial balance indicators

3	FINANCIAL BALANCE SIGUIRI (2003) (CFAF)	Bankon	Doko	Franwalia	Kiniébakoura	Kintinian	Maléah	Naboun	Niagassola	Niandankoro	Noukounkan	Norassoba	Siguirini
	Real operating revenue	1 209 831	4 189 092	2 336 708	1 782 769	5 191 385	2 321 600	1 787 197	1 932 615	1 829 138	1 420 554	3 131 138	2 891 015
	Real operating expenditures	320 600	1 661 929	1 402 025	400 898	2 430 077	890 446	488 369	769 400	751 385	369 938	1 419 292	1 156 406
	Gross/net savings	889 231	2 527 163	934 683	1 381 871	2 761 308	1 431 154	1 298 828	1 163 215	1 077 754	1 050 615	1 711 846	1 734 609
	Real local investment revenue	0	0	0	0	0	0	0	0	0	0	0	0
	Real investment revenue	5 438 315	11 345 808	1 538 462	3 367 751	11 997 797	6 143 668	4 559 960	1 538 462	5 894 128	1 538 462	7 589 934	4 922 985
	Cash flow of investments	889 231	2 527 163	934 683	1 381 871	2 761 308	1 431 154	1 298 828	1 163 215	1 077 754	1 050 615	1 711 846	1 734 609
	Total investment revenue (including withdrawal)	6 327 546	13 872 971	2 473 145	4 749 622	14 759 104	7 574 822	5 858 788	2 701 677	6 971 882	2 589 077	9 301 780	6 657 594
	Local revenue/operating and maintenance expenditures	377,4%	252,1%	166,7%	444,7%	213,6%	260,7%	366,0%	251,2%	243,4%	384,0%	220,6%	250,0%
	Total real investment expenditures	6 335 238	13 864 971	4 815 231	4 749 613	14 682 150	7 559 052	5 775 345	2 777 825	11 636 559	2 605 077	3 378 513	6 657 594
	Net savings/operating revenues (%)	73,5%	60,3%	40,0%	77,5%	53,2%	61,6%	72,7%	60,2%	58,9%	74,0%	54,7%	60,0%
	Total investment revenue/ total investment expenditures (%)	99,9%	100,1%	51,4%	100,0%	100,5%	100,2%	101,4%	97,3%	59,9%	99,4%	275,3%	100,0%
	Cash flow of investments/ total investment expenditure (%)	14,0%	18,2%	19,4%	29,1%	18,8%	18,9%	22,5%	41,9%	9,3%	40,3%	50,7%	26,1%
	Amount of withdrawal for investment	896 923	519 163	3 276 769	1 381 862	2 684 354	1 415 385	1 215 385	1 239 363	5 742 431	1 066 615	-4 211 422	1 734 609
	Difference of total investment revenue—total investment expenditures	-7 692	8 000	-2 342 086	9	76 954	15 769	83 443	-76 148	-4 664 677	-16 000	5 923 268	0

Table 22  
Guinea/Kouroussa — Financial balance indicators

3	FINANCIAL BALANCE KOUROUSSA (2003) (CFAF)	Babila	Balato	Banfèle	Baro	Cisséla	Douako	Doura	Kiniéro	Komolakoura	Koumana	Sanguiana
	Real operating revenue	806 892	1 388 062	1 079 415	1 924 969	1 472 615	1 535 846	1 385 138	1 539 815	788 692	1 068 554	1 086 462
	Real operating expenditures	287 385	767 483	666 338	879 094	883 569	746 923	734 523	893 612	626 993	462 892	375 692
	Gross/net savings	519 508	620 578	413 077	1 045 875	589 046	788 923	650 615	646 203	161 699	605 662	710 769
	Real local investment revenue	0	0	0	0	0	0	0	0	0	0	0
	Real investment revenue	3 766 363	1 415 385	0	4 093 415	0	0	1 804 462	0	0	6 135 341	0
	Cash flow of investments	519 508	620 578	413 077	1 045 875	589 046	788 923	650 615	646 203	161 699	605 662	710 769
	Total investment revenue (including withdrawal)	4 285 871	2 035 963	413 077	5 139 291	589 046	788 923	2 455 077	646 203	161 699	6 741 002	710 769
	Local revenue/operating and maintenance expenditures	280.8%	184.1%	162.0%	219.0%	166.7%	205.6%	188.6%	172.3%	125.8%	230.8%	289.2%
	Total real investment expenditures	3 766 363	2 061 194	426 923	4 923 077	589 046	769 231	2 455 077	646 203	161 699	6 741 126	692 308
	Net savings/operating revenues (%)	64.4%	44.7%	38.3%	54.3%	40.0%	51.4%	47.0%	42.0%	20.5%	56.7%	65.4%
	Total investment revenue/total investment expenditures (%)	113.8%	98.8%	96.8%	83.1%	100.0%	102.6%	100.0%	100.0%	100.0%	100.0%	102.7%
	Cash flow of investments/total investment expenditure (%)	13.8%	30.1%	96.8%	21.2%	100.0%	102.6%	26.5%	100.0%	100.0%	9.0%	102.7%
	Amount of withdrawal for investment	0	645 809	426 923	829 662	589 046	769 231	650 615	646 203	161 699	605 785	692 308
	Difference of total investment revenue—total investment expenditures	519 508	25 231	-13 846	216 214	0	19 692	0	0	0	-123	18 462

## The economic development centres

In regard to the analysis of the socio-economic dynamics, its associated constraints and the scope of the issues (concerning several RDAs at once and that require important means and efforts), the study showed that economic development cannot be envisaged within the simple boundaries of rural spaces that make up the RDA in Guinea. Given the current level of their human and financial resources, most of the RDAs are individually incapable of promoting a sustainable, endogenous development.

The approach to promoting local economic development, therefore, consisted in creating an intercommunity cooperation dynamic (inter-RDA) based on the “development hubs” or the “territories of inter-RDA cooperation” that make best use of the socio-cultural, geographic, historical and economic opportunities that two or several RDAs share together. This exercise allowed to develop seven “development hubs” within the framework of a participative approach.

A “development hub” or an “inter-RDA cooperation territory” is a space organized around a RDA that is apt to serve as “economic engine” (taking into account its economic development potential). It consists of two or several adjoining RDAs linked by geographical, historical, cultural or economic realities, and connected together by a network of roads and tracks to form a neighbouring territory within which local populations experience their development process.

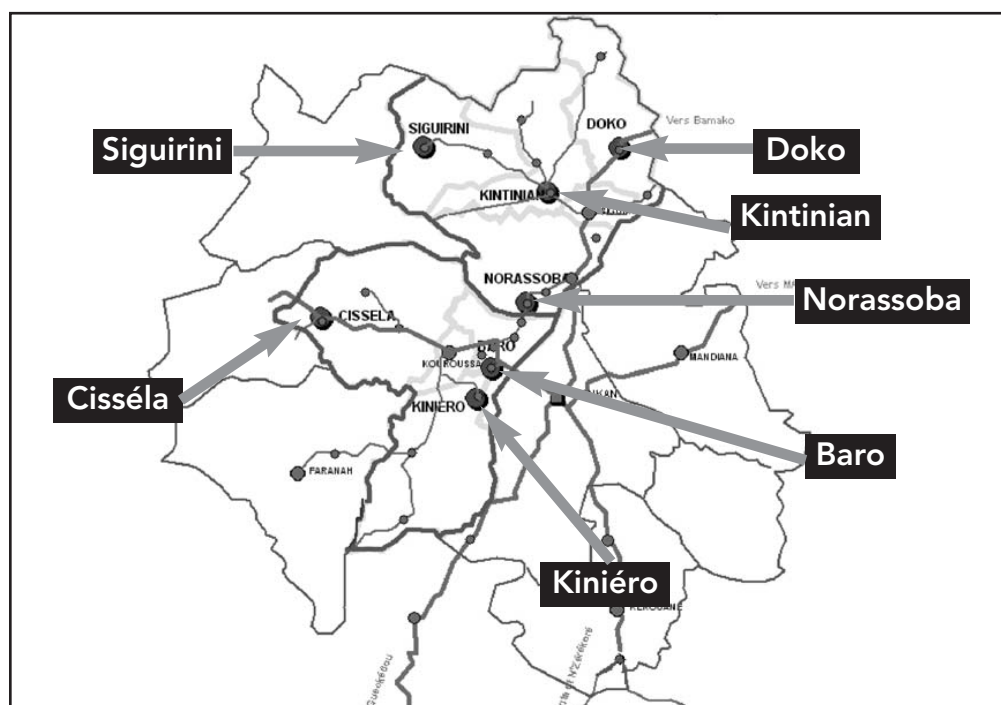
Therefore, the hubs identified on the basis of a combination of these different criteria are as follows:

1. **Cooperation territory of Doko** composed of Bankon and Niagassola RDAs around the RDA hub of Doko;
2. **Cooperation territory of Kintinian** composed of Franwalia and Naboun RDAs around the RDA hub of Kintinian;
3. **Cooperation territory of Norassoba** composed of Noukounkan, Kiniébakoura and Niandankoro RDAs around the RDA hub of Norassoba;
4. **Cooperation territory of Siguirini** composed of Maléah RDAs and of the RDA hub of Siguirini;
5. **Cooperation territory of Baro** composed of Babila, Koumana, Balato and Doura RDAs around the RDA hub of Baro;
6. **Cooperation territory of Cisséla** composed of Komolakoura and of Sanguiana RDAs around the RDA hub of Cisséla;
7. **Cooperation territory of Kiniéro** composed of Banfèlè and Douako RDAs around the RDA hub of Kiniéro.

The geographical distribution of these hubs is presented in Graph 7 below.



Graph 7  
Guinea/Kouroussa/Siguiri—Geographical distribution of development hubs



The main characteristics of these areas and hubs, as well as the cooperation issues between RDAs that form them, selected by public consultation with different actors concerned, are summarized on “territory identity records cards”. Table 23 below concerns the territory identity record card of Doko. The record cards of the other territories are in Annex 6.

**Table 23**  
**Guinea—Territories/development hubs identity card**  
**(example from the Doko community)**

Description	HUB OF DOKO	
Overview	Number of RDAs	3 RDAs (Doko, Niagassola, Bankon)
	Surface area	6 926 km <sup>2</sup>
	Estimated population	70 428 persons
	Geographic situation	Located northeast of the Siguiri Prefecture
Main characteristics		<ul style="list-style-type: none"> <li>• Development of a hub on the basis of potentials: gold mining, tourism (historical and cultural heritage), agriculture (large cultivable surface area with different types of soil adapted to quite a variety of crops) and fisheries.</li> <li>• Constraints linked to gold mining (deforestation, soil degradation, water pollution, etc.) and the proximity of the Niger River and other water courses (flooding, etc.).</li> </ul>
Domain  Fields of common interest (inter-community co-operation issues)	Physical and natural	<ul style="list-style-type: none"> <li>• Environmental protection and the combat against deforestation and desertification</li> </ul>
	Socio-anthropological, cultural and historical	<ul style="list-style-type: none"> <li>• Development of the solidarity links between communities tied to the history and previous experiences of communal activities</li> </ul>
	Economic	<ul style="list-style-type: none"> <li>• Intensification of crops on hill-sides, flood-plains and lowlands, and access of rural people to agricultural equipment and inputs;</li> <li>• Proximity of Siguiri market and sales strategy of main crops (rice, peanut, maize)</li> <li>• Development of lowlands and plains and water control for crops</li> <li>• Opening up of production areas and trade markets</li> <li>• Development of agro-industrial potential</li> <li>• Opening/rehabilitation of roads and tracks to reach Kintinian, the town of Siguiri, and Mali</li> <li>• Combat against the exodus of youth during the agricultural season</li> <li>• Combat against free running of animals in the cropping period.</li> </ul>

The LAFIAS testing and the proposal to promote the “economic development centres” led UNCDP to adjust and remodel its approach and its investment tools, in particular, the local development fund, as well as technical strengthening within the RDAs through the notion of centre. These adjustments allowed to define several pillars of intervention.

## PILLAR 1

Supporting the strengthening and improvement of the operations and responsibilities of RDAs in local public services provision

The aim is to support the RDAs to better define their duties in providing local services based on transferred responsibilities according to the local authority's financial capacities. This entailed bringing particular attention to promoting local economic development and actions towards better environmental protection. Indeed, the experience served as a means to reflect on the following:

- local administration and functionality of RDA representative bodies;
- management of RDAs' assets;
- local taxation;
- economic development;
- environmental management;
- updating of community development plans.

## PILLAR 2

Adapting the financing tools (local development funds) according to the financial and economic viability of the RDAs

The objective of this pillar is to adapt the financial tools to real capacities of the RDAs, taking into account the weakness of the mobilizable tax potential. The LDF facilities relating to the intercommunality will not be offered individually to each commune any more, but rather will be made available for a group of RDAs. This group will be formed on the basis of tax analyses and economic development potential that will identify the communes endowed with a good potential and those with weak potential.

There will be a central RDA, therefore, to which three or four bordering RDAs with weak tax potential will be joined. The LDF will be made available for grouping together the RDAs and will be calculated on the basis of population and number of communes included in the grouping. As concerns the available amounts, no RDA will be penalized but the use and choice of investment will be supported by a wider analysis and according to an integrated approach to inter-RDA cooperation. As an example, the LDF granted to a development centre could be greater than the total of four LDFs that would have been granted for the same number of RDAs. The purpose is to demonstrate that the commune's financial profitability is possible within the context of greater communal cooperation through the following:

- strengthen energy capacities and promoting rural electrification;
- favour the opening up of importance areas;
- develop partnerships with the financial institutions in order to make investment financing more accessible for agro-pastoral areas, such as the development of plains, purchase of equipment of agricultural processing and the creation of storage and processing units;
- plan local public investment in order to take advantage of the mining resources in the area by promoting agglomeration economies;
- continue to improve the level of infrastructure, particularly through rehabilitating main rural roads, giving access to RDAs and markets;
- establish an opening-up programme for each RDA, taking into account the main production areas of local richness.

### PILLAR 3

#### Supporting the development of a sustainable strategy and actions on local economic development

The objective will be to allow for better organization of economic development actions and strengthening of RDA finances, on the one hand, and to maximize the impact of these actions on the RDAs as a whole, on the other. It is necessary to identify “the drivers” of the local economy whose spheres of action do not necessarily correspond to current territorial limits, either prefectures or RDAs.

In order to achieve this, an economic development plan will be drafted on the basis of these development centers. They should respond to the minimum needs to:

- strengthen energy capacities and promoting rural electrification;
- favour the opening up of importance areas;
- develop partnerships with the financial institutions in order to make investment financing more accessible for agro-pastoral areas, such as the development of plains, purchase of equipment of agricultural processing and the creation of storage and processing units;
- plan local public investment in order to take advantage of the mining resources in the area by promoting agglomeration economies;
- continue to improve the level of infrastructure, particularly through rehabilitating main rural roads, giving access to RDAs and markets;
- establish an opening-up programme for each RDA, taking into account the main production areas of local richness.

This work programme was implemented at the beginning of 2005 and the results on investments have been interesting because all the centres have used financial facilities to realize intercommunal investments.

Moreover, the implementation of technical secretaries within each of the centres promoted capacity building and outreach, which was very difficult to do with the previous approach. Today, there is a clear improvement of technical service provision of the RDAs as well as of local tax revenues.

## LAFIAS in Mali: results and main lessons learned

The LAFIAS study in Mali concerned four relatively small communes of the Mopti region.

The main characteristics of the standard communes of Mali are presented below.

**Table 24**  
**Mali—Characteristics of the standard communes (2003)**

	Population	Local revenue	State transfers	Total revenues	Local revenues/ total revenues	State transfers/ total revenues	Local revenue/ person	State transfers/ person	Total revenues /person
Socoura	27 300	2 119 081	29 297 051	31 416 132	6.7%	93.3%	78	1 073	1 151
Sangha	25 300	6 496 288	28 550 225	35 046 513	18.5%	81.5%	257	1 128	1 385
Fakala	24 000	7 124 292	16 369 513	23 493 805	30.3%	69.7%	297	682	979
Pel Maoudé	12 500	5 102 189	9 756 366	14 858 555	34.3%	65.7%	408	781	1 189
Total	89 100	20 841 850	83 973 155	104 815 005					
<b>Average</b>	<b>22 275</b>	<b>5 210 463</b>	<b>20 993 289</b>	<b>26 203 751</b>	<b>22.5%</b>	<b>77.5%</b>	<b>260</b>	<b>916</b>	

An analysis of this table exposes the weak taxation system in Mali. Indeed, the total revenues do not exceed CFAF 1 400 per person (US\$2.70 per person).<sup>8</sup> Nevertheless, the most striking aspect of this table is the weakness of the communes' revenues. The ratio of revenue per person varies from 78 CFAF per person (US\$0.15 per person), the lowest, which was obtained in the commune of Socoura, to 408 CFAF per person (US\$0.79 per person), the highest level reached, in the commune of Pel Maoudé.

In fact, state transfers to the authorities are very large in Mali since they represent between 66% and 93% of the total revenues of the four communes studied. This is explained by the financial support mechanism, which is very important to the investment undertaken by the government to significantly support local investment. Nevertheless, the contribution of ANICT should not hide the truth, that is, that the local revenues are very low and that in the cases of the authorities analysed, it is those with the least potential that are the most efficient in terms of taxation.

The LAFIAS study carried out in Mali was more complete and took into consideration the lessons learned from experiences in other countries. It applied the entire approach to four small rural communes, selected on the basis of differentiated criteria so as to obtain a sample that includes those where the fiscal and economic potential fluctuates from low to high, as follows:

### Main observations

#### The institutional and organization level

##### *The democratic level*

Citizen participation in local affairs management is still inadequate and constitutes one of the main problems of commune management. Poor citizen participation is due to the low capacity of the commune to provide quality services.

### **A weak territorial representativeness by elected officials**

- The non-representativeness of all the territorial areas of the commune:
  - In Fakala, which has four sectors, more than 82% of councilors come from the sector of Sofara alone, while the other three sectors have only one elected official each.
  - In Sangha, out of 57 villages included in the commune, only 27 are represented in the communal council, having a representation of 47%.
  - In Pel Maoudé, of the nine villages included in a commune, only four are represented in the communal council, which has 11 councillors, eight of which, i.e. more than 72 per cent, come from the village of Pel alone.
  - Further, women, who make up a good part of the population, are not significantly represented in the communal council.

Since this set-up is the result of a local voting method, it is important to take this into account and implement the mechanisms that would enable involvement of all local components and make them participate in the management of local affairs.

In Sangha, LAFIAS analyses revealed the critical state of the local democratic life that paralyses commune management: conflicts between the locally elected officials and the irregularity of communal council sessions; the lack of functioning of the working committees of the communal council; lack of public consultation meetings and general village assemblies; and the lack of public debates within the framework of the budgetary process.

### **Insufficient citizen participation in the management of communal affairs**

- In the poor communication between the elected officials and the local populations, particularly:
  - the weak involvement of citizens in decision-making (irregularity of public consultant meetings and village general assemblies; a systematic lack of public debates within the framework of the budgetary process; budgetary meetings with little public involvement; and lack of time dedicated to citizens' issues during communal council meetings);
  - insufficient access of populations to information and communal council decisions that are likely to stimulate a kind of citizen culture (irregular postings of deliberations, budgets and annual accounts at the municipal office);
  - weakness of public dialogue;
  - citizens' insufficient means of communication and information on communal council decisions (i.e. communal council deliberations are not translated into local languages and radio is not used, *inter alia*).

Due to this poor communication between the elected officials and the local populations, it is not possible to maintain the trust needed for community mobilization, which is a gauge of the sustainability of local development actions:

- the weak knowledge of local populations of their rights to control and sanction the elected officials. Most of the local populations are illiterate, have little knowledge of how to exercise their rights to control the management of their community. They are also little aware of the importance of exercising these rights. This situation explains:

- the lack of control exercised over the commune's management by the citizens, particularly, the weak participation of local populations in public meetings of the communal council;
- the lack of requests for communicating information on the management of the commune, the lack of questioning of elected officials, etc.

### *The organization of the commune and the services provided to citizens*

The weak capacity of the communal institution to provide efficient, public local services is one of the major obstacles to its development. This weakness of the communal office in stimulating a true local development is essentially due to:

- weakness of the managing team in conducting local affairs:
  - insufficient initiatives tied to the weak control of communal management tasks;
  - weak ability of the communal council working committees to analyse and make proposals; in some cases these committees do not even exist;
  - weakness of the control of the communal council on communal office management;
  - irregularity or lethargy of the communal council working committees;
  - weakness of control of the communal council on communal office management;
  - a communication gap between the elected officials, which hinders the proper running of the communal council and the efficiency of its actions. This includes non-functioning of the communal office; irregularity of communal council sessions; and lack of an annual systematic programming of meetings allowing councillors to be organized and to plan their activities accordingly. Further, there is a systematic lack of calling councillors to communal council meetings and the convocation register is not maintained. There are information delays on dates of communal council meetings from some councillors residing in distant or isolated villages, reports of the communal council sessions are not regularly drafted and the register of deliberations is not maintained.
- weakness of the organization of the communal services:
  - The lack of a functional organizational chart adapted to the realities of the commune, with the creation of communal services and the necessary human resources to exercise the missions devolved in decentralization. The rural commune personnel each has a general secretary (level A), a revenue manager (level C) and an expenditures manager (level C), who is generally not on-site. The function of the expenditures register is sometimes merged with the revenue manager (as in Sangha), held by the general secretary (as in Pel Maoudé), or sometimes exercised by the supervisory authority (as in Fakala);
  - the lack of adapted offices;
  - the chronic lack of equipment, material means and office supplies needed for the efficient operations of the communal administration.
- The weakness of the expert advice from the deconcentrated state services responsible for supporting the commune in carrying out its missions, due to:
  - the non-representation in the commune of some important deconcentrated services (taxes, the Treasury, hydraulics, etc.);

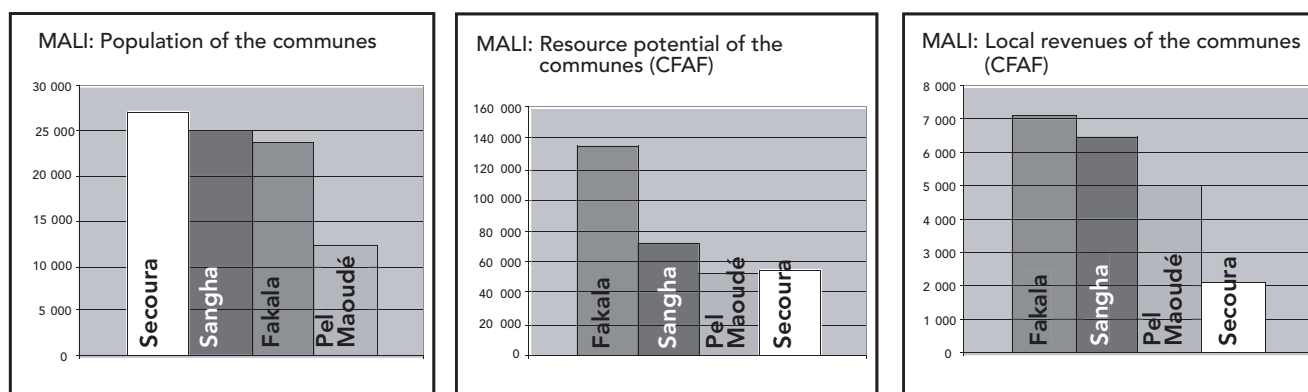
- the unsuitability of these services based in the capital of the cercle for their support missions to the communes: extremely low number of staff members and little working facilities (chronically insufficient number of staff in quantity and quality, lack of means of transportation).

### The financial level

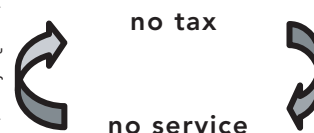
The large diversification of resource channels is not sufficient to improve the rural authorities' revenues. Still, it is necessary that these taxes/levies have an acceptable yield, and not be too numerous and dispersed which would lead to management fees incompatible with their income. Despite the numerous taxes and levies for the Malian local authorities, their revenues remain low.

The economic infrastructures are a determining factor in the resource potential and consequently, the revenues of the local authorities. This is the case of the commune of Socoura, which has the biggest population but a relatively low potential, with the lowest level of local revenues, as shown in the graphs below.

**Graph 8 :**  
**Mali/Mopti—Comparison of population size, resource potential,**  
**local revenues mobilized by the communes in 2003**



At the local level, there is often reference to the weakness of local taxation due to the lack of local services; therefore, one always goes around in circles; the citizens do not pay their local taxes and consequently, the commune cannot render services; on the other hand, the local services are not provided to the citizen due to lack of means to finance them.

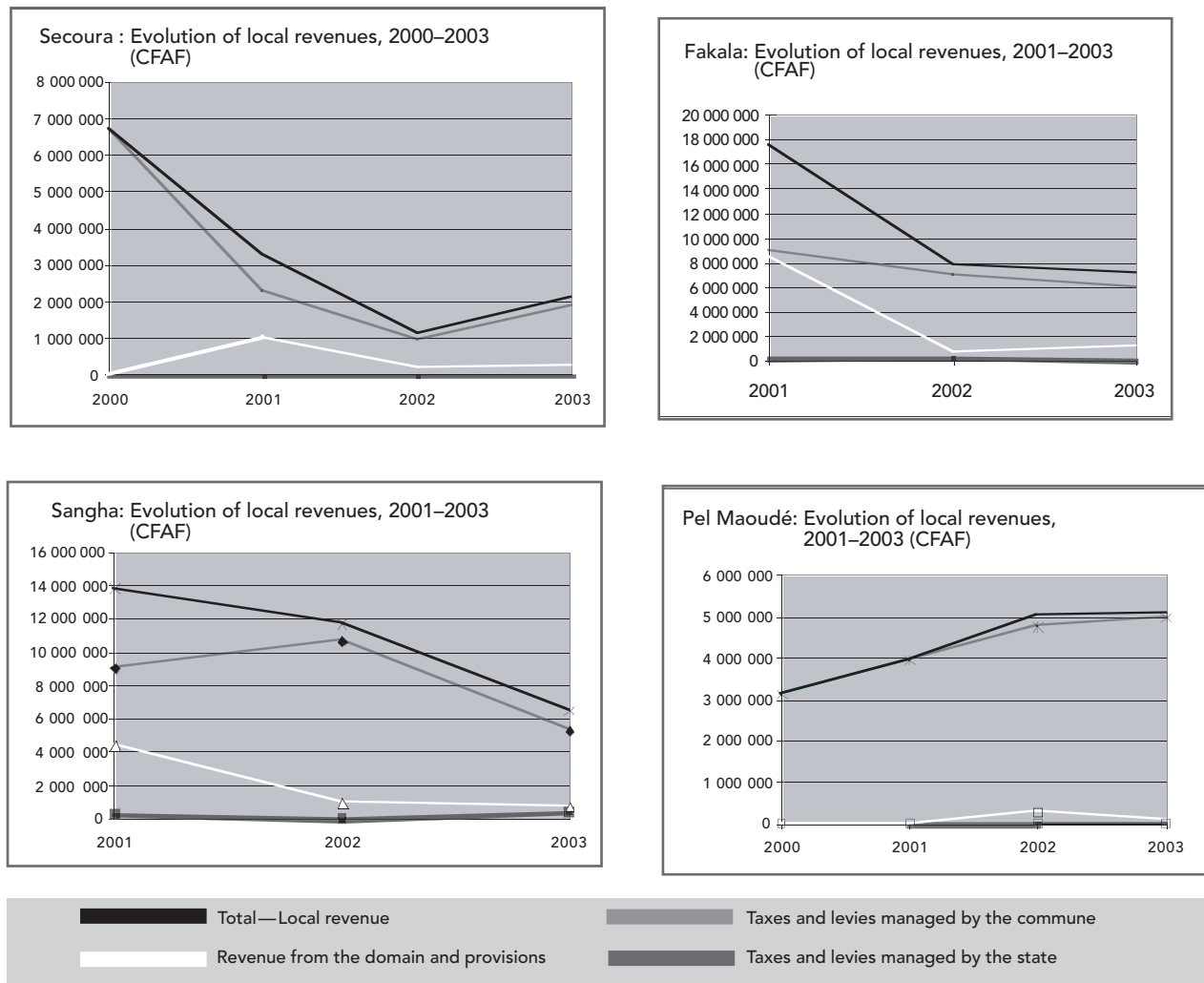


The recommended approach by several donors and UNCDF, in particular, is to break this circle by upstream intervention through providing the means to the local authorities to offer local public services through financial support to investment. The hypothesis is that if citizens see and use a service that the local authority provides them, they will be more inclined to assume tax obligations.

The LAFIAS analysis has revealed that in Mali, the realization of investments in the communes did not systematically have a positive impact on tax resources of the authorities. It is true that it is difficult to generalize and only an analysis of a greater number of communes could confirm this statement. However, it is clear that in the four communes where LAFIAS was implemented, despite a subsequent significant investment through ANICT, three experienced a reduction of local revenues while only one commune (Pel Maoudé) experienced constant growth in revenues during the period (see Graph 9 below).



**Graph 9 :**  
**Mali/Mopti—Evolution of the communes' local revenues**



The analysis of this observation shows that only the commune of Pel Maoudé has implemented support measures for taxation; therefore the citizens contributed more readily because they saw that the commune concretely provided services. These corrective measures focused on better organization of the tax system with the decentralized services.

In conclusion, investment alone cannot stimulate an improvement of local finances. It should be completed by support measures in terms of taxation, communal management and local governance.

### The local economy

The LAFIAS analysis showed that the economic potential of the four communes was essentially agricultural, except for the communes of Fakala and Sangha, which have other potential.

The rural commune of Fakala has a market and a large regional terminal with an important commercial function. The Sangha commune has important touristic potential due to its unique geography and the culture of its population.

**Table 25**  
**Mali—Main economic traits of the standard communes**

Communes	Main economic traits
<b>Rural commune of Fakala</b>	<ul style="list-style-type: none"> <li>• Strong agricultural potential linked to a favourable physical and natural environment.</li> <li>• Favourable geographical position due to the proximity of the national asphalt road and by the Bani River running through it.</li> <li>• Several important market infrastructures: <ul style="list-style-type: none"> <li>■ a regional market;</li> <li>■ a large livestock market;</li> <li>■ a dynamic terminal.</li> </ul> </li> </ul>
<b>Rural commune of Sangha</b>	<ul style="list-style-type: none"> <li>• Strong tourism potential.</li> <li>• Considerable potential for developing market gardening crops.</li> <li>• Exploitable natural resources (large stone quarries).</li> <li>• A local market serving as supplier of market gardening production.</li> </ul>
<b>Rural commune of Pel Maoudé</b>	<ul style="list-style-type: none"> <li>• Potential for development of dry crops (millet).</li> <li>• Large amount of livestock.</li> <li>• Favourable geographical position linked to the situation of the commune bordering on the non-asphalted national inter-state road.</li> <li>• A local market serving as a supplier in millet and livestock.</li> </ul>
<b>Rural commune of Socoura</b>	<ul style="list-style-type: none"> <li>• Strong agricultural potential due to a favourable physical and natural environment (vast plains, lowlands, and larges water-courses).</li> <li>• Important quarrying sites for sand, gravel and rock mining.</li> <li>• Favourable geographical position tied to the situation of the commune bordering on the national asphalt road and the Niger River running through it.</li> <li>• An urban core considerably integrated in the town of Mopti.</li> </ul>

Despite the economic potential concerned, the communes have a rather low economic fabric and are confronted with the reduction of the local populations' income and low financial resources. The causes of this situation, as resulting from research conducted and public consultation, are namely:

- The low level of agricultural production (agriculture, livestock farming, fishing).
- The inadequate exploitation of tourist potential. Together with its geographical position and natural sites, the commune of Sangha has great tourist potential. Nevertheless, the impact of this sector on the development of the commune is still low with respect to the importance of tourism.
- The weak integration of primary sector activities (agriculture, livestock farming, fishing, etc.), secondary activities (crafts industry, processing/developing local products, etc.) and tertiary activities (trade, transportation, supplies of services in general, etc.).
- The weakness of the institutional environment.
- The lack of an adequate policy for management market facilities and economic infrastructure.

In light of the economic potential and its related constraints, the economic actions identified focus on:

- improving agricultural productivity;
- ensuring better integration of activities of the primary, secondary and tertiary sectors, and diversifying the productive bases of the local economy through:
  - promoting productive revenue investments and other economic infrastructures;
  - strengthening the institutional environment of economic activities.

The challenges and issues of economic development, therefore, generally go beyond territorial boundaries and the means of a rural commune alone, which in reality does not make up a relevant scale of actions to promote economic development. Further, it should be taken into account that the programmes identified and the improvement measures proposed are very traditional and unfeasible at the scale of a rural commune where human and financial resources are very modest.

## Results and main lessons learned

The experience carried out in Mali included: (i) testing and developing the action plan on local economic development at the scale of a commune; and (ii) developing a basic budget simulation approach.

### Basic budget simulation

In Mali, the basic simulation focused on overall budget revenues and expenditures in order to determine the pool of potential resources and their optimal use to provide increased services. To this end, three scenarios were formulated:

#### *Scenarios of budgetary revenues simulation projections*

##### **High scenario: rationalization of the actual system of taxation and local finances in order to make available to the commune the necessary means to achieve its mission**

- Taxes and levies managed by the commune itself; application of maximum tariffs provided by the legislation;
- Presumptive tax: grants of 100% of income to rural communes;
- Market facilities: development/rehabilitation and set-up of a method of suitable delegated management;
- General decentralization fund: transfer of resources as a result of transferred competences.

##### **Middle scenario: the current situation, but with a growth in the general decentralization fund coming from the state-transferred resources concerning transferred competences**

- Taxes and levies managed by the commune itself: minimum pricing through communal council deliberations;
- Presumptive tax: the key to current distribution;
- Market facilities: the current state (without rehabilitation) with setting up a method of suitable delegated management;

- General decentralization fund; transfer of minimum resources for the transferred competences.

#### **Low scenario; the current situation**

- Taxes and levies managed by the commune itself; minimum pricing through communal council deliberation;
- Presumptive tax; key to actual distribution;
- Market; actual state (without rehabilitation) with the implementation of an appropriate, delegated management method;
- General decentralization fund: in the current situation without transfer of resources for competences transferred.

#### ***Scenarios of budget expenditures simulation***

Concerning expenditures, the simulation is based on the principle of a rationalization of resource use through better structuring of expenditures determined by the structural expenditures/total expenditures ratio and the services expenditures/total expenditures ratio.

#### **High scenario: a very large share of expenditures for services to local populations are earmarked for socio-economic promotion, and maintenance and acquisition of socio-collective and community infrastructure**

- Structural expenditures/total expenditures ratio of 35%;
- Services expenditures/total expenditures ratio of 65%.

#### **Middle scenario: relatively large share of expenditures for services for local populations are earmarked to socio-economic promotion, and maintenance and acquisition of socio-collective and community infrastructure**

- structural expenditures/total expenditures ratio of 40% ;
- services expenditures/total expenditures ratio of 60%.

#### **Low hypothesis: minimum share of service expenditures to local populations are devoted to socio-economic promotion, and maintenance and acquisition of socio-collective and community infrastructure**

- structural expenditures/total expenditures ratio of 45%;
- services expenditures/total expenditures ratio of 55%.

For example, the budget simulation for the commune of Fakala allowed to set the following objectives within the context of defining financial recovery measures of this commune.

Table 26

## Mali/Fakala: Results of the budget simulation—budgetary aims

SCENARIOS	REVENUES	EXPENDITURES
<b>HIGH</b> (Very large efforts of the commune with state support)	<p>Implementation of deep reforms in order to considerably improve revenues (multiplying the current level by 5) and the over-all revenues (increasing the current level by 4).</p> <p>Efforts to be carried out should allow to cause growth in the local revenues/person ratio from 797 CFAF (US\$155) in 2003 to 3,140 CFAF (US\$6.10) from 2005 until the end of 2008, and the total revenues/person ratio from 980 CFAF (US\$1.90) in 2003 to 5 072 CFAF (US\$9.85) from 2005 until the end of 2008.</p>	<p>Considerably increase the service expenditures to local populations, which were zero in 2003. The commune should adapt itself in such a way as to develop a culture for maintaining the infrastructure assets and providing quality local public services to citizens.</p> <p>This requires the services expenditure/person ratio to go from 0 CFAF (US\$0) in 2003 to 3 297 CFAF (US\$6.40) from 2005 until the end of 2008, and the services expenditure/total expenditure ratio from 0.0 % in 2003 to 65% from now until the end of 2008.</p>
<b>MIDDLE</b> (Considerable effort by the commune with State support)	<p>Implement the actions proposed in order to considerably improve revenues (multiply the current level by 4) and the general revenues (multiply the current level by 2.5).</p> <p>The efforts to be carried out should allow to increase local revenue/person ratio from 797 CFAF (US\$1.55) in 2003 to 1 933 CFAF (US\$3.86) from now to the end of 2008 and the total revenues/person ratio of 980 CFAF (US\$1.90) in 2003 to 2 149 CFAF (US\$4.17) from 2005 to the end of 2008.</p>	<p>To significantly increase expenditures of services to the local populations that were nil in 2003. The commune should adapt itself in order to develop a culture of maintaining infrastructure assets and supplying a minimum of local public services to citizens.</p> <p>This means making the services expenditure/person ratio increase from 0 CFAF (US\$0) in 2003 to 1 289 CFAF (US\$2.50) from now to the end of 2008, and the services expenditure/total expenditure ratio from 0.0% in 2003 to 60% from 2005 to the end of 2008.</p>
<b>LOW</b>	<p>Implement the actions proposed in order to considerably improve local-revenues (multiply the current level by 1.4). The efforts to be carried out should allow to increase the local revenues/person ratio from 797 CFAF (US\$1.55) in 2003 to 1 108 CFAF (US\$2.15) from 2005 to the end of 2008.</p>	<p>To considerably increase the expenditures for services to the local population by adapting itself in such a way as to develop a culture of maintaining the infrastructure assets and providing minimum, local public services to citizens.</p> <p>This means that the services expenditure/person ratio went from nil in 2003 (US\$0) to 717 CFAF (US\$1.39) from now to the end of 2008 and the services expenditures/total expenditures ratio from 0.0% in 2003 to 55% from 2005 until the end of 2008.</p>

Tables 27 and 28 summarize the results of budgetary revenue and expenditures simulations relating to the high hypothesis in the example of the Fakala commune (see Annex 7, matrices of basic budget simulation that show detailed results).

**Table 27**  
**Mali/Fakala rural commune:**  
**Summary of budgetary revenue simulation—high scenario**

REVENUES	Average revenues from 2001–2003	Revenues in 2003	Revenues in 31/12/2004	Conditions to achieve results	Revenue outlook for the commune	Coefficient multiplier compared to 2003
<b>LOCAL REVENUES</b>	<b>8 279 883</b>	<b>7 124 292</b>	<b>11 059 389</b>		<b>83 113 784</b>	<b>11.7</b>
<b>Tax revenues</b>	<b>5 715 031</b>	<b>5 973 477</b>	<b>10 357 017</b>		<b>31 916 504</b>	<b>5.3</b>
Taxes and levies managed by the commune	5 623 127	5 973 477	10 357 017	Maintenance of the census registers, expanding the tax base to all taxpayers and applying maximum tariffs provided by legislature, collaboration with the head of the truck drivers' unions.	25 514 028	4.3
Taxes and levies managed by the deconcentrated services	91 904	0	0	Grant to rural communes of 100% of the presumptive tax income.	6 402 476	
Income from state property services, various services and sales	2 564 852	1 150 815	702 372		51 197 280	44.5
Income from services from state property, various services delivery and sales managed by the commune	2 564 852	1 150 815	702 372	Development of the market and implementation of an appropriately delegated management method, including the livestock market.	51 197 280	44.5
Income from state property services, various service delivery and sales managed by the deconcentrated services	0	0	0		0	
<b>TRANSFER REVENUES</b>	<b>3 710 841</b>	<b>16 369 513</b>	<b>7 106 816</b>		<b>51 142 987</b>	<b>3,1</b>
Transfer revenues (operations)	3 710 841	8 216 845	5 814 454	Increase in effective transfer by the state of resources relating to transferred competences.	49 527 534	6.0
Transfer revenues (investment)		8 152 668	1 292 362	Increase in subsidies associated with improving the communal management performance.	1 615 453	0.2

REVENUES	Recettes moyennes de 2001-2003	Recettes en 2003	Recettes au 31/12/2004	Conditions d'atteinte des résultats	Recettes prévisionnelles de la commune	Coefficient multiplicateur par rapport à 2003
TOTAL REVENUES	11 990 724	23 493 805	18 166 205		134 256 771	5.7
Population		23 981			26 471	
Local revenues/person		297			3 140	
Total revenues/person		980			5 072	

Table 28  
Mali/Fakala commune — Summary of the simulation  
of budgetary expenditures — high scenario

EXPENDITURES	Average expenditures, 2001-2003 (CFAF)	Expenditures 2003	% of total expenditures, 2003	Conditions for achieving the results	Outlook of commune expenditures	Budget framework indicators (%)	Multiplier coefficient compared to 2003
<b>OPERATING EXPENDITURES</b>	<b>10 660 681</b>	<b>11 714 976</b>	<b>58.4%</b>		<b>80 554 063</b>	<b>60.0%</b>	<b>6.9</b>
Commune operations	9 613 350	11 714 976	58.4%	Increase linked to strengthening of communal personnel; personnel to complete the organizational chart	33 564 193	25.0%	2.9
Operating services for the local populations	1 047 331	0	0.0%	Need to plan the maintenance of the socio-collection and community facilities assets; at least 3% of the value of the communal public in-vestment stock, strengthening the services provided to the populations.	46 989 870	35.0%	6.4
<b>INVESTMENT EXPENDITURES</b>	<b>7 234 705</b>	<b>8 352 648</b>	<b>41.6%</b>		<b>53 702 709</b>	<b>40.0%</b>	<b>1.6</b>
Structural investments	5 589 622	8 352 648	41.6%		13 425 677	10.0%	
Socio-collective and community investments	333 333	0	0.0%		33 564 193	25.0%	
Other investment-related expenditures	1 311 750	0	0.0%		6 712 839	5.0%	
<b>TOTAL EXPENDITURES</b>	<b>17 895 386</b>	<b>20 067 624</b>	<b>100.0%</b>		<b>134 256 772</b>	<b>100.0%</b>	<b>6.7</b>
<b>RATIOS</b>							
Population		23 981			26 471		
Services expenditures/person		0			3 297		
Structural expenditures/total expenditures			100.0%			35.0%	
Services expenditures /total expenditures			0.0%			65.0%	



## Summary of experiences acquired and lessons learned

One of LAFIAS's institutional aims is to assist governments to better understand communal management, local finance and local economic development with simple tools adapted to the local context. This means having relevant and convincing notions that are able and likely to stimulate a true dialogue:

- on the one hand, between citizens and local decision-makers concerning the level of services to provide and the acceptable tax fees;
- on the other hand, between the local authority and the State concerning the definition of financial means that the state should grant to allow it to fully undertake its responsibilities, including, essentially, the provision of local services.

Accordingly, LAFIAS is perceived as a process of negotiation in the hands of local authorities for their development. Concerning the State, it aims to contribute to influencing dialogue on national policy concerning the local authorities.

In view of experiences carried out and lessons learned, there are considerable margins for improving local resources as long as a minimum effort is made in terms of organization, procedures and monitoring. The resource potential of rural authorities are essentially found at the market level, which concentrates most of the economic activities.

It is also apparent that the State is greatly responsible for the weakness of the resources of rural authorities studied. It is possible for the State, with a minimum of political will, to make available to the local authorities an acceptable level of transferred resources that would allow them to play the roles devolved to them in the context of decentralization.

### Problems and limitations of the process

The LAFIAS approach touches on relatively complex fields that demand a minimum level of expertise and for which the elected officials have not invested too much and have little experience, especially those in the small rural authorities to whom this tool is intended. This sometimes poses a real problem, therefore, of the degree of technical content of the tools to correspond to the aim of simplicity associated with LAFIAS's participative approach — i.e. to make the tool available to each local leader to identify, in close collaboration with all local actors, the weaknesses and the actions to undertake in order to improve local governance.

Further, the complete testing carried out in each of the four rural communes of the Mali example showed the limitations regarding the separation from PARFIC and PADEL, given the weakness of the economic development issues within rural spaces that make up the authorities concerned.

Given the inextricable link between these aspects in the rural commune, creating a single action plan is more relevant in order to clearly reflect the interrelationship between organizational, financial and economic aspects in local authority development concerning both limiting factors and improvement measures.

Finally, the time devoted to the process was too short. The LAFIAS process needs a minimum of 12 months (including four to five months for creating the diagnostic and the action plans) with a five-year projection to reach the required efficiency and to achieve the objectives.

Concerning all these experiences and lessons learned, the approach taken by LAFIAS is shown in the following developments.

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## Notes

<sup>1</sup> US\$1 = 515 FCFA, United Nations rate as at June 2006..

<sup>2</sup> Local revenue means all of the commune's revenue except for external contributions such as subsidies, public funds, donations and legacies, etc. It concerns all resources mobilized on the territory of the commune (tax revenues generated by the tax services, income from assets, state property revenue, income from services provided, etc.).

<sup>3</sup> Service expenditures are to be understood as the costs for maintaining socio-collective and community infrastructure, socio-economic promotion (social assistance and actions, support to local initiatives, encouragement of academic excellence, etc.) and acquiring socio-collective and community facilities (educational, health, and sports infrastructure, etc.).

<sup>4</sup> Still called "gross self-financing", gross savings are equal to real operating revenues minus real operating expenditures (including debt interest). Since the permanent resource has a certain regularity in time, the gross savings determine the local authority's capacity to handle its financial commitments.

<sup>5</sup> Exchange rate: 1 CFAF = 6.5 Guinean franc (GF).

<sup>6</sup> US\$1 = 515 CFAF, United Nations rate of exchange as at June 2006.

<sup>7</sup> *Impôt minimum de développement local* (IMDL, minimum local development tax) became the Local Development Tax in 2005.

<sup>8</sup> \$US1 = 515 FCFA, United Nations rate as at June 2006.

# PART

# 3

## PRESENTATION OF THE LAFIAS APPROACH



T

his presentation is the result of LAFIAS implementation in Benin, Guinea and Mali. The results from this experience contributed to the development of the current architecture of the LAFIAS approach.

## Definition

LAFIAS is a collaborative approach that aims, through analytical tools, to grasp the challenges linked to local management and governance, in particular, the organizational operations of the authorities, their financing and the economic dimension of their development. It relies on diagnostics (organizational, financial and economic), public consultations and action plans from ways of thinking identified with actors concerned.

LAFIAS is an approach to better understand the management and financing of a local authority. It consists of a series of analytical and decision-making tools that promote corrective measures for improving local management. Since its approach involves establishing an exhaustive diagnostic analysis of the institutional, financial and economic situation of the local authority, LAFIAS can be summed up as follows: “to manage means first of all to know and assess for successful planning.” It is therefore a tool for local authorities to manage their financial accounts and to inform their decision-making processes.

LAFIAS implementation is carried out in three main phases:

The one-month **preparatory phase** includes collecting information on main actors involved at the level of the local authority, the implementation of an institutional and organizational framework and the signing of an implementation agreement. This phase is extremely important because it allows:

- support to be obtained from elected officials and assurance that they be clearly committed, in full awareness, to the LAFIAS exercise. This commitment takes the form of an implementation agreement signed by the local authority and the supporting institution. The agreement details the objectives to be achieved, the activities to be carried out, and the roles, responsibilities and the means to be implemented by each party.
- the identification from the start of the main actors and structures concerned in the LAFIAS set-up and implementation, who will be informed and involved in the process, thus providing collaboration towards achieving results. This entails clearly defining the role of each actor (communal/municipal office, communal council, communal services, deconcentrated state services, economic operators, citizens, etc.) and guaranteeing the best conditions possible for appropriation and sustainability. There is a strong focus on the collaboration of deconcentrated state services and other technical support structures.

The four- to five-month **intensive set-up phase** consists of:

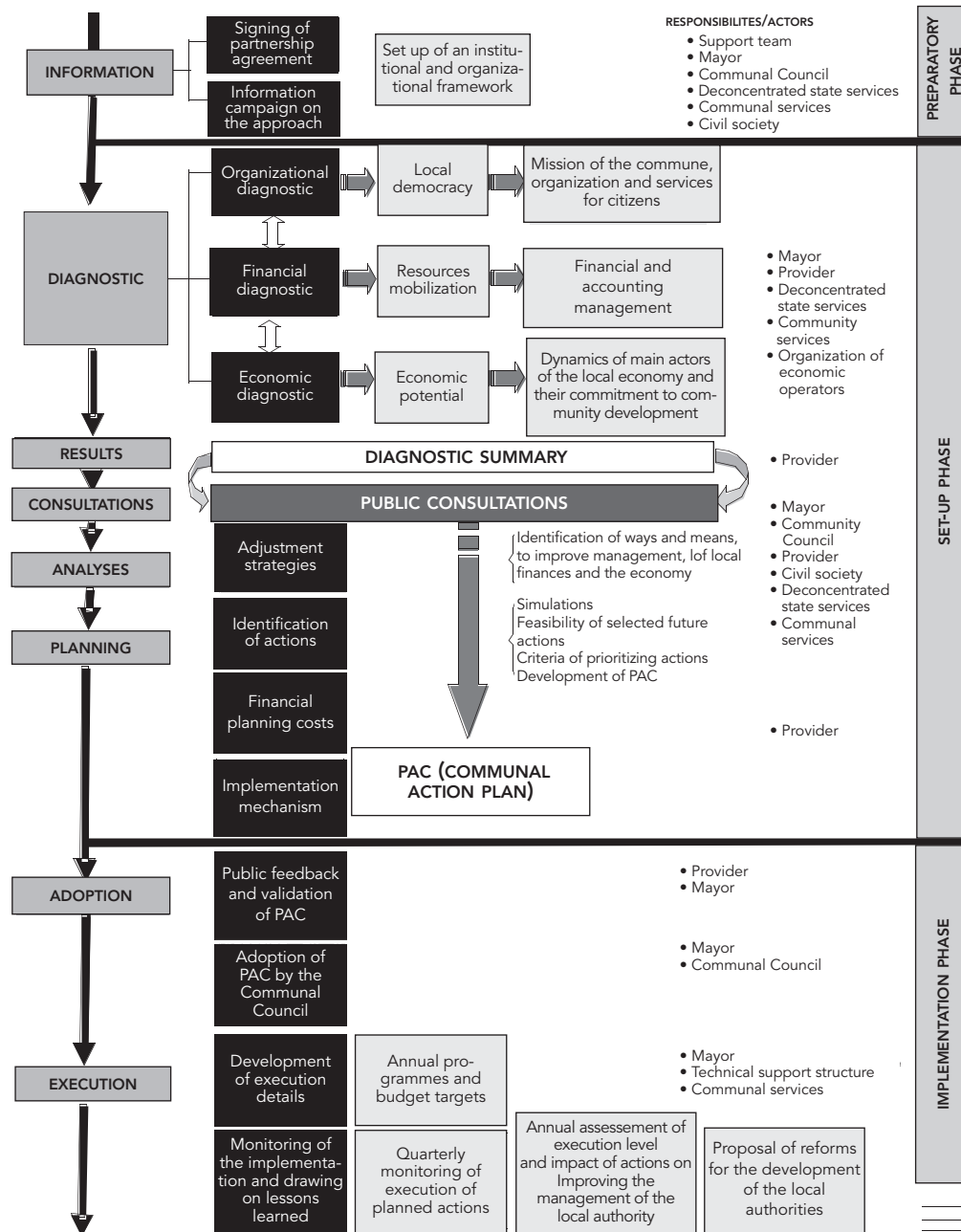
- carrying out diagnostic surveys and formulating diagnostic reports (organizations, economic and financial);
- defining and drafting action plans..

The execution phase consists of:

- implementation preparation (around two-month duration);
- the actual execution, which takes three years.

Figure 3 below shows LAFIAS's architecture and approach.

**Figure 3**  
**LAFIAS architecture and approach**



The LAFIAS presentation concerns four pillars:

1. Diagnostics and analyses
2. The summary of diagnostics and the presentation of results
3. The definition of strategies and the creation of action plans
4. The implementation strategy

## Diagnostics and analyses

The diagnostic must present the real situation of the local authorities in the most objective manner possible without, however, formulating recommendations. The reason for this is to lead the elected officials and local populations to put forward such recommendations on the basis of the diagnostic analyses and to identify the actions to implement in order to improve local authority management. The principal of consultation is essential to the implementation of reforms and the local level..

There are three types of diagnostics—*diagnostic institutionnel et organisationnel de la collectivité* (DIOC, institutional and organizational diagnostic of the local authority), *diagnostic fiscal et financier* (DFIC, the fiscal and financial diagnostics), and the *diagnostic économique* (DEC, economic diagnostic).

The diagnostics were carried out on the basis of data collection and interview records (see Annexes 8, 9 and 10) of different actors involved in the management and development of the local authorities (deconcentrated technical structures, locally elected officials, local economic operators, citizens, etc.). The results of the surveys were analysed from an analysis grid allowing to identify the strengths and weaknesses. If need be, the summary tables and the results were produced to support these analyses.

## Institutional and organization diagnostic of the local authority

The organizational diagnostic examines two aspects of the life of the authority — local democracy and communal management. Its aim is to study different aspects of communal management in order to identify the corrective measures for good governance, which is understood as the healthy, transparent and democratic management of local public affairs.

This analysis essentially involves four sectors of the commune's life: local democracy, local management and services, the measurement of quality of services, and finally, the communal assets. It would be important to prepare a progress report beforehand of the local authority, if there is not one already,

The organizational and institutional diagnostic specifically highlights the following:

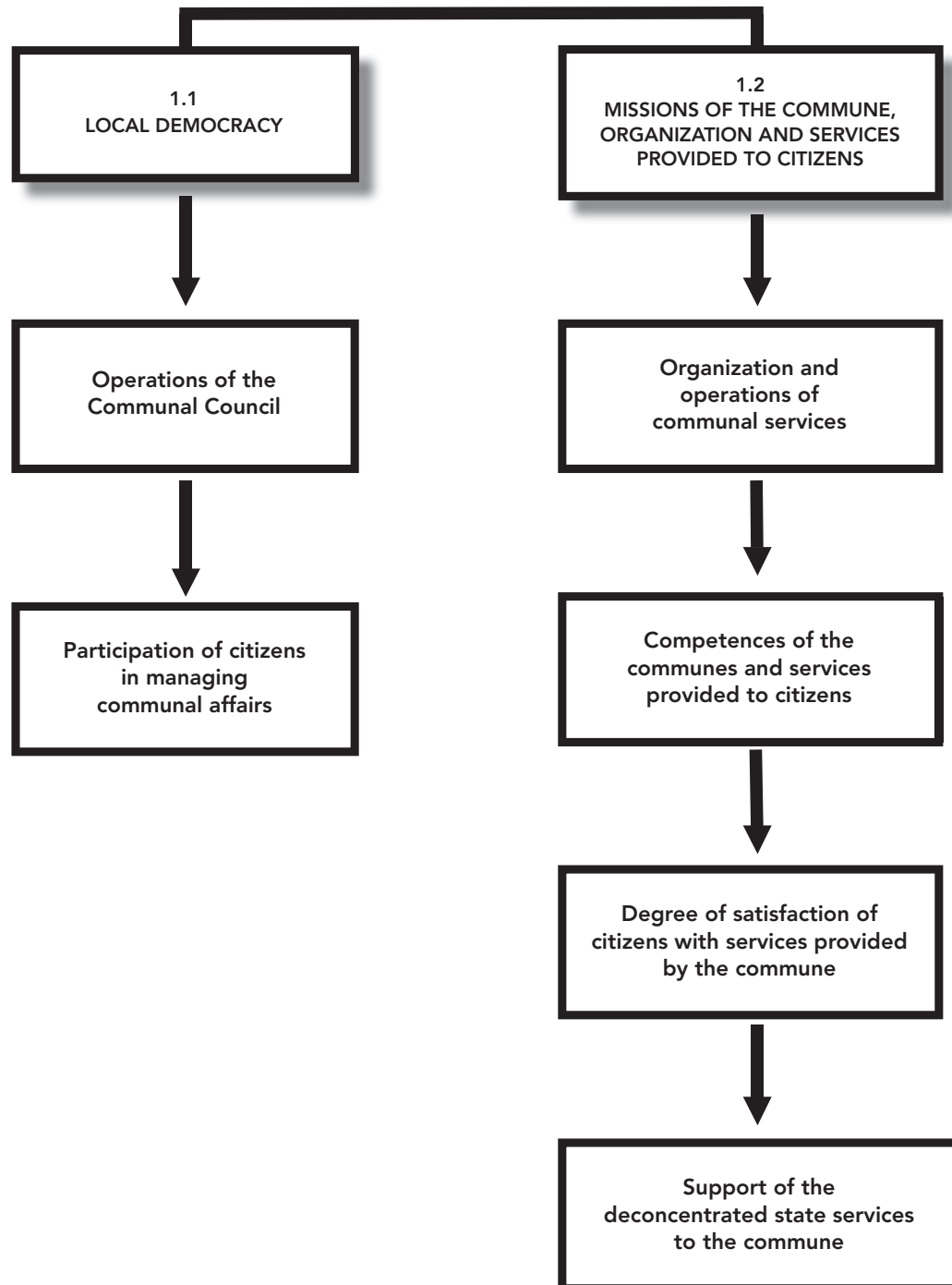
- **The state of local democratic life.** This is assessed in terms of representativeness (spatial, gender, socio-professional categories, etc.) and the operations of the communal council, as well as citizens' participation in communal affairs management.
- **The missions of the local authority, its organization and services provided to citizens.** This involves assessing the efficiency of the local authority in providing services to citizens (local populations). Efficiency is assessed by how well the local authority is organized regarding the duties and responsibilities devolved to it within the framework of decentralization, the operations of its own communal services; expert advice from deconcentrated state services, the services actually provided to citizens and their degree of satisfaction with respect to their minimum expectations.

## The institutional and organizational diagnostic process

The institutional and organizational diagnostic process of the local authority is summarized in the figure below:

Figure 4

Processus de diagnostic institutionnel et organisationnel de la collectivité  
(DIOC Institutional and organizational diagnostic of the local authority)



## Diagnostic and analytical approach of the local authority's organization

### Local democracy

This part of the analysis should highlight the characteristics of the democratic life within the local authority. It therefore concerns the representativeness and the operations of the deliberating body (communal council) and the role of citizens in local decision-making.

In general, efficient communal management is characterized by a political power with a vision and understanding of where it wants to lead the development of the local authority. Indeed, these choices or directions result from full awareness of the constraints that it faces and the resources on which it can rely. Finally, the choices must be legitimized by effective participation and involvement of the local populations throughout the process.

Given that the local election process does not always lead to representing all local components at the communal council level, the analysis should identify the underrepresented or unrepresented components, both on the spatial and social level. At the spatial level, it should assess the number of elected members per territorial subdivision of the local authority and identify those that are underrepresented or unrepresented in the communal council. On the social level, it would be necessary to assess the level of representation of women, in particular, and of youth. In fact, local policies will only meet the needs of local populations when they are formulated through the participation of local populations and, principally, women who use local services the most. Participation should therefore go beyond the elected members only and involve all categories of the population, notably women and marginalized groups, and beyond the equality of citizens and guaranteeing greater equity by allowing a greater number to participate in local decision-making. In order to achieve this, a voluntarist policy is needed to stimulate a participative democracy through increasing information, discussions and consultation practices.

The success or failure of a local policy depends greatly on whether or not there has been prior discussions on possible options that would lead to full awareness of choices to be made. The actors involved in the decisions would also accept the results or the consequences of the choices presented more readily if the process is inclusive and fully participatory.

In order to make an enlightened choice, therefore, two essential conditions must be fulfilled. First, information must be accessible and decisions must be published. The means of information and communication used must be adopted to local realities and allow effective access to available information for as many people as possible. The analysis will thus assess the mechanisms of communication used regularly by the local authority (posting, translation into local languages, use of public town criers, local or community radio, etc.).

It is also important that the elected bodies responsible for activities of the local authority operate normally. The focus should be placed on the operations of the communal council (regularly held regulatory sessions, the maintenance of registers of deliberations, and control over the municipal office (the mayor and his deputies) and main communal committees, among others.

Further, there must be a permanent consultation process with citizen control mechanisms of their local institutions in order to guarantee citizens their right to sanction decisions taken by locally elected officials outside election periods.



The tables in Annex 8 present the survey and interview grids of the institutional and organizational diagnostic. They examine some aspects of local management and provide a better idea of its democratic dimensions.

**Table 29**  
**Analytical framework of the strengths and weakness of local democracy**

1. LOCAL DEMOCRACY		
INFORMATION COLLECTION (Surveys/research)	ANALYSIS OF STRENGTHS AND WEAKNESSES	RESULTS (Outputs)
	<b>1.1 OPERATIONS OF THE COMMUNAL COUNCIL</b>	
Data grid on representativeness and the method of operation of the local deliberative assembly (communal council, etc.)	111. Representativeness of the communal council	Summary table analysing communal council operations
	112. Planning of councilor meetings and briefings	
	113. Holding of regulatory sessions and the presence of locally elected officials	
	114. Role of the elected members; the efficiency of communal council actions regarding the powers and roles devolved to them	
	115. Maintenance of obligatory administrative records	
	<b>1.2 PARTICIPATION OF THE CITIZEN IN MANAGING COMMUNAL AFFAIRS</b>	
Data grid on relations between the citizen and the communal institution	121. Involvement of citizens in decision-making	Summary table analysing citizen participation in managing community affairs
	122. Access of citizens to information and decisions of the communal council	
	123. Citizens' power of control and sanction (vote)	

#### **Duties of the local authority and its services to citizens**

This part of the diagnostic aims at analysing the competences of the local authority (general and transferred responsibilities), the organization and operations of the communal services, the methods of providing services used at the local authority, and providing an outline of its human resources. A more precise measurement of efficiency and effectiveness of the management method set up in the local authority is required.

The fundamental issue regarding personnel is to know if the local authority has the necessary human resources to accomplish its mandate in the fields of responsibilities transferred to it within the framework of the decentralization policy.

As regards services provision, the expected services should be defined above all in terms of income or results, and not only in terms of inputs. Subsequently, knowing the costs for each of the services establishes the bases of comparison and sets up competition among service providers, which could allow for price reduction. It is important, therefore, that the local authority know in detail the production cost of different services and that it determines the methods for measuring results.

**Table 30**  
**Analytical framework of the strengths and weaknesses**  
**linked to how the commune is organized and the services provided to citizens**

<b>2. MISSIONS OF THE COMMUNE, ORGANIZATION AND SERVICES PROVIDED TO CITIZENS</b>		
<b>INFORMATION COLLECTION (Surveys/Research)</b>	<b>ANALYSIS OF STRENGTHS AND WEAKNESSES</b>	<b>RESULTATS (Outputs)</b>
	<b>ORGANIZATION AND OPERATIONS OF COMMUNAL SERVICES</b>	
Data grid on the organization of the communal administration	1. Organizational chart of the commune	Analysis table on management staff of the local authorities, also indicating number
Data grid on the service infrastructure assets of the local authority	2. Communal personnel	Summary table analysing the organization of the local authority and its services operations
	3. Assets/facilities, material means	
	<b>COMPETENCES OF THE COMMUNE; SERVICES PROVIDED AND DEGREE OF CITIZEN SATISFACTION</b>	
Data grid on the services provided by the local authority	4. Exercise of powers (general and transferred) devolved in the framework of decentralization	Table indicating the level of services provided by the local authority
Grid measuring citizens' assessment of services provided by the local authority	5. Quality of services actually provided to the local populations	Summary table analysing services provided by the local authority and the degree of citizen satisfaction
	<b>SUPPORT FROM THE DECONCENTRATED STATE SERVICES TO THE COMMUNE</b>	
Data grid on the deconcentration system and support of deconcentrated services to the local authority	6. Presence of deconcentrated services planned at the commune's regional level	Summary table analyzing the support of deconcentrated services to the local authority
	7. Capacity of the deconcentrated services to fulfill their missions in the commune	
	8. Efficiency of actions carried out	

Finally, it should be stressed that delegating a service or activity does not reduce the responsibility of the local authority in any way as far as carrying out this activity is concerned.

The analysis of the services provided by the local authority is made following the grid below.

**Table 31**  
**Analytical framework of the quality of services provided by the local authority**

Sectors	Objectives of the local authority	Intervention framework of the structure in charge of the service	Assessment of the existing services
		<i>Intervention framework</i> <ul style="list-style-type: none"> <li>• Identify the mission and objectives of the services.</li> <li>• Identify the needs and constraints of the populations.</li> <li>• Verify if there is a policy/strategy of the mayor's office.</li> <li>• Minimum level of services.</li> </ul>	<i>Number of infrastructures of existing services regarding standards</i>
		<i>Intervention capacity of the structure in charge of services responsible to the mayor's office</i> <ul style="list-style-type: none"> <li>• Number of personnel.</li> <li>• Competence of personnel (level of qualifications of personnel, training efforts adapted).</li> <li>• Efficiency/productivity of the structure (availability of personnel and customer service provided, speed and quality of services offered, etc.).</li> </ul>	<i>Effective operations of the infrastructure and accessibility by the local populations</i> <ul style="list-style-type: none"> <li>• Physical state of infrastructure or facilities.</li> <li>• Effective operations of the infrastructure.</li> <li>• Accessibility to the local populations.</li> </ul>
		<i>Financial resources earmarked by the local authority to provide the service</i> <ul style="list-style-type: none"> <li>• Annual investment/person.</li> <li>• Annual amount of operating and maintenance expenditures.</li> </ul>	<i>Opinion survey of the local populations</i>

#### *Determining the degree of citizens' satisfaction with communal services*

The third part of the analysis aims to determine the degree of citizens' satisfaction with services provided to them and how they are provided. This is an essential element of the analysis of a service's efficiency and effectiveness.

#### **Raison d'être**

The degree of citizens' satisfaction is an essential part of the organizational culture focused on service quality. It is up to the local authority to determine the possible gaps between the quality of the services and citizens' needs and expectations by:

- improving the quality and efficiency of local services;
- determining the relevance and importance of the services;
- setting services standards, namely;

- by seeking out citizens' opinions;
- by informing citizens of the commitment taken by the local authority in order to ensure a certain level of service;
- by ensuring that information is passed on to employees.
- determining the possibilities to offer new services or to modify existing ones, which could lead to maintaining, abandoning, revamping or transferring services;
- making best use of the allocation and utilization of resources so as to establish a balance between citizens' expectations on the one hand, and the mandates of the local authority and the resources available (human, financial and time), on the other.

#### **Indicators of citizens' satisfaction**

Some indicators, the choice of which will vary according to service provided, could be used to measure the degree of citizens' satisfaction, as shown in the non-exhaustive list below:

- facilities (accessibility, professional appearance, hours of service, signage);
- communications (clarity, availability, use of clear language, personnel, courtesy, availability, competence, equity, confidence, flexibility);
- services received (speed, usefulness, suitability, quality, etc.);
- general objective (value for money, satisfaction, likelihood to reorder the service or reuse it, reliability).

#### **The implementation process of the approach to determining citizens' satisfaction**

The four steps below serve as a practical way of measuring client satisfaction with local services:

**Step 1:** Defining and describing services offered.

**Step 2:** Determining who the clients are.

**Step 3:** Developing a measurement strategy.

**Step 4:** Collecting, analysing and disseminating relevant information.

Each of the essential services of the local authority could be subject to a client satisfaction analysis. The questionnaire addressed to users would be short (maximum four questions) and adapted to the type of service provided. Consequently, the analysis team would then compile the results according to the following questions:

- Are the citizens' expectations realistic regarding their needs?
- Are the citizens' expectations realistic regarding the commune's capacity to respond to them?
- Are the services standards adapted to the citizens' expectations?
- Are citizens' expectations consistent from one group to another and within the same group?

#### *Communal assets*

The assets of the local authority are often ignored despite their major impact on its financial health and its ability to deliver services. In fact, the inventory and the state of assets are rarely taken into account in analyses concerning the local authority.

LAFIAS proposes, therefore, that an assets analysis be one of the preconditions to the financial and organizational analysis of the local authority. This inventory should be carried out taking into account the life cycle of the equipment (see Annex 8, Table Assessing the Local Authority's Service Infrastructure Assets).

**Table 32**  
**Cost and durability of infrastructures**

Breakdown of infrastructure costs according to life cycle			
Type of infrastructure	Set-up cost	Replacement cost and durability	Use and maintenance cost
1. Roads, tracks, bridges and culverts	<ul style="list-style-type: none"> <li>• Platforms, paving</li> <li>• Sign boards</li> <li>• Water discharge</li> </ul>	Reconstruction of roads and tracks: <ul style="list-style-type: none"> <li>• Tarmac road; ___ years;</li> <li>• Laterite path: ___ years.</li> </ul>	<ul style="list-style-type: none"> <li>• Cleaning/sweeping roads</li> <li>• Patching</li> <li>• Repairing gutters</li> <li>• Maintaining signs and posts</li> <li>• Cleaning gutters</li> <li>• Filling/clearing of banks</li> </ul>
2. Public building <ul style="list-style-type: none"> <li>• Municipal office</li> <li>• Community centre</li> <li>• School</li> <li>• Health center</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase or allotting of land</li> <li>• Construction</li> <li>• Furniture</li> <li>• Purchase of supplies</li> </ul>	<ul style="list-style-type: none"> <li>• Replace facilities every ___ years.</li> </ul>	<ul style="list-style-type: none"> <li>• Administration and maintenance of facilities</li> <li>• Salaries</li> </ul>
3. Public works depot	<ul style="list-style-type: none"> <li>• Land purchase or allotment</li> <li>• Construction</li> <li>• Purchase of vehicles or equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruct buildings every ___ years;</li> <li>• Replace vehicles and equipment every ___ years.</li> </ul>	<ul style="list-style-type: none"> <li>• Administration of service</li> <li>• Use and maintenance of vehicles and equipment</li> </ul>
4. Market and terminals	<ul style="list-style-type: none"> <li>• Land purchase or grant</li> <li>• Construction</li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruction of the buildings every ___ years;</li> <li>• Reconstruction of the developments every ___ years.</li> </ul>	<ul style="list-style-type: none"> <li>• Use and maintenance of buildings and their environment;</li> <li>• Administration of services</li> </ul>
5. Cattle inoculation centre	<ul style="list-style-type: none"> <li>• Land grants</li> <li>• Purchase of materials</li> <li>• Construction</li> </ul>		<ul style="list-style-type: none"> <li>• Use and maintenance of the centre</li> <li>• Administration of services</li> </ul>
6. Hydraulics <ul style="list-style-type: none"> <li>• Water retention</li> <li>• Wells</li> <li>• Drilling</li> </ul>	<ul style="list-style-type: none"> <li>• Land allotment</li> <li>• Purchase of equipment</li> <li>• Construction and planning</li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruction of developments every ___ years.</li> <li>• Replacement of equipment every ___ years.</li> </ul>	<ul style="list-style-type: none"> <li>• Administration of service</li> <li>• Use and maintenance of the inoculation center</li> <li>• Administration of services.</li> </ul>

### Support of the deconcentrated state services to the local authority

One of the conditions for the success of the mission of the local authorities is having an operational deconcentration mechanism that would allow communes to benefit from expert advice from the decentralized state services. Here the analysis would above all highlight the communes' accessibility to this support (representativeness of services concerned, frequency of activities, means available to these services to support communes, frequency of actions carried out, among others.).

The **data analysis grid**, which identifies the institutional and organizational strengths and weaknesses of the local authorities, focuses on:

- Local democracy: the representativeness and the operations of the deliberative assembly; the participation of the citizen in local affairs management.
- Duties of the commune, organization and services to citizens: the organization and the operations of services of the local authority, the responsibilities of the local authority, the services provided and the degree of citizens' satisfaction.
- Support from deconcentrated services; presence of deconcentrated services planned at the commune regional level, capacity of deconcentrated services to ensure their duties to the commune are carried out, efficiency of actions, etc.

The summary tables and results of the organizational diagnostic are as follows:

Points of analysis	Summary tables
1. Local democracy	1.1: Summary table analysing the representativeness and the operations of the deliberative body (communal council) 1.2: Summary table analysing citizen participation in communal affairs management
2. Missions of the local authority, organization and services to citizens	2.1: Analysis table on management staff of the local authorities, also indicating number 2.2: Summary table analysing the organization of the local authority and the operations of its services 2.3: Table indicating the level of services provided by the local authority 2.4: Summary table analysing the services provided by the local authority and the degree of citizens' satisfaction 2.5: Summary table analyzing the support of the deconcentrated services to the local authority

### ***Diagnostic financier de la collectivité locale*** **(DFIC, Financial diagnostic of the local authority)**

The financial diagnostic aims to objectively present the financial situation of the local authority in order to identify the problems that undermine local finances. It identifies the ways and means that involve the local authority in a sustainable process of improving its finances and management so that it can assume the responsibilities transferred to it and provide its local populations with their basic needs.

The financial diagnostic mainly covers two aspects: the resources of the local authority and their mobilization, on the one hand, and budgetary and financial management, on the other.

More specifically, the financial diagnostic focuses on the following:

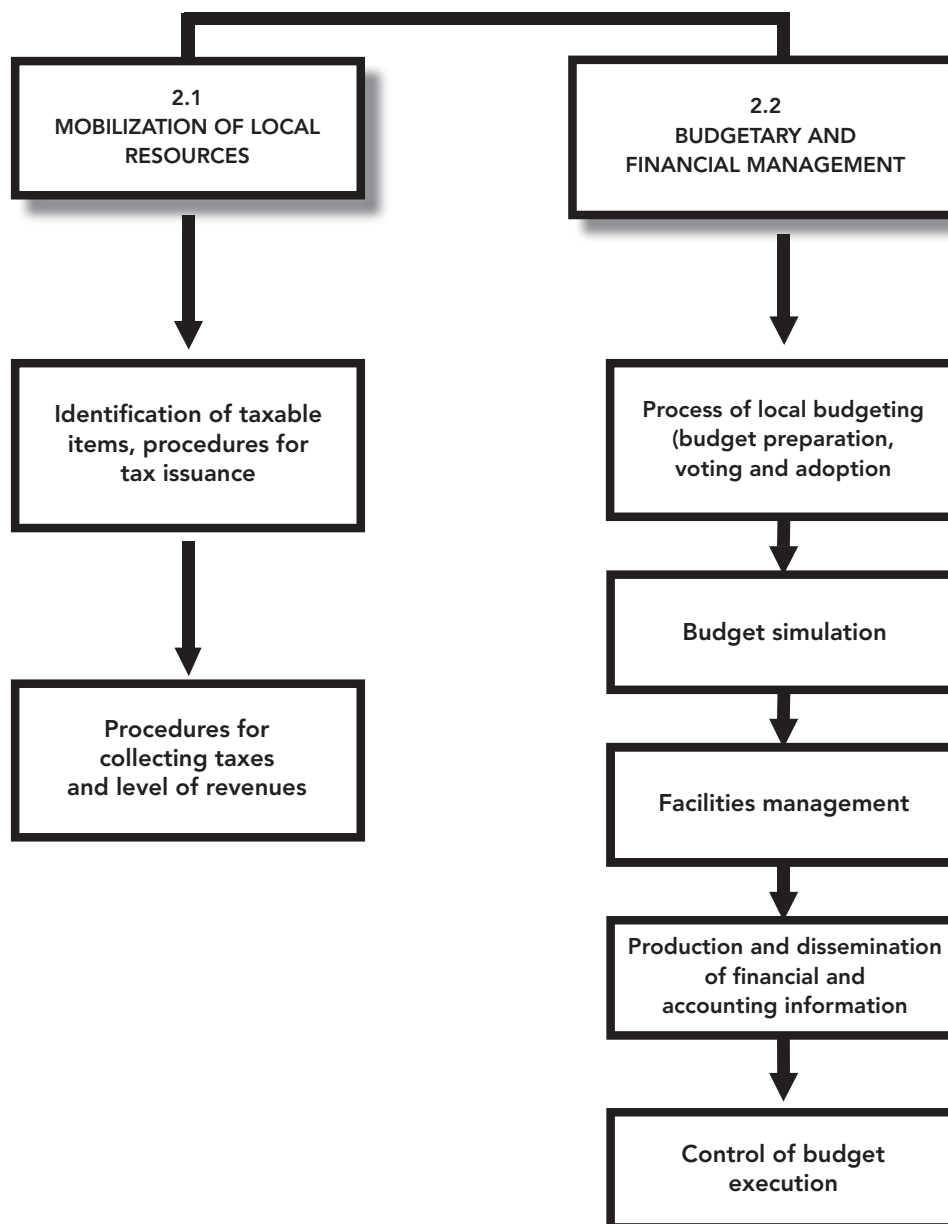
- **The resources of the local authority and the performance level of their mobilization.**  
The performances of the local resource mobilization are assessed regarding:
  - respect of procedures for issuing and collecting direct, local taxes and assimilated taxes (process of identifying the tax base, analysis of collection methods);
  - the mobilization level of local revenues and local tax revenue, management of market infrastructures, etc.
- **Budget and financial management performance of the local authority, which will be assessed based on:**
  - preparation (collaboration and taking into consideration the local level of development, the quality of the revenues and expenditures assessment, respect of budgetary rules and principles) and voting (respecting procedures and deadlines) and budget adoption (respecting procedures and deadlines);
  - the quality of the expenditure (judicious use of resources for providing services to local populations);
  - the financial balance (coverage of operating and maintenance expenditures by local revenues; cash flow of investments, etc.);
  - the production and dissemination of financial and accounting information (maintenance of records, documents and accounting and financial records, drafting of periodic documents and progress report, and the efficiency of the information system among different services involved in financial management, etc.);
  - control of budget execution (effectiveness of required controls).

## The financial diagnostic process

The financial diagnostic process of the local authority is summarized in the graph below:

Figure 5

*Diagnostic financier de la collectivité locale*  
(DFIC, Financial diagnostic of the local authority)





## Diagnostic and financial analysis approach of the local authority

This consists in establishing the financial situation of the local authority according to different aspects of resource mobilization, and financial and accounting management.

### Financial situation of the local authority

The expected diagnostic will be quantitative above all and will show recent changes as well as the current situation of the local authority's taxation and finances. It will form a reliable database to simulate proposals for improving local taxation.

### *The Approach*

#### > Analysis from available material

The diagnostic report will be carried out from available accounting documents of the local authorities (budget proposals, administrative accounts and management accounts).

#### > Trends analysis over the last five years

To better understand the recent trends in taxation and finances of the local authorities, the diagnostic report will also concern the trend of variables analysed under each aspect of the fiscal and financial diagnostic over the last five years. The computerized data compilation will calculate the growth rates of each of these variables (revenues, expenditures, taxes, fees, etc.), specifically, the different significant budget items (local revenues, transfer revenues, operations, investment, etc.).

It is important that this first exercise be carried out as rigorously as possible, both in terms of data collection and entering information, since these data will then serve as the basis and support for developing and validating scenarios to explain problems encountered in local taxation.

Some summary tables on the local authority's revenues and expenditures as well as financial ratios will be produced from baseline data, which will provide a better idea of the financial health of the local authority. These data entry tables are presented in Annex 9.

After creating a progress report capturing the essential financial information of the local authority, the second step will depict the financial performance of the local authority through financial management performance indicators, the most significant of which are presented below:

**Table 33**  
**Financial management performance indicators**

<b>1</b>	<b>REVENUES</b>
<b>11</b>	<b>Per capita revenue indicators</b>
	Total revenues/person
	local revenue/person
	Tax revenue/person
	<i>Income from state property, assets and services/person</i>
	Taxes on persons/person
	<b>Revenues managed by the commune/person</b>
	Shared revenues/person
<b>12</b>	<b>Revenue structure indicators</b>
	<b>local revenues/total revenues</b>
	<b>Tax revenues/local revenues</b>
	<i>State property assets</i>
	Tax on persons/operating revenues
	Tax on persons/revenues managed by the commune
	<b>Revenues managed by the commune/total revenues</b>
	Shared revenues/total revenues
	Revenues managed by the commune/local revenues
	Operating revenues/investment revenues
<b>2</b>	<b>EXPENDITURES</b>
<b>21</b>	<b>Per capita expenditure indicators</b>
	Total expenditures/person
	Operating expenditures/person
	Structural expenditures/person
	Investment expenditures/person
	Services expenditures/person
<b>22</b>	<b>Expenditures structure indicators</b>
	Operating expenditures/total expenditures
	Structural expenditures/total expenditures
	Investment expenditures/total expenditures
	Services expenditures/total expenditures
	Personnel expenditures/operating expenditures

3	FINANCIAL BALANCE
	Real operating revenues
	Real operating expenditures
	<b>Gross/net savings</b>
	Real own investment revenues
	Real investment revenues
	<b>Cash flow of investments</b>
	Total investment revenues (including withdrawal)
	local revenues/operating and maintenance expenditures
	Total actual investment expenditures
	<b>Net savings/operating revenue</b>
	Total investment revenue/total investment expenditures
	Cash flow of investments/total investment expenditures
	Difference of total investment revenues—total investment expenditures

These ratios constitute elements of information and comparison that permit a more rigorous analysis of the financial situation of the local authority. They enable undertaking a diagnostic and highlighting different trends that mark the finances of the local authority. The analysis must also highlight some aspects of expenditures.

#### > Identification and collection methods

The objective is — through the establishment of a diagnostic on local taxation identification and collection methods — to measure net return from local taxes and levies. This will subsequently make it possible to take a stand on whether it is opportune to maintain, improve or eliminate one of several of these sources of returns.

#### *Current local taxation yield and its potential*

The theoretical yield from taxes and levies is generally very different than what is observed in practice. This could be due to faulty identification and lack of updating information and of carrying over this activity from year to year. It is necessary at this stage, therefore, to try to identify the causes of this situation in order to be able to propose ways that would avoid these pitfalls and that would thus contribute to limiting tax evasion, which characterizes the environment of local finances.

#### *The analysis of the revenue gaps in the tax chain*

- The gap in the fiscal tax base: here the analysis must measure the revenue that could theoretically be collected if, following identification efforts (land register, street addressing, ortho-photo plan, etc.), one could expand the effectively taxable tax base while conserving the same definition of this tax base.
- The gap in tax issuance: a similar analysis should also be made on issuance.
- The gap in tax collection: this should highlight the discrepancy between the forecasts, and the collection, and identify the factors that explain this situation.

These analyses combined must reveal the dysfunctions of the fiscal chain and allow to determine the causes with the help of quantitative and qualitative elements.

**The tax base/issuance:** This requires determining and analysing the problems relating to identification of the taxable items and establishing the fiscal tax base, etc., the existence or non-existence of a local information system, and the material, financial and human means available. It is necessary to present the main dysfunctions in preparing and issuing tax rolls and list the problems that generally affect the gaps observed between what is listed in the inventory and what is used.

**Collection:** It is necessary to determine the reasons that explain the low level of collection noted in the local authority. The analysis should concern, among other things, the possible lack of collaboration among tax and collection agents, problems of publishing tax rolls, the policy of motivating collection agents, socio-cultural and political constraints, the policy to penalize those with a bad tax history, etc.

#### **Local budgeting process**

Before considering changing the budgetary system, it is important to study the flaws of the current system and to identify the factors that could explain its limited performance.

The budget is very often considered a tool to manage expenditure flows and not as a means to express local policy. One of the problems very often encountered with the budgeting process is how to deal with overly optimistic attitudes on revenues. Similarly, very few local authorities carry out a deep revision of expenditures and revenues: in most cases, the exercise consists of simply replanning the budget of the previous year; this is what prevents the budget from being truly in line with the economic realities of the local authority.

In order to overcome this stage, it is necessary to carry out an exhaustive analysis of the budgeting process at the local level.

Subsequently, the work will consist of making a systematic assessment of local finance management in regard to the rules and the frameworks; planning; preparation; and execution and budget control. Here the analysis is also based on five budgetary cycles.

The process of the financial diagnostic of the local authority is summarized in tables 34 and 35 as follows:

**Table 34**  
**Analytical framework of strengths and weaknesses**  
**linked to local resource mobilization**

1. MOBILIZATION OF LOCAL RESOURCES		
INFORMATION COLLECTION (Surveys, research)	ANALYSIS OF STRENGTHS AND WEAKNESSES	RESULTS (Outputs)
	PROCEDURES FOR ESTABLISHING THE FISCAL TAX BASE AND TAX ISSUANCE	
Analysis grid of the framework of local resource mobilization; principal legislation and practices of actors	1. Issuance procedures: rules and practices on issuance of direct local taxes and assimilated taxes	Table and graph showing the evolution in issuances over the last five years
Data grid on issuances over the last five years	2. Tax potential and level of issuance	Table assessing the potential of the main resource channels
Basic socio-economic data grid on the fiscal tax base		Summary table analyzing the procedures of the tax base and the level of issuance regarding fiscal potential.
Survey grid on market facilities markets, terminals, slaughterhouses, livestock stocks, etc.		
	PROCEDURES FOR COLLECTING TAXES AND LEVEL OF LOCAL REVENUES	
	3. Collection procedures: rules and practices in collecting local direct tax and assimilated tax	Table showing the evolution in overall revenues classified by large budgetary expenditures over the last five years
	4. Financial system of the local authority and collection of taxes, levies and duties	Graph showing the evolution in local revenues per main component over the last five years
	5. Evolution of performance indicators of resource mobilization	Table and graph showing the current and the potential revenue of leading taxes and levies
		Performance indicators on resource mobilization
		Summary table analyzing the collection procedures and the level of revenues of the local authority

**Table 35**  
**Analytical framework of strengths and weaknesses**  
**linked to budgetary and financial management**

2. BUDGETARY AND FINANCIAL MANAGEMENT		
INFORMATION COLLECTION (Surveys, research)	ANALYSIS OF STRENGTHS AND WEAKNESSES	RESULTS (Outputs)
	LOCAL BUDGETING PROCESS	
Information grid on the rules and practices of technical preparation by the communal services, communal council voting, and approval by the supervisory authority	1. Process of budgetary preparation and deadlines	Local budget processing schedulee
Minutes of consultations with deconcentrated state services	2. Procedures and deadlines for budget approval	Summary table analysing the local budgeting process
Budget documents from previous financial years	3. Methods of budget forecasting	
Minutes of consultation meetings with civil society actors	4. Budgetary programming	
Records and minutes of communal council deliberations	5. Respect of budgetary rules and principles	
	SIMULATIONS AND LEVEL OF BUDGET FOR EFFECTIVELY EXERCISING DEVOLVED COMPETENCES	
Updated basic socio-economic data	6. Basic simulation of budgetary revenues	Identification and analysis record on communal services
Fiscal potential of leading taxes and levies	7. Basic simulation of budgetary expenditure	Basic simulation of budgetary expenditure
Data grid on populations' needs for communal services		Assessment table on the maintenance budget for public property and infrastructure assets
Data grid on populations' expectations in the subdivisions of the local authorities.		Basic simulation table of budget revenues
Data grid on the annual investment programme		Basic simulation table of budget expenditures
Data grid on communal assets		Summary table analysing the level of the local authority's resources with respect to competences.

2. BUDGETARY AND FINANCIAL MANAGEMENT		
INFORMATION COLLECTION (Surveys, research)	ANALYSIS OF STRENGTHS AND WEAKNESSES	RESULTS (Outputs)
	QUALITY OF THE EXPENDITURE	
Information grid on rules and practices in finance management and local public accounting	1. Respect of principles and rules on finances and local public accounting	Table and graph showing the evolution of expenditures classified by large significant expenditures over the last five years
Data grid on accounts of the local authority over the last five years	2. Respect of rules and procedures of tenders	Table and graph showing the evolution of operating expenditures by main item
	3. Level of expenditures on services for the local populations used for maintaining public property and infrastructure assets, socio-economic promotion and acquisition of socio-collective and community infrastructures	Table and graph showing the evolution of services expenditures by main item
		Summary table analysing the quality of expenditures
	FINANCIAL BALANCE	
	4. Savings rate and cash flow of investments	Financial balance indicators
	5. Amount of funds to cover operating and maintenance expenditures of public property by local revenues	
	6. Evolution of performance indicators on resource mobilization	Summary table analysing the financial balance
	MARKET FACILITIES MANAGEMENT	
Data grid on communal infrastructure management	7. Method of market facilities management	
	8. Method of managing other facilities	
	PRODUCTION OF FINANCIAL AND ACCOUNTING INFORMATION	
Information grid on the rules and practices of financial management and local public accounting	9. Maintaining registers, records and financial accounts	
	10. Production of financial and accounting information	
	11. Dissemination of financial and accounting information	

2. BUDGETARY AND FINANCIAL MANAGEMENT		
INFORMATION COLLECTION (Surveys, research)	ANALYSIS OF STRENGTHS AND WEAKNESSES	RESULTS (Outputs)
	CONTROL OF BUDGET EXECUTION	
Data grid on the local authority's accounting over the last five years	12. Self-control and reciprocal control mechanisms between payment officers and accountants	Schedule of producing accounts and carrying out controls related to budget execution
	13. Control by communal council	
	14. Control by the supervisory authority	
	15. Jurisdictional control	

The data analysis grid, on which the identified financial strengths and weakness of the local authority are based, specifically focuses on:

- Identification procedures on taxable items and issuance of tax: rules and practices in issuances and collection of direct local taxes and assimilated taxes, structure, composition and evolution of issuances over the last five years, tax potential and level of issuance, etc.
- Procedures for collecting direct levies and local taxes and the level of yield: rules and practices on issuance and collection of local taxes and levies, the financial system of the local authority and collection of taxes, duties and levies, structure, composition and evolution of collection over the last five years, tax potential, potential and actual revenue from local taxation, evolution of the performance indicators on resource mobilization.
- Local budgeting process (preparation, budget adoption and approval): process of preparing the budget and deadlines, procedures and deadlines for voting on the budget, procedures and deadlines on budget approval, method of budget forecasting, budgetary planning (taking into account the Communal Development Plan (PDC), respecting rules and budgetary principles.
- Simulations and budget level for the effective exercise of devolved responsibilities: *simulations basiques des recettes budgétaires* (SIBAR, basic simulation of budgetary revenues), *simulations basiques des dépenses budgétaires* (SIBAD, basic simulations of budgetary expenditures).
- Quality of the expenditure: respecting the principles and rules on financial management and local public accounting, respecting rules and procedures of tenders, level of earmarked expenditures for services to local populations for the maintenance of public property and state infrastructure assets, socio-economic promotion, and for the acquisition of socio-collective and community infrastructure.
- Financial balance: cash flow of investments, net savings rate, coverage of expenditures for operations and maintenance.
- Facilities management: method of managing market facilities; method of managing other facilities.
- Production of financial and accounting information: maintenance of registers, records and financial accounts, production of accounts and of periodic reports, and dissemination of financial and accounting information.
- Control of budget execution: self-control mechanisms and reciprocal control mechanisms between payment officers and accountants, control by communal council, control by the supervisory authority, jurisdictional control.



Summary tables on the fiscal and financial diagnostic results published by the LAFIAS computerized database show the following:

**Table 36:**  
**Summary tables on the fiscal and financial diagnostic results**

Analysis points	Summary tables
<b>3. Local resource mobilization</b>	3.1: Table and graph showing the evolution of issuances over the last five years
	3.2: Table assessing the potential of main resource channels
	3.3: Table showing the evolution of overall revenues classified by large significant expenditures over the last five years
	3.4: Graph showing the evolution of local revenues per main component over the last five years
	3.5: Table and graph showing the actual and potential yield of leading taxes and levies
	3.6: Performance indicators on resource mobilization
	3.7: Summary table analysing procedures of tax assessment and the level of issuance with respect to tax potential
	3.8: Summary table analysing collection procedures and the level of revenue of the local authority
<b>4. Budgetary and financial management</b>	4.1: Implementation schedule of the local budgeting process
	4.2: Summary table analysing the local budgeting process
	4.3: Identification and analysis table of the local authority's services
	4.4: Assessment table of the assets of the local authority
	4.5: Assessment table of the maintenance budget of public property and infrastructure assets
	4.6: Basic simulation table on budgetary revenues
	4.7: Basic simulation table of budgetary expenditures
	4.8: Summary table analysing the level of the local authority's resources with respect to competences
	4.9: Table and graph showing the evolution of expenditures classified by large [significant masses] expenditures over the last five years
	4.10: Table and graph showing the evolution of operating expenditures by main component
	4.11: Table and graph showing the evolution of services expenditures by main components
	4.12: Summary table analysing the quality of the expenditure
	4.13: Financial balance indicators
	4.14: Summary table analysing the financial balance
	4.15: Schedule for accounting and carrying out controls on budget execution

### ***Diagnostic économique de la collectivité locale*** **(DEC, Economic diagnostic of the local authority)**

The objective pursued by the diagnostic on the local economy is to clearly identify as much as possible the local economic potential and to measure the will and the commitment of the community confronting the development of its economy. On the one hand, it aims to better

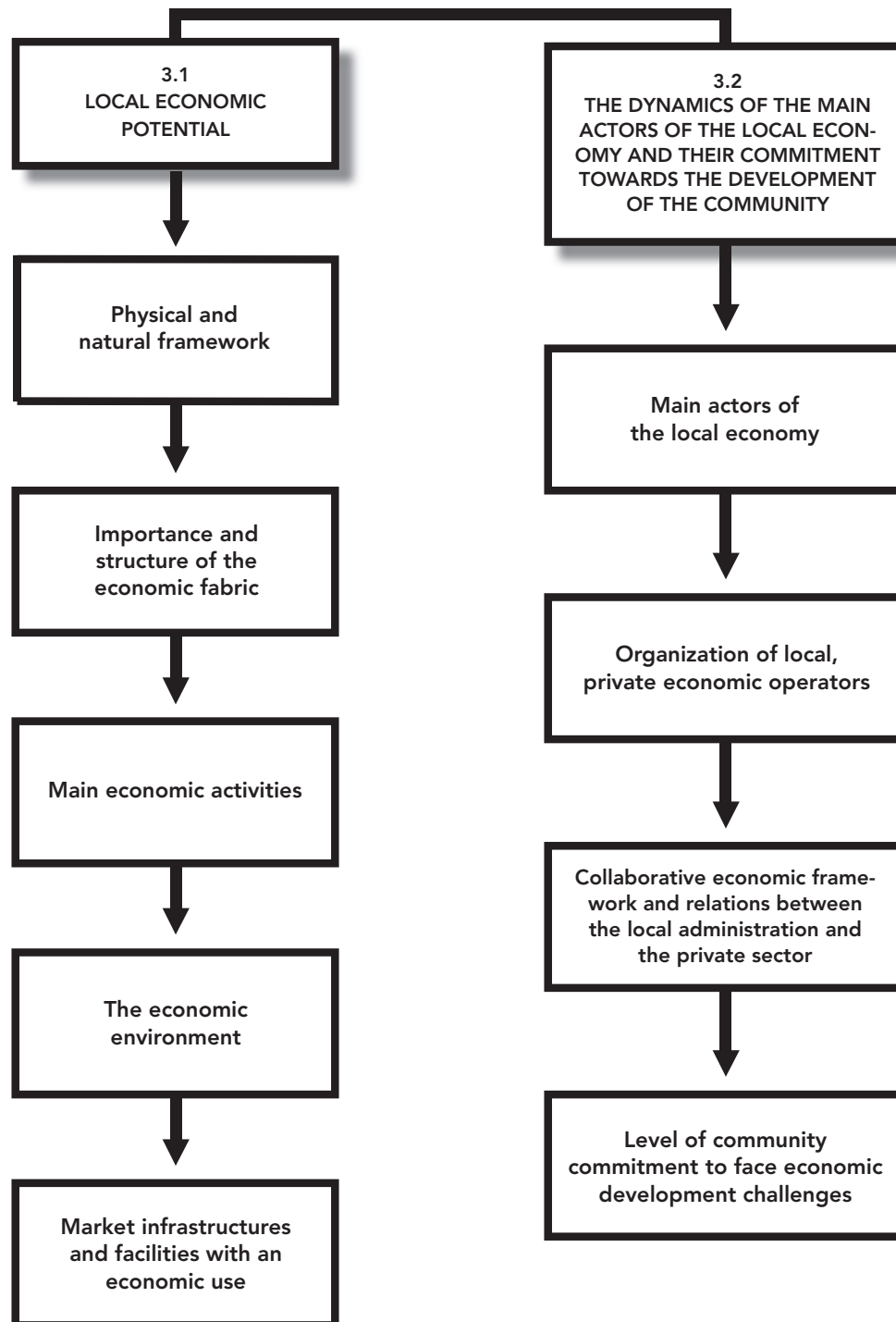
understand the strengths of this economy in terms of setting up production and markets, and on the other hand, to determine the local actors' true commitment to promote them within a framework of a clearly defined economic vision.

### The diagnostic process of the local economy

The process of the diagnostic on the local economy is summarized in the figure below:

Figure 6

*Processus de diagnostic économique de la collectivité*  
(DEC, Economic diagnostic process of the local authority)



## The diagnostic and analytical approach of the local economy

This approach aims to determine the main characteristics of the local economy by analysing local economic potential, economic dynamics on the field and the community's will and commitment in facing local economic development.

### The economic diagnostic approach entails:

- First, a rapid survey is carried out allowing to list, assess and analyse the economic activities (typology, location, etc.) and identify the activities having significant development potential, etc.;
- An analysis is then carried out on the economic environment and the dynamics (see Annex 10, Analysis grid of the issues of economic units);
- Finally, the level of motivation and commitment of the community to promoting its economy are determined (see Annex 10, the analytical grid of local economic commitment).

### The assessment of economic activities takes into consideration:

- Characteristics of the territory (human framework and background, natural environment, local physical potential, etc.).
- The importance of the economic fabric and its structure (number and distribution of economic activities). A spatial identification is made in order to determine the area of influence of enterprises and the economic flow corridors.
- Particular focus placed on market analysis on the main production areas and the marketing circuits of agricultural products.
- The analysis of agricultural sector activities (agriculture, livestock breeding, fishing, forestry) and non-agricultural sector activities (crafts and industry, mines and quarries, trade, transportation, tourism and leisure), the level of dynamism, and production performance.

All of the economic activities of the enterprises on the territory will have to be listed according to sectors of activity by using the international classification by type and industry.

**Table 37:**  
**Classification by economic type**

Type	Logic of the entrepreneur	Level of financing facilities	Minimum threshold of activities
Informal micro-activity	Survival, subsistence	Almost nil	Less than 1.5 million CFAF per year
Micro-enterprise	Accumulation and development	500 000 CFAF	Less than 1.5 million CFAF per year
Small enterprise	Accumulation and development	5 million CFAF	More than 1.5 million CFAF per year

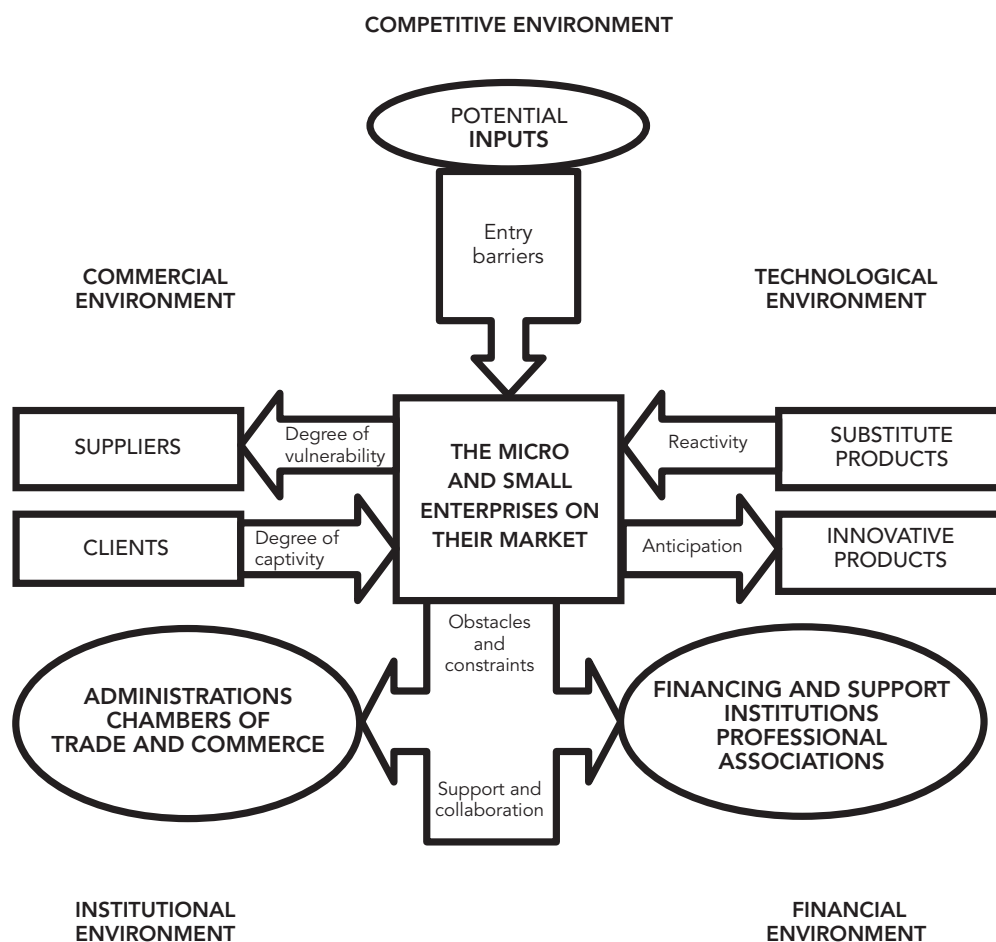
The first step identifies the informal micro-activities led by a “hypothetical” entrepreneur, who seeks, above all, a livelihood or daily revenue. Here, the tasks are performed within a logic of subsistence.

On the other hand, the micro- and small enterprises follow an accumulation and development logic based on the sharing of profit between revenues and capital.

These two parameters distinguish more easily the economic units that have development potential from those not aimed at going beyond the survival stage; the needs of this latter category in general are under social security net policies. Clearly, this distinction, however necessary, does not exclude links between them within the context of a dynamic approach.

The overall analysis grid per type of enterprise and sector allows to clearly show the local entrepreneurial environment. United Nations Industrial Development Organization (UNIDO) has developed a figure illustrating this approach within the framework of its interventions.

**Figure 7**  
**Finance institutions and professional support associations**



The analysis of the economic environment focuses on:

- The issues on access to existing financial institutions, access to supply and sales markets of local production, support and technical framework;
- The level of the facilities of the commune in market infrastructures and facilities with an economic use.

The analysis of the economic environment is carried out through interview guidelines established from the grid on the issues of economic operators. These interviews were carried out by panels set up together with different categories of actors.

**The assessment of the vigor of economic dynamics and of the level of commitment of the community to the issues of local economic development** is based on the dynamics of the main actors of the local economy: (organization of local economic operators, economic collaboration frameworks, relations between the communal administration and the private entrepreneurs, etc.).

The question to ask here is whether there is the will to stimulate growth of an economy on the local authority's territory. An inventory of institutions and key actors of the local economy will be compiled in this regard, and will include an identification of the key institutions on which the main actors can count in term of economic development.

The analyses will also cover:

- external resources on which the commune can rely or that they will have to mobilize;
- previous experiences or foreign sources of lessons learn;
- the expectations of local actors and their vision of local economic development

Should the need arise, maps will be produced in order to illustrate the different spheres of action of the local economy and the commune's position.

#### ***The approach to determine the degree of commitment to local economic development***

This consists in organizing tasks on the field, specifically: preparing a survey plan using representative panels of the local community, organizing and holding consultation sessions of the panels through a questionnaire and the analysis of the results (see Annex 10, Survey and Interview Grid on the diagnostic of the local economy).

The diagnostic process of the economy is summarized in tables 38 and 39 below.

**Table 38**  
**Analysis framework of the strengths and weaknesses**  
**linked to local economic potential**

1. LOCAL ECONOMIC POTENTIAL		
INFORMATION COLLEC- TION (Surveys, research)	ANALYSIS OF STRENGTHS AND WEAKNESSES	RESULTS (Outputs)
	PHYSICAL AND NATURAL FRAMEWORK	
Data grid on the physical, natural and human framework		Table on the distribution of the population per territorial subdivi- sion and neighborhood, and the annual growth rate  Table showing the distribution of economic activities according to the ISIC classification
	HUMAN FRAMEWORK	
Enumeration grid on economic activities, by sector  Data grid on main economic activities		Table identifying main economic activities  Table on plant production statistics of over the last five years
	IMPORTANCE AND STRUCTURE OF THE ECONOMIC FABRIC	
Data grid on the economic environment		Table on animal and fish production statistics over the last five years
	MAIN ECONOMIC ACTIVITIES	
Data grid on the services provided in terms of market infrastructure and facilities with an economic use		Summary table analysing local economic potential
	ECONOMIC ENVIRONMENT	
	MARKET INFRASTRUCTURE AND FACILITIES WITH AN ECONOMIC USE	

Table 39

**Analysis framework of the strengths and weaknesses linked to the dynamics of the actors in the local economy**

2. DYNAMICS OF THE MAIN ACTORS OF THE LOCAL ECONOMY AND THEIR COMMITMENT TO DEVELOPING THE REGION		
INFORMATION COLLECTION (Surveys/research)	ANALYSIS OF STRENGTHS AND WEAKNESSES	RESULTS (Outputs)
	MAIN ACTORS OF THE LOCAL ECONOMY	
Data grid on the physical, natural and human framework		Table on the main actors and their fields of intervention
	ORGANIZATION OF LOCAL ECONOMIC ACTORS	
Enumeration grid on economic activities, by sector Data grid on main economic activities		Summary table of the assets and constraints of the local economy
	ECONOMIC COLLABORATION FRAMEWORKS AND RELATIONS BETWEEN THE LOCAL ADMINISTRATION AND THE PRIVATE SECTOR	
Data grid on the economic environment		
	LEVEL OF COMMITMENT OF THE COMMUNITY TO THE CHALLENGES OF ECONOMIC DEVELOPMENT	
Data grid on services provided in terms of market infrastructure and facilities with an economic use		

The **analytical data grid** on which the economic strengths and weaknesses of the local authority was based, specifically concerns:

- The physical, natural and human framework.
- The importance and structure of the economic fabric and economic activities.
- Economic environment: accessibility to financial services, accessibility to supply and sales markets of local production, availability of managerial staff and technical support.
- Market infrastructures and facilities with an economic use: market facilities, roads network, rural tracks, transportation and communication, energy capacity, etc.
- Main actors of the local economy, level of organization of the local, private economic operators
- Economic collaboration framework and relations between the local administration and the private sector.
- Level of the community's commitment to the challenges of economic development.

**Table 40:**  
**Summary tables and results of the economic audit**

Points of analysis	Summary tables
<b>5. Economic potential</b>	5.1: Distribution of the population by territorial subdivision and neighborhood, and growth rate 5.2: International Standard Industrial Classification of all Economic Activities (ISIC) 5.3: Statistics on plant production over the last five years 5.4: Statistics on animal and fish production over the last five years 5.5: Summary table analyzing economic potential
<b>6. Dynamics of the main actors in the local economy and their commitment to community development</b>	6.1: Table on the main actors and their fields of intervention 6.2: Summary table analysing the dynamics of the main actors.

## Defining strategies and developing an action plan

The strategies are defined and the action plan is developed after the diagnostic study step, which results in the summary report on the diagnostic analysis. This report, which summarizes the strengths and weaknesses of the local authority in democratic, organizational, economic and financial terms, is validated during public consultations.

The organization and holding of public meetings on the conclusions of the diagnostics predominates among the activities planned within the context of defining the strategies. These consultations will group together all the local actors involved in the management and development of the local authority — communal management, communal council, communal administrative services, decentralized state technical services, NGOs, projects, the organization of economic operators from the local private sector and citizens. The focus will be on the following:

- Identification and analysis of major problems undermining the development of the local authority on the institutional, organizational, economic and financial levels. This analysis emphasizes: (i) the relations between different aspects (democratic, organizational, economic and financial) that explain the situation of the local authority; (ii) the testing carried out in the community by the local authorities, the State, or by other partners on the major problems identified and the results; (iii) the experiences successfully led elsewhere that could be sources of inspiration.
- How the future situation in the local authority will evolve if the trends observed are maintained.
- The vision of local economic development.
- The strategic directions and the identification of main courses of action.

The strategic directions of financial and institutional recovery are defined in regard to:

- Conclusions of public consultations. A relevant analysis will be carried out on major problems, their causes and sub-causes. The actions already undertaken by the local authority or the stakeholders, and the results obtained, or even the conclusive experiences acquired elsewhere will be reported to lend support to the directions and pillars of the proposed improvements.



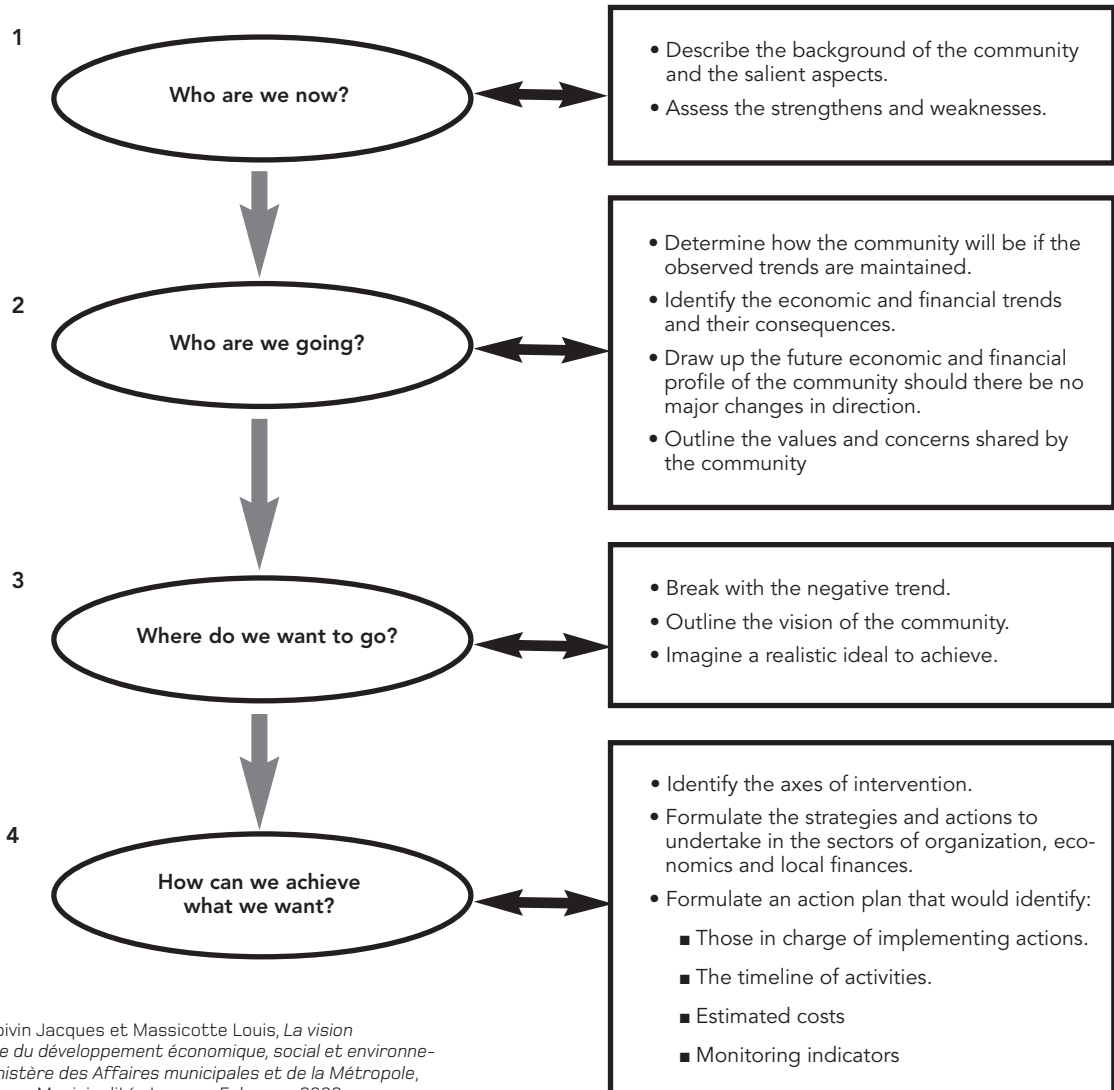
- Strengths and weaknesses of the local authority in terms of local democratic life, its missions and its organization in providing effective services to citizens.
- Performances of local resource mobilization and the budgetary and financial management, and this in line with the national legal and institutional framework on good local governance.

*Le Plan d'actions de redressement institutionnel, économique et financier de la collectivité* (PARIEFIC, Action plan for the institutional, economic and financial recovery of the local authority) is established according to a logical framework that groups together strategic goals, specific objectives, expected results, its associated activities as well as the objectively verifiable indicators.

Figure 8 below shows the process of developing a communal action plan

**Figure 8**  
**The process of developing PARIEFIC**

**Steps**



Source: Boivin Jacques et Massicotte Louis, *La vision stratégique du développement économique, social et environnemental*, ministère des Affaires municipales et de la Métropole, Québec, Revue Municipalité, January-February 2002.

The action plan must describe the desired objectives, financial and economic plans, the actions to implement and a realistic deadline to ensure the recovery of the local authority, as well as applicable costs for different planned activities. The action plan should pay more attention to managing information than computerization.

Clearly, this search for solutions to problems demands true political commitment by the locally elected officials, without which efforts strongly risk being futile. Hence, it is important to involve the local authorities, the elected officials and the administration from the start of the exercise and to obtain their firm commitment to lead the process to its conclusion.

In financial terms, it is necessary to undertake a series of simulations in order to identify the ways of improving the efficiency of the local tax system. Various simulations would determine the necessary variations that would allow the commune to improve its finances and assume the transferred responsibilities by the decentralization policies. The sensitivity analysis deals with the different variations in exemptions from other taxes, levies and licenses of local taxation, always trying to answer the following question, “What would the fiscal revenue be if a certain exemption were eliminated? It may be necessary to evaluate the past and current justification of each exemption and whether it should be maintained, given its fiscal cost now calculated.

The simulations should also analyse the financial impact on improving identification and collection activities. In fact, the net revenue is measured by taking into account the management costs and expenditures to generate revenues. By definition, for a same amount of revenue, the lower the management expenditures and expenses, the higher the net yield for the revenue collection tool (a tax or levy). Clearly, it is necessary to first estimate these management costs for each administration responsible for fiscal operations and apply them for each tax or levy, according to the case. This is an operation that may require — beyond the real data available within the administrations — constructing scenarios on the distribution of costs attributed to various taxes and levies.

The transfer of new responsibilities to local authorities implies a cost, part of which is assumed by the local authorities themselves. The action plan must therefore estimate the room for maneuver that the authorities have in the present situation, according to the current and the potential revenues of the local taxation.

In regard to the above, a basic simulation of the local authority's budget will be necessary.

#### **Basic budget simulation of the local authority**

Being an important stage of LAFIAS, the basic simulation of the local authority's budget is considered a key element in the action plan for financial recovery and the implementation strategy. It measures the impact of the planned actions on the budget and the finances of the local authority according to different scenarios relating to identified improvement measures.

The basic simulation is established from estimated data figures on the potential of the main resource channels and budgetary framework indicators.

### *Simulation scenarios*

The three simulated scenarios are formulated:

- **A high scenario** corresponding to significant reforms of the financial system of the local authorities in order to make the necessary means available for accomplishing their duties: rationalizing the fiscal system and the local finances, and transfer of state resources following the transfer of responsibilities.
- **A middle scenario**, which is based on the minimum change in the local authorities' financial system; maintaining the existing local tax system with a correction of organizational dysfunctions identified, and transfer by the State of minimum resources corresponding to transferred competences.
- **A low scenario** corresponding to a situation without reform; maintenance of the existing financial system with a simple correction of the identified organizational dysfunctions.

### *Reference data*

This focuses on:

- average revenues and expenditures over the last five years (excluding the base year);
- revenues and expenditures of year 1 (base year);
- the growth rate of the budget of the base year compared to average budget over the last five years (excluding the base year).

### *The simulation parameters*

The variables regarding **level of revenues** focus on:

- the resource potential of main taxes and levies (leading) that vary according to different scenarios;
- the degree of control over the tax base is according to additional efforts to be made by the services concerned/responsible services (tax base services, notably on identifying the taxable items and expanding the tax base);
- the collection rate that takes into account additional efforts to be made by the competent services responsible for tax collection (improving monitoring of taxpayers, efficient implementation of tax collections, etc.).

As regards **level of expenditures**, these parameters concern the structure of expenditures, particularly, the level of structural (administrative) expenditures earmarked for the communal institution and the expenditures for providing services to the local populations (expenditures earmarked for maintaining existing socio-collective and community infrastructure, various actions on socio-economic promotion, and acquiring new socio-collective and community infrastructure). Therefore the expenditure framework established for this purpose is as follows :

**Table 41:**  
**Budgetary expenditures framework**

No.°	Category	High scenario	Middle scenario	Low scenario
1	<b>STRUCTURAL EXPENDITURES including :</b>	35%	40%	45%
	Commune operations <ul style="list-style-type: none"> <li>• Staff wages and other staff-related fees</li> <li>• Equipment, supplies and services</li> <li>• Maintenance of the administrative assets</li> </ul>	25%	30%	36%
2	<b>SERVICES EXPENDITURES including:</b>	65%	60%	55%
	Maintaining infrastructure assets <ul style="list-style-type: none"> <li>• Maintenance of administrative infrastructure</li> <li>• Maintenance of socio-collective and community infrastructure</li> </ul>	30%	25%	25%
	<b>TOTAL EXPENDITURES</b>	100%	100%	100%

*The simulation results and the measurement indicators*

**Basic simulation of budgetary revenue**

For the needs of simulation, the simulation grid integrates all the budgetary items but the emphasis is essentially placed on the principal taxes, levies and duties. For each of these main channels:

- resource potential, which is determined according to an assessment grid, is indicated;
- forecasted revenues or potential yield is calculated by applying a control rate on the tax base, on the one hand, and a collection rate, on the other;
- the conditions for achieving results (estimated revenues) are indicated, which include, among others:
  - (i) Improvement of the local taxation (restructuring the distribution key for local taxes/levies, state transfer of new taxes/levies, basic revision and adjustment of the tax rate, decentralization of the management of the fiscal chain, etc.);
  - (ii) Improvement of local revenue yield collected (improvement of the identification of the taxable items and taxpayers, improvement of collection, management of market equipment to widen the resource base, etc.);
  - (iii) Increase of state resource transfers.

The results are assessed on the basis of indicators, including, in particular:

- the local revenues/person ratio;
- the relation between the level of planned local revenues and the actual level of these revenues (growth rate, coefficient multiplier).

**Basic simulation of budgetary expenditures**

Concerning expenditures, the simulation is based on the principle of rational resource utilization through a better expenditures structure, namely:

- an efficient level of structural expenditures (personnel, equipment, supplies and others, construction and maintenance of administrative buildings) to enable the administration services of the local authority to carry out a minimum of activities for providing services to local populations. A share of 35% to 45% of total expenditures are planned for these expenditures;

- a suitable level of expenditures for maintaining socio-collective and community infrastructure assets, estimated at 15% to 25% of total expenditures;
- a considerable level of expenditures — 55% to 65% — for services for local populations, earmarked for socio-economic promotion, and maintenance and acquisition of socio-collective and community infrastructure.

To satisfy the needs of simulation, the simulation grid integrates all the budgetary items but emphasis is placed on the large significant expenditures: operating expenditures (personnel wages and other staff-related fees, materials, supplies and services, maintenance of infrastructure assets, grants, allocations and different socio-economic promotion activities), and investment expenditures (acquiring administration infrastructure, socio-collective and community infrastructure and others). For each of these large expenditures:

- Estimated budgetary expenditures are determined according to the level selected for the Framework indicators (ratio of structural expenditures/total expenditures, ratio of services expenditures/total expenditures, etc.);
- The assessment scenarios or conditions for achieving results (foreseeable expenditures) are indicated, in particular:
  - (i) the set-up of a minimum organization of local authority services with an increase of personnel;
  - (ii) strengthening services provided to local populations by setting up an efficient policy on maintaining and acquiring socio-collective and community infrastructure.

The results were assessed by:

- The level of budgetary framework indicators, including in particular, the ratios: structural expenditure/total expenditures, services expenditures/total expenditures and services expenditures/person.
- The relationship between the level of planned expenditures and the actual level of expenditures (growth rate, coefficient multiplier).

For instance, the tables in Annex 7 show the basic simulation matrices of budget revenues and expenditures in the example from the rural commune of Fakala in Mali.

## PARIEFIC implementation strategy

LAFIAS implementation requires an adequate organization in order to guarantee achieving the pursued objectives in strengthening self-managing capacities and improving local governance.

The implementation mechanism of the LAFIAS communal action plan includes:

- the organization of public feedback and validation of the action plan;
- the adoption of the plan by the communal council;
- the operationalization of the organizational framework established from the start;
- development and implementation of a communication strategy;
- development of the details of the plan's execution;
- implementation monitoring and the capitalization of lessons learned.

In line with decentralization legislation, the implementation of the action plan comes under the responsibility of the commune through the communal council and the mayor's office.

Taking into account the scope and specificity of the tasks to carry out, technical assistance seems necessary. This means supporting the mayor's office in developing and implementing the annual action plan, defining conditions for carrying out actions, monitoring and evaluating the implementation, development of a communication strategy, among others.

From the operational point of view, implementation follows the process below:

On the basis of the diagnostic set up, the first step will involve experimenting with the tools or procedures in order to improve management and local taxation in the short, medium and long term.

On the basis of this experimentation, the second step will try to draw the operational lessons learned that could serve as a basis for negotiating with the State in order to improve the commune's revenues and services.

Based on the diagnostic, the spontaneous proposals collected and the results of the experiment, the third step will involve bringing proposals on reforming and improving local taxation management to the government's attention. These reform proposals, while respecting the goals of efficiency and equity, could include the following points, although not exclusively:

- reduction or elimination of tax exemptions or relief;
- restructuring, introduction or elimination of local taxes or levies;
- new relations between the state and local authorities;
- decentralization of the management of the fiscal chain;
- simplification of the budget classification of the communes;
- decentralization and the control mechanism of budget execution;
- regionalization of some local taxes and levies;
- structural changes in the local tax base.

The fourth step will consist of the simulation of reform proposals, which would develop possible scenarios ahead of their set-up. These scenarios, supported by a realistic execution schedule will be developed by taking into consideration the changes during the implementation of the decentralization and in the commune's capacity to assume these changes.

# ANNEXES





## ANNEX 1

### Distribution of competences between the State and the local authorities in Benin and Côte d'Ivoire

#### Benin—Distribution of competences between the State and the local authorities

BENIN		Commune	The State
1	Local development and habitat and urban planning	<ul style="list-style-type: none"> <li>• Drafting of planning documents (communal development plan, urban master plan, etc.)</li> <li>• Issuance of construction and resident permits</li> <li>• Control of conformity of work done</li> <li>• Land use</li> <li>• Creation of favourable conditions to promoting public and private property;</li> <li>• Opinion on national work done on its territory</li> </ul>	<ul style="list-style-type: none"> <li>• National policy on economic and social development</li> <li>• National development plan</li> <li>• National policy on territory, habitat and urban planning</li> <li>• National rules and regulations—control</li> <li>• Public investment—both domestic and regional</li> </ul>
2	Infrastructure, facilities and transportation (including telecommunications)	<ul style="list-style-type: none"> <li>• Development and management of infrastructure</li> <li>• Construction and maintenance of roads, tracks, road signage, public lighting and civil engineering structures</li> <li>• Control of movement of goods and people</li> <li>• Construction and maintenance of local terminals, landings and parking</li> <li>• Construction of local hydraulics infrastructure</li> <li>• Installation of local telecommunication lines, public phone booths, public radio and TV listening centres</li> <li>• Information of the population; dissemination of a body of written information, installation of local radio and television broadcasting stations</li> </ul>	<ul style="list-style-type: none"> <li>• National sectoral policies</li> <li>• National rules and regulations</li> <li>• Lines of inter-state, regional, intercommunal communication and connected infrastructures</li> <li>• Post offices</li> <li>• National and regional telecommunications</li> <li>• Energy production and transmission</li> <li>• Infrastructure and equipment of a national or regional interest</li> <li>• The press</li> </ul>
3	The environment, sanitation and health	<ul style="list-style-type: none"> <li>• Supply and distribution of drinking water</li> <li>• Collection and treatment of non-industrial waste</li> <li>• Sanitation network</li> <li>• Protection against floods</li> <li>• Demarcation of uninhabitable areas</li> <li>• Creation and management of cemeteries and funeral services</li> <li>• Creation and maintenance of green spaces, protection of forests and biodiversity and of phreatic groundwater</li> <li>• Conservation of health and sanitation conditions in the production and distribution of drinking water, the security perimeter around the catchments, drills and wells, private sanitation of waste water, food hygiene, public places and establishments</li> <li>• Opinions on development of mining sites found on the communal territory</li> <li>• Combat against epidemics, epizootics and endemics</li> <li>• Control of individual sanitation</li> </ul>	<ul style="list-style-type: none"> <li>• National sector policies</li> <li>• National rules and regulations</li> <li>• Natural resources management</li> <li>• Combat against atmospheric pollution</li> <li>• Collection and industrial waste treatment</li> </ul>



BENIN		Commune	The State
4	Education	<ul style="list-style-type: none"> <li>• Construction, equipping and maintenance of public institutions of primary and maternal education</li> <li>• Promotion of youth education</li> <li>• Constructing, reparation, equipping and maintenance of public secondary school institutions and public vocational training centres at the communal level (for special status communes)</li> </ul>	<ul style="list-style-type: none"> <li>• National sectoral policies</li> <li>• National norms and regulations</li> <li>• Construction, managing and operating public institutions of higher, secondary education and vocational training</li> <li>• Training and management of personnel</li> <li>• Operations of public educational institutions</li> </ul>
5	Literacy and adult education	<ul style="list-style-type: none"> <li>• Promotion of national languages, written and oral</li> </ul>	<ul style="list-style-type: none"> <li>• National sectoral policies</li> <li>• National regulations and norms</li> <li>• Personnel training and management</li> </ul>
6	Health, social and cultural action	<ul style="list-style-type: none"> <li>• Construction, reparation, and equipping and maintenance of public health centres, social promotion of the arrondissement, village of city neighbourhood</li> <li>• Construction, reparation, equipping and maintenance of public infrastructure and cultural, youth, sports and leisure infrastructure in the arrondissement, town or city neighbourhood</li> <li>• Material and financial assistance to structures in charge of leading cultural, sports, youth and leisure activities</li> <li>• Support to the underprivileged and disaster victims</li> <li>• Conservation of local cultural heritage</li> </ul>	<ul style="list-style-type: none"> <li>• National sectoral policies</li> <li>• National rules and regulations</li> <li>• Construction, management and operations of public health centres and social promotion at the national, departmental or communal level</li> <li>• Training and management of personnel</li> <li>• Combat against endemic diseases</li> <li>• Management and operation of public health centers and social promotion at the level of the arrondissement, town and city neighbourhood</li> </ul>
6	Market services and economic investments	<ul style="list-style-type: none"> <li>• Construction, equipping and maintenance of markets and slaughterhouses</li> <li>• Promotion of tourism and investments</li> <li>• Development of industrial and artisanal areas to promote the set-up and development of economic activities</li> </ul>	<ul style="list-style-type: none"> <li>• National sectoral policies</li> <li>• National rules and regulations</li> <li>• Investment code</li> <li>• Economic investments of national or region interest</li> </ul>
7	Safety and security	<ul style="list-style-type: none"> <li>• Administrative police; safety, security, health and public order</li> <li>• Approval of the annual security plan and the combat against delinquency and criminality</li> </ul>	<ul style="list-style-type: none"> <li>• National policies on security and emergency preparedness</li> <li>• Rules and regulations</li> <li>• Public security forces</li> <li>• Maintenance of public order</li> </ul>
8	Civil status	<ul style="list-style-type: none"> <li>• Receipt of birth, marriage and death certificates, etc.</li> <li>• Weddings</li> <li>• Transcriptions of supplementary judgments and of all documents, and issuing of extracts</li> <li>• Legalization and certification of documents</li> </ul>	<ul style="list-style-type: none"> <li>• National policy</li> <li>• Rules and regulations</li> <li>• Supplementary judgments on civil status documents</li> </ul>
9	Finances	<ul style="list-style-type: none"> <li>• Determination of the tax base of the development tax</li> <li>• Setting the rate of local taxes and levies</li> <li>• Voting on and execution of the commune budget</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of taxes and levies</li> <li>• Approval of the commune budget</li> </ul>

Sources: PDM/Observatoire de la décentralisation, Etat de la décentralisation en Afrique de l'Ouest

**Côte d'Ivoire—Distribution of competences between the State and the local authorities**

COTE D'IVOIRE		Commune	The State
1	<b>Veterinarian health and hygiene</b>	<ul style="list-style-type: none"> <li>• Creation, construction, equipping and management of health centres, neighbourhood health centres and maternity units</li> <li>• Sanitary control of transportation and sale of products and animal foodstuffs</li> </ul>	<p><i>For humans:</i></p> <ul style="list-style-type: none"> <li>• Salaries and supplementary wages for medical and paramedical staff</li> <li>• Medication</li> <li>• Health care trips</li> </ul> <p><i>For animals</i></p> <ul style="list-style-type: none"> <li>• Staff salaries and supplementary wages</li> <li>• Health control of transport and sale of products and animal foodstuffs on national interest sites</li> </ul>
2	<b>Education</b>	<ul style="list-style-type: none"> <li>• Creation, construction, equipping and management of maternal schools and primary schools, school canteens, personnel logical and sports facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and national carte scolaire</li> <li>• Teaching staff recruitment, training and management</li> <li>• Inspection and certification of studies</li> </ul>
3	<b>Urban planning and construction</b>	<ul style="list-style-type: none"> <li>• Proposal and prior opinions on the urban master plan</li> <li>• Development of the detailed urban plan and financing of works (Abidjan)</li> <li>• Subdivision project on state property</li> <li>• Issuance of construction permits in Abidjan</li> </ul>	<ul style="list-style-type: none"> <li>• Drafting Urban Master Plans</li> <li>• Drafting detailed urban plans</li> <li>• Authorization of the subdivision plans by the commune on State property</li> <li>• Processing of the construction permit request</li> <li>• Issuance of a construction permit outside Abidjan</li> </ul>
4	<b>Culture and social action</b>	<ul style="list-style-type: none"> <li>• Creation, construction, equipping and management of libraries, museums, theatres and cultural centres; social socials and preschool education, daycares and women's clubs, and personnel management</li> </ul>	<ul style="list-style-type: none"> <li>• Staff salaries and supplementary wages</li> </ul>
5	<b>The environment and drinking water</b>	<ul style="list-style-type: none"> <li>• Creation, construction, equipping and management of nurseries, green spaces, parks and gardens</li> <li>• Creation, construction, equipment and management of fire hydrants and water wells</li> </ul>	<ul style="list-style-type: none"> <li>• Salary and supplementary wages of management personnel</li> </ul>

## ANNEX 2

### Distribution of competences between different decentralization levels in Mali, Burkina Faso and Senegal

#### Mali—Distribution of competences among different centralization levels

MALI	Commune	Cercle	Region
1 <b>Economic development</b>	<ul style="list-style-type: none"> <li>• Policy of creating and managing facilities of fairs and markets</li> <li>• Organization of artisanal and tourist activities</li> <li>• Creation and method of managing communal services and bodies and economic interventions</li> </ul>	<ul style="list-style-type: none"> <li>• Creation and method of managing services and bodies of the cercle and the economic interventions</li> </ul>	<ul style="list-style-type: none"> <li>• Policy of creating and managing facilities in the field of tourism and energy</li> <li>• Creation and method of managing religious services and bodies and economic interventions</li> <li>• Organization of artisanal and tourist activities</li> </ul>
2 <b>The environment and natural resources exploitation and management</b>	<ul style="list-style-type: none"> <li>• Public health</li> <li>• Sanitation</li> <li>• Environmental protection and natural resources management</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Actions on environmental protection</li> </ul>
3 <b>Urban planning and development</b>	<ul style="list-style-type: none"> <li>• Land use plan</li> <li>• Operations of planning communal space</li> <li>• Management of public property and land, and acquisition of capital assets</li> <li>• Road infrastructure and communications structures classified in the communal domain</li> <li>• Public transportation and traffic plans</li> <li>• Opinions on carrying out the State's development or equipment project on commune land</li> </ul>	<ul style="list-style-type: none"> <li>• Development operations of the territory of the cercle</li> <li>• Management of the domain of the cercle and acquiring capital assets</li> <li>• Policy of creating and managing road and communication infrastructure classified in the domain of the cercle</li> <li>• Opinions on carrying out development projects decided by the State on the territory of the cercle</li> </ul>	<ul style="list-style-type: none"> <li>• Territorial planning and regional development</li> <li>• Management of regional state property and acquisition of capital assets</li> <li>• Road and communications infrastructures classified in the regional domain</li> <li>• Opinions on the carrying out of development projects decided by the State on the territory of the region</li> </ul>
4 <b>Education</b>	<ul style="list-style-type: none"> <li>• Policy on creating and managing equipment</li> <li>• Preschool education and literacy</li> <li>• First cycle of primary education</li> </ul>	<ul style="list-style-type: none"> <li>• Policy on creating and managing facilities of the second cycle of primary education</li> </ul>	<ul style="list-style-type: none"> <li>• Policy of creating and managing facilities</li> <li>• Secondary, general, technical, professional and specialized education</li> </ul>
5 <b>Health, social and cultural action</b>	<ul style="list-style-type: none"> <li>• Policy of creating and managing facilities</li> <li>• Health facilities, maternity units</li> <li>• Community health centers</li> <li>• Public health and sanitation</li> <li>• Sports, arts and culture</li> </ul>	<ul style="list-style-type: none"> <li>• Policy of creating and managing health centre facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Creating and managing facilities</li> <li>• Regional hospitals</li> <li>• Solidarity in support of vulnerable populations</li> </ul>
6 <b>Hydraulics</b>	<ul style="list-style-type: none"> <li>• Policy on creating and managing rural or urban hydraulics facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Policy on creating and managing rural hydraulics facilities</li> </ul>	

MALI		Commune	Cercle	Region
7	Rural development	<ul style="list-style-type: none"> <li>• Organization of rural activities and agro-silvo-pastoral production</li> </ul>	<ul style="list-style-type: none"> <li>• Organization of rural activities and agro-silvo-pastoral production</li> </ul>	<ul style="list-style-type: none"> <li>• Organization of rural productive activities</li> </ul>
8	Taxation, finances	<ul style="list-style-type: none"> <li>• Setting the rate of taxes and other communal levies within the framework of the minimum and the maximum set by law</li> <li>• Setting rates of taxes and levies</li> </ul>	<ul style="list-style-type: none"> <li>• Setting tax and levies rates</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of remunerative taxes on regional services provision</li> <li>• Setting of rates of taxes and levies within the framework of the minimum and maximum set by the law</li> </ul>

Sources : PDM/Observatoire de la décentralisation, Etat de la décentralisation en Afrique de l'Ouest

### Burkina Faso—Distribution of competences between the different decentralization levels

BURKINA FASO		Commune	Region
1	Land and property development and urban planning	<ul style="list-style-type: none"> <li>• Opinions on the urban development plan</li> <li>• Establishment and execution of subdivision plans</li> <li>• Allocation of plots and issuance of occupancy permits for national or public domain, and construction permits</li> <li>• Addressing and naming of roads</li> <li>• Share of responsibilities for land management of the public lands</li> <li>• Control of traffic, stations and parking</li> <li>• Initiatives and support regarding public transportation and school busing</li> </ul>	<ul style="list-style-type: none"> <li>• Drafting together with the state of a provincial land development plan</li> <li>• Opinions on the plans carried out by the communes</li> <li>• Support to public transportation</li> <li>• Authorization to occupy public lands</li> <li>• Construction and maintenance of rural roads</li> </ul>
2	The environment and natural resources management	<ul style="list-style-type: none"> <li>• Drafting action plans for the environment</li> <li>• Cost-share in the protection of water and fish resources</li> <li>• Health and sanitation</li> <li>• Creation of woodlands and forests</li> <li>• Animals and livestock farming control</li> <li>• Opinions on setting up of polluting industries</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of woodlands and forests</li> <li>• Management and protection of classified and protected forests and watercourses</li> <li>• Determination of crop areas and development livestock tracks</li> <li>• Protection of fauna and fish resources</li> <li>• Cost-sharing together with the State in establishing plans for garbage collection and disposal</li> </ul>
3	Economic development and planning	<ul style="list-style-type: none"> <li>• Drafting of the communal development plans in line with the national plan</li> </ul>	<ul style="list-style-type: none"> <li>• Drafting of the regional development plan in line with the national plan</li> </ul>

BURKINA FASO		Commune	Region
4	<b>Health and hygiene</b>	<ul style="list-style-type: none"> <li>• Operation and management of basic and advanced health training</li> <li>• Preventive medicine and pharmaceutical supplies</li> <li>• Hygiene, sanitation and water quality</li> <li>• Developing a national part of the national <i>carte sanitaire</i></li> </ul>	<ul style="list-style-type: none"> <li>• Creation and management of primary health care centres in the non-communalized locations and specialized health centres</li> <li>• Organization of pharmaceutical supplies, greater recognition of traditional pharmacopoeia</li> <li>• Health, sanitation and preventative medicine, development of the provincial part of the national <i>carte sanitaire</i></li> </ul>
5	<b>Education, professional training and literacy</b>	<ul style="list-style-type: none"> <li>• Literacy, pre-school and primary education, creation and management of secondary institutions</li> <li>• Vocational training</li> <li>• Developing a communal section to the national <i>carte scolaire</i></li> </ul>	<ul style="list-style-type: none"> <li>• Literacy, preschool and primary education in the non-communalized areas</li> <li>• Building and managing non-national secondary establishments</li> <li>• Professional training</li> <li>• Developing a regional section of the national <i>carte scolaire</i></li> </ul>
6	<b>Culture, sports and leisure</b>	<ul style="list-style-type: none"> <li>• Equipment, management and promotion at the communal level</li> </ul>	<ul style="list-style-type: none"> <li>• Equipping, management, and promotion at the provincial level</li> </ul>
7	<b>Emergency preparedness, assistance and response</b>	<ul style="list-style-type: none"> <li>• Promotion and social protection</li> <li>• Prevention, protection against accidents and assistance to accident victims and the underprivileged</li> <li>• Creation of firefighting units</li> </ul>	<ul style="list-style-type: none"> <li>• Social promotion and protection</li> <li>• Prevention, protection against accidents and assistance to accident victims and the underprivileged</li> <li>• Creation of firefighting units</li> </ul>
8	<b>Funeral homes and cemeteries</b>	<ul style="list-style-type: none"> <li>• Funeral control and management of cemeteries</li> </ul>	<ul style="list-style-type: none"> <li>• Funeral control and management of cemeteries in the non-communal areas</li> </ul>
9	<b>Water and electricity</b>	<ul style="list-style-type: none"> <li>• Opinions on the water supply system master plan</li> <li>• Sharing responsibility ] in production and/or distribution of drinking water</li> <li>• Creation and managing wells, drills and hydrants</li> <li>• Opinions on the electrification plan</li> <li>• Creation and management of public lighting</li> </ul>	<ul style="list-style-type: none"> <li>• Opinions on water supply programmes</li> <li>• Sharing responsibility in conservation and maintenance of watercourses, construction of reservoirs, dams, wells and drilling</li> <li>• Opinions on electrification plans in non-communalized areas</li> </ul>
10	<b>Markets, slaughterhouses and fairs</b>	<ul style="list-style-type: none"> <li>• Building and managing markets and slaughterhouses</li> </ul>	<ul style="list-style-type: none"> <li>• Constructing and managing markets and slaughterhouses in the non-communalized areas</li> <li>• Organization of fairs</li> </ul>

Sources : PDM/Observatoire de la décentralisation, Etat de la décentralisation en Afrique de l'Ouest

## Senegal—Distribution of competences among different levels of decentralization

SENEGAL		Rural community	Commune	Region
1	Domain	<ul style="list-style-type: none"> <li>• Management and use of private domain of the state, and national and public domain</li> </ul>	<ul style="list-style-type: none"> <li>• Management and use of the private domain of the state, and national and public domain</li> </ul>	<ul style="list-style-type: none"> <li>• Management and use of private domain of the state, and national and public domain</li> </ul>
2	The environment and national resources management	<ul style="list-style-type: none"> <li>• Local forest management</li> <li>• Felling authorization</li> <li>• Combat against bushfires</li> <li>• Opinion on authorities in charge of issuing hunting licences</li> <li>• Opinions on authorization for land clearance</li> <li>• Management of natural sites</li> <li>• Creating and management of woodlands, artificial ponds, etc.</li> <li>• Combat against instability</li> <li>• Drafting and implementation of local action plans for the environment</li> </ul>	<ul style="list-style-type: none"> <li>• Waste management and combat against pollution and unhealthy standards</li> <li>• Groundwater and surface water protection</li> <li>• Drafting communal action plans for the environment</li> </ul>	<ul style="list-style-type: none"> <li>• Creation and management of forests, protected areas and national sites of regional interest</li> <li>• Protection and combat against forest fires and protection of nature</li> <li>• Management of continental waters, with the exception of watercourses with a national and international status</li> <li>• Distribution of regional quotas on forest exploitation among the communes and the rural communities.</li> <li>• Issuance of authorization of hunting licences subject to issuing of certificates by rural council</li> <li>• Drafting and implementation of regional action plans for the environment; emergency action and risk management</li> <li>• Authorization for land clearance subject to the rural council's evaluation</li> </ul>
3	Health, population and social action	<ul style="list-style-type: none"> <li>• Creation, management, equipping and maintenance of health units, maternity units and cases de santé (health huts) in rural areas</li> <li>• Maintenance and management of centers of promotion and social reintegration</li> <li>• Organization and management of relief for the underprivileged</li> <li>• Financial support for productive projects for underprivileged populations</li> </ul>	<ul style="list-style-type: none"> <li>• Management of facilities and maintenance of urban health centres</li> <li>• Construction, management, maintenance and equipping of urban health units</li> <li>• Maintenance and management of promotion social reintegration centres</li> <li>• Organization and management of relief for the underprivileged</li> <li>• Support to financing productive projects for the underprivileged populations</li> </ul>	<ul style="list-style-type: none"> <li>• Management and maintenance of regional and departmental hospitals</li> <li>• Management, maintenance and equipping of rural health centres</li> <li>• Health and sanitation</li> <li>• Maintenance and management of promotion and social reintegration centres</li> <li>• Organization and management of relief for the underprivileged</li> </ul>
4	Youth, sports and leisure	<ul style="list-style-type: none"> <li>• Promotion and encouragement of sports and youth activities</li> <li>• Construction and management of rural stadiums and playing areas</li> <li>• Sharing in acquisition and supplying of sports equipment for sports clubs</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of sports and youth activities</li> <li>• Promotion of educational organizations</li> <li>• Supports to sports and cultural clubs</li> <li>• Management of stadiums and municipal sports centres</li> <li>• Support to sports and cultural associations</li> <li>• Participation in organizing competitions</li> </ul>	<ul style="list-style-type: none"> <li>• Authorization to open educational cooperatives</li> <li>• Creation of neighbouring infrastructures• Assistance to sports and cultural clubs</li> <li>• Construction and management of infrastructure with a regional status</li> <li>• Development of socio-educational activities</li> <li>• Promotion of physical and sports activities at the regional level</li> </ul>

SENEGAL	Rural community	Commune	Region
5 Culture	<ul style="list-style-type: none"> <li>• Creation and management of reading and cultural activities centres</li> <li>• Supervision and monitoring of conservation of historical sites and monuments</li> <li>• Organization of cultural days</li> <li>• Creation of cultural institutions, libraries and artistic ensembles</li> <li>• Recording of oral tradition and promotion of national and local culture</li> </ul>	<ul style="list-style-type: none"> <li>• Supervision and monitoring of the conservation of historical sites and monuments</li> <li>• Organization of cultural days</li> <li>• Creation of cultural establishments, libraries and artistic ensembles</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of cultural activities</li> <li>• Conservation of historical sites and monuments and pre-historic research</li> <li>• Organization of cultural days</li> <li>• Creation of cultural establishments, libraries and artistic ensembles</li> </ul>
6 Education, literacy, promotion of national languages and training	<ul style="list-style-type: none"> <li>• Construction and equipping of elementary and pre-schools</li> <li>• Assuming responsibility of support personnel</li> <li>• School support</li> <li>• Implementation of a regional plan to combat illiteracy</li> <li>• Promotion of national languages and the oral tradition, including in schools-</li> <li>• Creation of a craft/trade exchange-professional scholarship</li> <li>• Support to vocational training</li> <li>• Promotion of school/business partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Construction and equipping of elementary schools and preschools</li> <li>• Assuming responsibility of support staff</li> <li>• School support</li> <li>• Execution of regional plan to combat illiteracy</li> <li>• Promotion of national languages and the oral tradition, including in the schools</li> <li>• Creation of a craft/trade exchange-professional scholarship</li> <li>• Support to professional training</li> <li>• Promotion of school/business partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Participation and development of the regional section of the national school map</li> <li>• Equipping and maintenance of junior and senior high school and participation in their management</li> <li>• School support</li> <li>• Regional plan to combat illiteracy</li> <li>• Promotion of national languages and the oral tradition, including in the schools</li> <li>• Creation of a craft/trade exchange-professional scholarship</li> <li>• Support to professional training</li> <li>• Promotion of school/business partnership</li> </ul>
7 Planning	<ul style="list-style-type: none"> <li>• Drafting and execution of a local development plan (LDP)</li> </ul>	<ul style="list-style-type: none"> <li>• Development and implementation of a <i>plan communal d'investissements</i> (PCI, communal investment plan)</li> <li>• <i>Contrat-plan</i> (Performance Agreement) with the State to achieve development goals</li> </ul>	<ul style="list-style-type: none"> <li>• Development and implementation of a <i>plan régional de développement intégré</i> (PRDI, regional integrated development plan)</li> <li>• Coordination of development actions of the region</li> <li>• <i>Contrat-plan</i> (Performance Agreement) with the State to achieve development goals</li> </ul>
8 Land development	<ul style="list-style-type: none"> <li>• Opinions on the regional land development plan approved by the state</li> </ul>	<ul style="list-style-type: none"> <li>• Opinions on the regional land development plan approved by the State</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a regional land development plan approved by the state</li> </ul>
9 Urban planning and habitat	<ul style="list-style-type: none"> <li>• Drafting of the following: the Urban Master Plan (PDU); the <i>schéma directeurs d'aménagement et d'urbanisme</i> (SDAU, Master Plan for Urban Development), the detailed urban plans for the joint development areas, urban renovation and regrouping of lands</li> <li>• Subdivision, construction, demolition and fencing permits, urban planning certificates</li> </ul>	<ul style="list-style-type: none"> <li>• Drafting the Urban Master Plan (PDU), the <i>schéma directeurs d'aménagement et d'urbanisme</i> (SDAU, Master Plan for Urban Development), the detailed urban plans for the joint development areas, urban renovation and regrouping of lands</li> <li>• Subdivision, construction and demolition and fencing permits, urban planning certificates</li> <li>• Felling and slaughtering permit</li> <li>• Authorization to set up construction sites and various works</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of <i>schémas directeurs d'aménagement et d'urbanisme</i> (SDAUs, Master Plans for Urban Development)</li> <li>• Support to rural communes and communities</li> </ul>

Sources : PDM/Observatoire de la décentralisation, Etat de la décentralisation en Afrique de l'Ouest

## ANNEX 3

### Distribution of competences and financial resources according to different levels of the local authorities in Mali, Benin and Guinea

Mali—Distribution of competences and financial resources according to different levels of the local authority

N°	MALI	Commune		Cercle/Département		Region	
		Function	Financial Resources	Function	Financial Resources	Function	Financial Resources
1	Economic development	<ul style="list-style-type: none"> <li>• Policy of creating and managing facilities of fairs and markets</li> <li>• Organization of artisanal and tourist activities</li> <li>• Creation and method of managing communal services and economic interventions</li> </ul>	<b>Self-managed taxes and levies</b> <ul style="list-style-type: none"> <li>• Taxe de développement régional et local (TDRL, regional and local development tax) (80%)</li> <li>• Road tax</li> <li>• Impôt sur traitements et salaires (ITS, Tax on salaries and wages) (local authority staff) (80%)</li> <li>• Taxes on carts</li> <li>• Tax on boats</li> <li>• Tax on nightclubs and dance clubs</li> <li>• Taxes on bars and eateries</li> <li>• Tax on livestock (80%)</li> <li>• Tax on firearms (80%)</li> <li>• Tax on mills</li> <li>• Taxes on automatic distributors and gambling machines installed in public places</li> <li>• Road taxes on motorcycles and mopeds (60%)</li> <li>• Bicycle tax</li> <li>• Tax on publicity and poster</li> <li>• Tax on authorizations for shows and amusements</li> <li>• Tax on construction authorization</li> </ul>	<ul style="list-style-type: none"> <li>• Creation and method of managing services and bodies of the cercle and economic interventions</li> </ul>	<b>Self-managed taxes and levies</b> <ul style="list-style-type: none"> <li>• Taxe de développement régional et local (TDRL, regional and local development tax) (15%)</li> <li>• Tax on livestock (15%)</li> <li>• Tax on firearms (15%)</li> <li>• Impôt sur traitements et salaires (ITS, tax on wages and salaries) (staff paid out of the budget of the cercle and from the divisions)</li> <li>• Taxes or vignettes (road tax) on motorcycles (25%)</li> </ul>	<ul style="list-style-type: none"> <li>• Policy of creating and managing equipment in the field of tourism and energy</li> <li>• Creation and method of managing regional services and bodies, and economic interventions</li> <li>• Organization of artisanal and tourist activities</li> </ul>	<b>Self-managed taxes and levies</b> <ul style="list-style-type: none"> <li>• Taxe de développement régional et local (TDRL, Regional and local development tax) (5%)</li> <li>• Livestock tax (5%)</li> <li>• Impôt sur traitements et salaires (ITS, Tax on salaries and wages) (staff paid on the budget of the region and divisions)</li> <li>• Tax or vignettes (road tax) on mopeds (15%)</li> </ul>
2	The environment, natural resource management and exploitation	<ul style="list-style-type: none"> <li>• Public health</li> <li>• Sanitation</li> <li>• Environmental protection and natural resource management</li> </ul>		<ul style="list-style-type: none"> <li>• Environmental protection</li> </ul>		<ul style="list-style-type: none"> <li>• Actions to protect the environment</li> </ul>	



N°	MALI Field	Commune		Cercle/Département		Région	
		Function	Financial Resources	Function	Financial Resources	Function	Financial Resources
3	Urban planning and development	<ul style="list-style-type: none"> <li>Land use plan</li> <li>Development operations of the communal space</li> <li>State property and land management and acquisition of assets</li> <li>Road and communications infrastructure classified in the communal domain</li> <li>Public transportation and traffic plans</li> <li>Opinions on implementation of state development or equipment projects on commune territory</li> </ul>	<p><b>Self-managed taxes and levies (continued)</b></p> <ul style="list-style-type: none"> <li>Exit tax on transport vehicles in the terminals</li> <li>Tax on private use of public property</li> </ul> <p><b>Taxes and duties managed by the State services</b></p> <ul style="list-style-type: none"> <li>Patents and licences (60%)</li> <li>Duties and taxes on authorizations for artisanal gold mining or quarrying (80%)</li> <li>Transfer on felling permit (50%)</li> </ul>	<ul style="list-style-type: none"> <li>Land development operations of the cercle</li> <li>Management of the cercle's domain and acquisition of capital assets</li> <li>Policy of creating and managing road and communications infrastructures classified in the cercle's domain.</li> <li>Opinion on carrying out development projects decided by the State on cercle territory</li> </ul>	<p><b>Taxes and duties managed by the State services</b></p> <ul style="list-style-type: none"> <li>Patents and licences (25%)</li> <li>Authorization Duties and taxes on of artisanal gold-mining, or quarrying (15%)</li> <li>Timber duty (25%)</li> </ul>	<ul style="list-style-type: none"> <li>Regional land management and development plan</li> <li>Management of regional domain and acquisition of capital assets</li> <li>Road and communications infrastructures classified in the domain of the cercle</li> <li>Opinions on construction of development projects decided by the State on cercle territory</li> </ul>	<p><b>Taxes and duties managed by the State services</b></p> <ul style="list-style-type: none"> <li>Patents et licences (15%)</li> <li>Patents and licences (15%)</li> <li>Authorization duties and taxes on artisanal gold mining or quarrying (5%)</li> <li>Timber duty (25%)</li> </ul>
4	Education	<ul style="list-style-type: none"> <li>Policy of creating and managing facilities</li> <li>Pre-school education and literacy</li> <li>First cycle of basic education</li> </ul>	<p><b>Proceeds from state property services, and various services and sales</b></p> <ul style="list-style-type: none"> <li>Charges and revenues for use of state property</li> <li>Concessions, funeral charges and taxes/funeral homes (burials/exhumations)</li> </ul>	<ul style="list-style-type: none"> <li>Policy of creating and managing facilities of the second cycle of basic education</li> </ul>	<p><b>Taxes and duties managed by the State services</b></p>	<ul style="list-style-type: none"> <li>Policy of creating and managing facilities</li> <li>Secondary, general, technical and vocational schooling; specialized education</li> </ul>	

N°	MALI Field	Commune		Cercle/Département		Region	
		Function	Financial Resources	Function	Financial Resources	Function	Financial Resources
5	Health, social and cultural action	<ul style="list-style-type: none"> <li>• Policy of creating and managing facilities: health units, maternity units, community health centres, public health and sanitation, sports, arts and culture</li> </ul>	<p><i>Proceeds from state property services, and various services and sales (cont'd)</i></p> <ul style="list-style-type: none"> <li>• Income from domain services, various services and sales</li> <li>• Fees for parking and occupying public roads</li> <li>• Dues and spaces in markets and fairs (including animals)</li> <li>• Parking dues for taxis and public transport vehicles</li> <li>• Fees for gas pumps</li> <li>• Occupation permits</li> <li>• Public lighting fees</li> </ul>	<ul style="list-style-type: none"> <li>• Policy of creating and managing health centre equipment</li> </ul>		<ul style="list-style-type: none"> <li>• Creation and management of facilities; regional hospitals, solidarity with vulnerable populations</li> </ul>	
6	Hydraulics	<ul style="list-style-type: none"> <li>• Policy of creating and managing facilities of rural or urban hydraulics</li> </ul>	<ul style="list-style-type: none"> <li>• Fees for various services and sales</li> <li>• Fees for household garbage disposal</li> <li>• Charges and fees of cultural, sports and health services</li> <li>• Charges and duties of administrative services</li> <li>• Issuance of civil status documents and copies</li> <li>• Charges and duties of social, pre-school and educational services</li> <li>• Rental of equipment</li> <li>• Youth center rentals</li> </ul>	<ul style="list-style-type: none"> <li>• Policy of creating and managing rural hydraulic facilities</li> </ul>			

N°	MALI Field	Commune		Cercle/Département		Region	
		Function	Financial Resources	Function	Financial Resources	Function	Financial Resources
7	Rural development	<ul style="list-style-type: none"> <li>Organization of rural and agro-silvo-pastoral activities</li> </ul>	<b>Transfer revenues: operations</b> <ul style="list-style-type: none"> <li>General decentralization aid (DGD)</li> <li>Allocation of equalization funds</li> <li>State subsidies</li> <li>Local authorities grants</li> <li>Grants from other bodies</li> <li>Contribution in the operation of kindergartens</li> <li>Contributions for operating primary schools</li> </ul>	<ul style="list-style-type: none"> <li>Organization of rural activities and agro-silvo-pastoral production</li> </ul>		<ul style="list-style-type: none"> <li>Organization of rural productive activities</li> </ul>	
8	Taxation, finances	<ul style="list-style-type: none"> <li>Establishment of remunerative taxes of regional service provision</li> <li>Establishment of taxes for regional services</li> <li>Setting rates of taxes and other communal taxes within the framework of a minimum and maximum set by law</li> <li>Setting of rates of taxes and levies</li> </ul>	<b>Transfer revenues: investment</b> <ul style="list-style-type: none"> <li>Overall investment fund: State and public authorities</li> <li>Minimum allocation (value of integrated capital)</li> <li>Overall investment funds: State and public authorities</li> <li>State investment grants</li> <li>Investment grants of local authorities</li> <li>Investment grants of international and foreign entities</li> <li>Loans and assimilated debts</li> </ul>	<ul style="list-style-type: none"> <li>Setting the rate of taxes and levies</li> </ul>		<ul style="list-style-type: none"> <li>Establishment of remunerative taxes on regional service provisions</li> <li>Setting the rate of taxes and levies in the framework minimum and maximum set by law</li> </ul>	

## Benin—Competences and financial resources of the local authorities

N°	BENIN	Commune	
		Function	Financial Resources
1	<b>Local development; urban development and planning</b>	<ul style="list-style-type: none"> <li>Drafting of planning documents (communal development plan, urban planning, etc.)</li> <li>Issuance of construction and residence permits</li> <li>Control of compliance of works carried out</li> <li>Land use</li> <li>Real estate development</li> <li>Opinions on national completed works located on own territory</li> </ul>	<b><i>Self-managed taxes and levies</i></b> <ul style="list-style-type: none"> <li>Taxes on firearms</li> <li>Grazing fees</li> <li>Taxes on motorized boats and canoes</li> <li>Taxes on shows, games and amusements</li> <li>Taxes on selling fermented beverages</li> </ul>
2	<b>Infrastructure, facilities and transportation</b>	<ul style="list-style-type: none"> <li>Development and management of infrastructure</li> <li>Construction and maintenance of roads, tracks, road signage, public lighting, civil engineering structures</li> <li>Control of the movement of goods and people</li> <li>Building and maintenance of local terminals, landings and local parking</li> <li>Building of local, hydraulic infrastructure</li> <li>Installation of local telecommunication lines, public phone booths, public radio and TV centres</li> <li>Information of the population; broadcasting written bodies of information, installing radio stations and local television</li> </ul>	<ul style="list-style-type: none"> <li>Advertisement tax</li> <li>Postering tax</li> <li>Tax on two-, three- and four-wheeled city taxis</li> <li>Other indirect taxes (collected income)</li> </ul> <b><i>Taxes and levies managed by the state services</i></b> <ul style="list-style-type: none"> <li><i>Taxes de développement local</i> (TDL, local development tax)</li> <li>Land tax on developed and undeveloped land</li> <li>Patents and licences</li> <li>Other direct taxes and assimilated taxes</li> </ul>
3	<b>The environment, hygiene and safety</b>	<ul style="list-style-type: none"> <li>Supply and distribution of drinking water</li> <li>Collection and processing of non-industrial waste</li> <li>Sanitation network</li> <li>Protection against floods</li> <li>Demarcation of uninhabitable areas</li> <li>Creation and management of cemeteries and funeral services</li> <li>Creation and maintenance of green spaces, protection of forests, biodiversity and phreatic groundwater</li> <li>Preservation of conditions of hygiene and health in the production and distribution of drinking water, the perimeter security around catchments, drills and wells, private wastewater sanitation, food hygiene, public places and establishments</li> <li>Notices on the development of mining sites found on communal territory</li> <li>Combat against epidemics, epizootics and endemics</li> <li>Control of private sewerage</li> </ul>	<b><i>Proceeds from assets. public property and services</i></b> <ul style="list-style-type: none"> <li>Transfer duty</li> <li>Proceeds for burial and burial plots</li> <li>Quarrying and mining in the commune</li> <li>Charges for setting up apatams (straw huts) and sheds by the commune</li> <li>Proceeds from forwarding administrative records</li> <li>Proceeds from forwarding civil registrar records</li> <li>Issuances of residence permits</li> <li>Fines issued by the courts</li> <li>Tax on parking in terminal</li> <li>Duties on market spaces</li> <li>Duties on parking</li> <li>Electricity and water fees</li> <li>Tax on garbage collection</li> <li>Charges or fees on removal of debris and materials</li> <li>Taxes on sanitary inspections of food products</li> <li>Tax on felling</li> </ul>

N°	BENIN	Commune	
	Fields	Function	Financial Resources
4	Education	<ul style="list-style-type: none"> <li>• Construction, equipping and maintenance of public primary and maternal education institutions</li> <li>• Promotion of youth education</li> <li>• Construction, reparation, equipping and maintenance of public establishments of secondary education and public centers of vocational training at the communal level (for special status communes)</li> </ul>	<p><b>Transfer revenues: operations</b>  <i>Payments and rebates on taxes and levies</i></p> <ul style="list-style-type: none"> <li>• Tourist tax</li> <li>• Motor vehicle tax</li> <li>• VAT collection collected at customs</li> <li>• Tax on quarrying and mining</li> <li>• Road tax collected at customs</li> <li>• Other payments and rebates on taxes and levies.</li> </ul> <p><i>Subsidies and contributions</i></p> <ul style="list-style-type: none"> <li>• Wage subsidies paid by the State</li> <li>• Substitution subsidy paid by the State</li> <li>• Intercommunity solidarity fund</li> <li>• Other bodies</li> </ul> <p><i>Balancing subsidies</i></p> <ul style="list-style-type: none"> <li>• Balancing subsidy paid by the State</li> <li>• Other balancing subsidies</li> </ul> <p><b>Transfer revenues: investment</b>  <i>Equipment subsidies</i></p> <ul style="list-style-type: none"> <li>• State capital subsidy</li> <li>• Decentralized public communes and authorities</li> <li>• Other public or semi-public enterprises</li> </ul>
5	Literacy and Adult education	<ul style="list-style-type: none"> <li>• Promotion of national languages, written and oral</li> </ul>	
6	Health, social and cultural action	<ul style="list-style-type: none"> <li>• Construction, reparation, equipping and maintenance of public health centres and social promotion at the level of the <i>arrondissement</i>, the village or city neighbourhood</li> <li>• Construction, reparation, equipping and maintenance of public, cultural, youth, sports and leisure infrastructure at the level of the <i>arrondissement</i>, the village and city neighbourhood</li> <li>• Material and financial assistance to structures in charge of leading cultural, sports, youth and leisure activities</li> <li>• Assistance to the underprivileged and disaster victims</li> <li>• Conservation of local cultural heritage</li> </ul>	
7	Market services and economic investments	<ul style="list-style-type: none"> <li>• Construction, equipping and maintenance of markets and slaughterhouses</li> <li>• Promotion of tourisms and investment</li> <li>• Development of industrial areas and artisanal areas for promoting the setting up of land development of economic activities</li> </ul>	
8	Safety and security	<ul style="list-style-type: none"> <li>• Administrative control: safety and security, noise control, sanitation and public order</li> <li>• Approval of annual security plan and combat against delinquency and criminality</li> </ul>	
9	State registry	<ul style="list-style-type: none"> <li>• Receipt of birth, marriage, death certificates, etc.</li> <li>• Weddings</li> <li>• Transcription of supplementary judgments and all documents, and issuance of extracts</li> <li>• Legalization and certification of records</li> <li>• Others</li> </ul>	
10	Finances	<ul style="list-style-type: none"> <li>• Determination of the development tax base</li> <li>• Setting of rates of local taxes and levies</li> <li>• Voting on and implementation of the commune budget</li> </ul>	

Sources: PDM/Observatoire de la décentralisation, Etat de la décentralisation en Afrique de l'Ouest

## Guinea—Competences and financial resources of the local authorities

N°	GUINEA	Commune/Rural Development Authority (RDA)	
	Fields	Function	Financial Resources
1	Local development and planning	<ul style="list-style-type: none"> <li>Development and implementation of investment programmes and grassroots development actions financed by own funds, public funds or loan funds</li> <li>Opinions on national works completed located on its territory</li> </ul>	<p><b>Self-managed taxes and levies</b></p> <ul style="list-style-type: none"> <li><i>Impôt minimum de développement local local</i> (IMDL, local, minimum development tax)</li> </ul> <p><b>Taxes and levies managed by the state services</b></p>
2	Roads, public places and highways	<ul style="list-style-type: none"> <li>Construction and maintenance of roads, public places and buildings</li> <li>Classification, declassification and modification of public roads and places as well as highways connecting districts that make up the RDA</li> <li>Creation and set-up of livestock paths within the RDA</li> <li>Naming of public places and buildings (commune)</li> </ul>	<ul style="list-style-type: none"> <li>Tax on firearms</li> <li>Tax on goods</li> <li>Single professional tax (TPU) (80%)</li> <li>Slaughtering tax</li> <li>Licence</li> <li>Single land tax (CFU) (80%)</li> <li>Tax on artisanal and traditional fishing</li> <li>Tax on livestock penning</li> <li>Fees on mines and quarries (60%)</li> <li>Forestry royalties (40%)</li> <li>Topographical fees</li> </ul>
3	The environment, public health and sanitation	<ul style="list-style-type: none"> <li>System and method of access to using all types of water points</li> <li>Protection and combat against pests</li> <li>Fire-fighting and the practice of crop burning practices</li> <li>Creation, transfer and expansion of cemeteries and acquiring necessary lands to this end</li> </ul>	<p><b>Income/revenue from state property, assets and various revenues from service provision</b></p> <ul style="list-style-type: none"> <li>Civil status tax</li> <li>Health and sanitation tax</li> <li>Tax on shows and popular amusements</li> <li>Equipment tax</li> <li>Fines</li> <li>Dues on market spaces</li> <li>Rental fees of kiosks</li> </ul>
4	Community domain	<ul style="list-style-type: none"> <li>Construction and management of infrastructure</li> <li>Management of community property and assets</li> <li>Acceptance or refusal of donations and legacies</li> <li>Acquisition of buildings, projects, construction plans and agreements and major repairs (commune)</li> </ul>	<ul style="list-style-type: none"> <li>Motor vehicle parking fees</li> <li>Pound duties and income</li> <li>Proceeds from transfer of real estate and assets</li> <li>Sale of products or services</li> <li>Furniture and land rental</li> <li>Slaughterhouse fees</li> <li>Other operating revenues</li> </ul>
5	Intervention in the economic and social field	<ul style="list-style-type: none"> <li>Creation, management, modification or abolishment of markets and fairs (commune)</li> <li>Organization, both directly and indirectly, of enterprises whose goal is to develop projects, carry out works having a public interest or using public services, the provision of board and lodging of the population, aid institutions, hygiene and social security (commune)</li> <li>Creation, organization of communal public services with an industrial, commercial or social nature</li> </ul>	<p><b>Transfer revenues: operations</b></p> <ul style="list-style-type: none"> <li>Rebates granted by the State (specific subsidies, state operating subsidies)</li> </ul>

N°	GUINEA	Commune/Rural Development Authority (RDA)	
	Domaines	Function	Financial Resources
6	Civil status records and census	<ul style="list-style-type: none"> <li>• Fee for sworn statements of births, marriages, death, etc.</li> <li>• Weddings</li> <li>• Transcriptions of supplementary judgments and all documents and issuances of extracts</li> <li>• Census of the RDA population</li> <li>• Others</li> </ul>	<b>Transfer revenues: investment</b> <ul style="list-style-type: none"> <li>• Allocation received</li> <li>• Grants received</li> <li>• Donations and legacies</li> <li>• Public and assistance funds (State, other local authorities and national bodies, international bodies)</li> <li>• Loans (income from loan capital)</li> </ul>
7	Taxation and finances	<ul style="list-style-type: none"> <li>• Drafting and adoption of the community budget as well as all modifications</li> <li>• Creating, pricing and methods of collecting local taxes levies and duties in conditions set by the laws and regulations</li> <li>• Amount, duration, guarantee and methods of paying back loans</li> <li>• Creation of revenue boards as well as regulations on their organization and operations</li> </ul>	

## ANNEX 4

### Data related to the decentralization context in West African countries

	BENIN	BURKINA FASO	COTE D'IVOIRE	GHANA	GUINEA	MALI	NIGERIA	SENEGAL
Local authorities	<ul style="list-style-type: none"> <li>• 77 communes</li> </ul>	<ul style="list-style-type: none"> <li>• 13 regions</li> <li>• 47 communes</li> <li>• 302 rural communes</li> </ul>	<ul style="list-style-type: none"> <li>• 10 regions</li> <li>• 197 communes</li> </ul>	<ul style="list-style-type: none"> <li>• 110 communes (3 Metropolitan Assemblies, 4 Municipal Assemblies and 103 District Assemblies)</li> </ul>	<ul style="list-style-type: none"> <li>• 341 communes (38 communes urbaines and 303 RDAs)</li> </ul>	<ul style="list-style-type: none"> <li>• 10 regions</li> <li>• 49 <i>cerdes</i></li> <li>• 703 communes</li> </ul>	<ul style="list-style-type: none"> <li>• 774 communes (local governments)</li> </ul>	<ul style="list-style-type: none"> <li>• 10 regions</li> <li>• 368 communes (communes and rural authorities)</li> </ul>
Administrative constituencies/deconcentration	<ul style="list-style-type: none"> <li>• 12 départements</li> </ul>	<ul style="list-style-type: none"> <li>• 13 regions</li> <li>• 45 provinces</li> <li>• 350 départements</li> </ul>	<ul style="list-style-type: none"> <li>• 16 regions</li> <li>• 58 départements</li> <li>• 231 sub-préfectures</li> </ul>		<ul style="list-style-type: none"> <li>• 7 administrative regions</li> <li>• 33 prefectures</li> <li>• 302 sub-préfectures</li> </ul>			<p>Three levels of concentration:</p> <ul style="list-style-type: none"> <li>• 11 regions</li> <li>• 30 départements</li> <li>• Arrondissements</li> </ul>
Competences of local authorities	<ul style="list-style-type: none"> <li>• Local development and planning</li> <li>• Infrastructure, facilities and transportation</li> <li>• The environment, health and sanitation</li> <li>• Primary and maternal education</li> <li>• Adult literacy and education</li> <li>• Health, social and cultural action</li> <li>• Market services and investments</li> </ul>		<ul style="list-style-type: none"> <li>• Veterinarian health and hygiene</li> <li>• Education</li> <li>• Urban planning and construction</li> <li>• Culture and social actions</li> <li>• The environment and drinking water</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and promotion of local development</li> <li>• Development of infrastructure and promotion of employment</li> <li>• Promotion of the habitat and environmental protection</li> <li>• Maintenance of security in collaboration with the decentralized state services</li> <li>• Facilitation of access to courts and tribunals to promote justice</li> </ul>	<ul style="list-style-type: none"> <li>• Planning of development</li> <li>• Civil registry</li> <li>• Construction of visitor facilities for local economic operators</li> <li>• Urban planning</li> <li>• Creation and management of cemeteries</li> <li>• Combat against fires</li> <li>• Contribution to management of socio-collective infrastructure</li> </ul>		<p>Exclusively local competences</p> <ul style="list-style-type: none"> <li>• Creation and maintenance of cemeteries, retirement homes or hospices for invalids</li> <li>• Issuing of licences for bicycles, harnessed coaches, pirogues, carts and ploughs</li> <li>• Construction and maintenance of routes, roads, public lighting, drains, public parks and gardens, public spaces</li> </ul>	<ul style="list-style-type: none"> <li>• Land development</li> <li>• Urban planning and the habitat</li> <li>• The environment and natural resource management</li> <li>• Education, literacy, promotion of national languages and vocational training</li> <li>• Culture</li> <li>• Youth, sports and leisure</li> <li>• Health, population and social action</li> <li>• Planning</li> <li>• Culture</li> </ul>



BENIN	BURKINA FASO	COTE D'IVOIRE	GHANA	GUINEA	MALI	NIGERIA	SENEGAL
Competences of local authorities						<ul style="list-style-type: none"> <li>• Creation, maintenance and surveillance of slaughterhouses, slaughtering tables, markets, car parking lots and promenades</li> <li>• Addressing roads and properties</li> <li>• Civil registration</li> <li>• Control of advertising, small entrepreneurs, restaurants, bakeries, laundries, liquor sales</li> </ul>	
						<p>Competences in participating in the federated administration</p> <ul style="list-style-type: none"> <li>• Supply and maintenance of primary, adult and vocational educational services</li> <li>• Supply and maintenance of health services</li> <li>• Agricultural development and natural resources exploitation other than mining resources</li> </ul>	

	BENIN	BURKINA FASO	COTE D'IVOIRE	GHANA	GUINEA	MALI	NIGERIA	SENEGAL
<b>Transfer of state competences to local authorities</b>	<ul style="list-style-type: none"> <li>• Transfer is still very partial</li> <li>• Large number of competences of local authorities continue to be exercised by the sectoral ministries</li> </ul>		<ul style="list-style-type: none"> <li>• General clause on competences</li> <li>• Weak progress</li> <li>• Gradual transfer of competences in education</li> </ul>	<ul style="list-style-type: none"> <li>• Effective transfer of competences</li> <li>• All the services, including those of divisions of ministers under the authority of the local authority (district)</li> </ul>	<ul style="list-style-type: none"> <li>• Principle of general competence of local council</li> <li>• The ministerial départements continue to exercise several competences conferred on the local authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Planned but not yet effective transfer</li> <li>• Identification of laws on transferable competences in health, education and hydraulics</li> </ul>	<ul style="list-style-type: none"> <li>• Effective transfer</li> <li>• The Constitution lists a group of competences that each federated state must incorporate into its legislation for the benefit of the local authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Principe de compétence générale des CL en matière locale</li> <li>• Transfert et répartition des compétences prévus par la loi</li> </ul>
<b>Transfer of state resources</b>	<ul style="list-style-type: none"> <li>• Principle of concomitant transfer of resources not provided by law</li> <li>• Rebate to communes of a part of the state taxation (value-added tax, road tax, tax on state grants or subsidies)</li> </ul>		<ul style="list-style-type: none"> <li>• General operating grant</li> <li>• Grants</li> </ul>	<p><b>Allocations</b></p> <ul style="list-style-type: none"> <li>• (5 to 7% of national revenue of the District Assembly Common Fund, Assuming responsibility for local staff wages)</li> <li>• Share of use and sale of raw materials (wood, mining resources, etc.)</li> <li>• Public funds from lottery companies</li> <li>• Public funds from donors</li> </ul>	<ul style="list-style-type: none"> <li>• Almost inexistent and exceptional</li> <li>• Lack of clear and systematic policy of State financial support</li> </ul>		<ul style="list-style-type: none"> <li>• Constitutional principal of automatic financial transfer of the federal budget to local budgets</li> </ul> <p><i>Fonds de dotation des collectivités</i> (Endowment funds of the local authorities) at the level of each federated state supplied by: a percentage (minimum 20%) of budgetary revenues of the federal state and a share of budgetary revenues of the federated State</p>	

	BENIN	BURKINA FASO	COTE D'IVOIRE	GHANA	GUINEA	MALI	NIGERIA	SENEGAL
Transfer of state resources (cont'd)				<ul style="list-style-type: none"> <li>• Fiscal transfers</li> <li>• Taxes on leisure, gambling, casinos, stock market, activities, transportation and registration fees</li> </ul>			<p>These funds are placed in an account called, "Senate Government Joint Account" are divided among local authorities according to a formula decreed by the Federal Parliament, "the allocation formula" that takes into account criteria of equalization, demographics, the extent of the territory and the efforts in resource mobilization</p> <ul style="list-style-type: none"> <li>• Specific allocations and public funds of the federal and federalized levels and of various bodies</li> <li>• Rebate on a part of VAT income</li> </ul>	
Local revenues/ state revenues (average)	5%	5.5%	6%			4.5%		

	BENIN	BURKINA FASO	COTE D'IVOIRE	GHANA	GUINEA	MALI	NIGERIA	SENEGAL
Self-managed local funds			<ul style="list-style-type: none"> <li>Local taxes (property tax, patents and licences, presumptive taxes, additional taxes)</li> <li>Local taxes</li> <li>(tax for household garbage collection, duties on market spaces, etc.)</li> </ul>	<b>Taxation</b> <ul style="list-style-type: none"> <li>Fees (fees for occupying local public or private property, special dues, tax on land property, etc.)</li> <li>Income from use of domains</li> <li>Market services and various expenses</li> <li>Tax on livestock and slaughtering fees</li> <li>Tax on markets, stalls and small businesses</li> <li>Crops, with the exception of cocoa, coffee and cotton</li> <li>Licences</li> </ul> <b>Economic activities</b> <ul style="list-style-type: none"> <li>Participation au capital des entreprises commerciales</li> <li>Emprunts</li> </ul>	Revenues completely transferred to the local authorities <ul style="list-style-type: none"> <li>Tax on firearms</li> <li>Tax on shows</li> <li>Civil status tax</li> <li>Tax on carts</li> <li>Slaughtering tax</li> <li>Tax on occupying market spaces</li> <li>Tax on livestock penning</li> <li>Tax on vehicle parking</li> <li>Tax on inhumation and impounding</li> <li>Minimum local development tax</li> </ul> <b>Revenue shared by the State and the local authorities</b> <ul style="list-style-type: none"> <li>Single professional tax</li> <li>Single land tax</li> <li>Single tax on vehicles</li> </ul>		Local taxation and miscellaneous income <ul style="list-style-type: none"> <li>Local taxes</li> <li>Fees on patents and licences</li> <li>Various fees and revenue of local, industrial and commercial public services</li> </ul>	

	BENIN	BURKINA FASO	COTE D'IVOIRE	GHANA	GUINEA	MALI	NIGERIA	SENEGAL
Local investment financing		<ul style="list-style-type: none"> <li>Overall investment grant</li> <li>Solidarity funds</li> </ul> <p>NB: Poorly operating or uncertain allocations</p>	<p>Cash flow (30% of operating revenues)</p> <ul style="list-style-type: none"> <li>A limited access loan fund to local authorities</li> </ul>	<ul style="list-style-type: none"> <li><b>Common Fund Transfers</b> divided as follows:               <ul style="list-style-type: none"> <li>Productive and income-generating investment, credit to micro-projects and local SME/SMI (10%), community mutual aid projects (10%), support to improving the habitat (5%), rural electrification (3%), school grants and funds (10%), training and capacity building (2%), natural disasters (5%)</li> </ul> </li> </ul>	Cash flow (65%)	<p>Annual budgetary operating allocation</p> <p><i>Fonds d'investissement des collectivités territoriales (FICT, local authority investment funds)</i></p>	<p>Financial transfers of the Federal State (minimum part of budgetary revenues) to the local authorities and according to the regulations, aimed to cover as a priority the collective investment and equipment expenditures and the support of basic services.</p> <p>Very weak cash flow capacity of the local authorities related to the weakness of local revenues mobilized</p>	<p><i>Fonds d'équipement des collectivités locales (FECL, Equipment funds of the local authorities)</i></p> <ul style="list-style-type: none"> <li>Regular public funding allocated on the basis of staff charges and investment rates on own funds</li> <li>Special public funds allocated on the basis of tax collection rate</li> </ul>

## ANNEX 5

### Comparative data on the competences of the local authorities in West Africa

BENIN	BURKINA FASO	COTE D'IVOIRE	GHANA	GUINEA	MALI	SENEGAL	NIGERIA
Local development and planning	Land and property development and urban planning	Urban planning and construction	Planning and promotion of local development	Planning and construction of development projects	Urban planning and development	<ul style="list-style-type: none"> <li>Land development</li> <li>Planning</li> </ul>	Economic and social development
Infrastructure, facilities and transportation	Economic development and planning		Development of infrastructure and promotion of employment	Roads, public places and tracks (classification, construction and maintenance)	Economic development	Urban planning and the habitat	Construction and maintenance of highways, roads, public lighting, drains, public parks and gardens, public spaces
The environment, health and sanitation	The environment and natural resource management	The environment and drinking water	Promotion of the habitat and environmental protection	Environmental protection	The environment, natural resources use and management	The environment, natural resources management	Control of advertisement, small business, restaurants, bakeries, laundries and liquor sales
Primary and maternal education	Education, vocational training and literacy	Education		Construction and maintenance of collective infrastructure of a social nature	Education	Education, literacy, promotion of national languages and vocational training	Supply and maintenance of primary, adult and vocational educational services
Literacy and adult education	Culture, sports and leisure	Culture and social action				<ul style="list-style-type: none"> <li>Youth, sports and leisure</li> <li>Culture</li> </ul>	
Health, social and cultural action	Health and hygiene	Veterinary health and hygiene	Maintenance of security in collaboration with the deconcentrated state services	Public health and hygiene	Health, social and cultural action	Health, population and social action	Supply and maintenance of health services

BENIN	BURKINA FASO	COTE D'IVOIRE	GHANA	GUINEA	MALI	SENEGAL	NIGERIA
Market services and investment	Markets, slaughterhouses and fairs		Facilitation of access to courts and tribunals for promoting justice	Creation, management and development of economic infrastructures (markets, fairs, etc.)	Rural development		Creation, maintenance and control of slaughterhouses, slaughtering tables, markets, car parks and promenade spaces
	Funeral homes and cemeteries			<ul style="list-style-type: none"> <li>Hydraulics, access and utilization of water points</li> <li>Creation and management of cemeteries</li> </ul>	Hydraulics		Agricultural development and national resources exploitation other than mining resources
	Water and electricity			Taxation, finances	Taxation, finances		Allocation of bicycles permits, canoes, carts and ploughs
				Management of property and assets			Addressing roads and buildings
	Emergency preparedness, assistance and response			Emergency preparedness			Creation and maintenance of cemeteries, retirement homes or hospices for invalids
				Civil status records and census			civil status records

## ANNEX 6

### Guinea/Siguiri/Kouroussa — Identity records on economic development hubs

Description	KINTINIAN HUB	
General outline	Number of RDAs	3 RDAs (Kintinian, Franwalia and Naboun)
	Surface area	7 589 km <sup>2</sup>
	Estimated population	66 614 inhabitants
	Geographic situation	Located north of the Siguiri Prefecture
Main characteristics		<ul style="list-style-type: none"> <li>• Development of a hub on the basis of the following potentials: large gold resources; tourism (historical heritage and cultural); agricultural potential (large area under cultivation with different types of soils adapted to a great variety of crops); agro-industrial potential (crops and products of industrial gathering), and fish potential (surface water resources)</li> <li>• Constraints related to gold mining (deforestation, soil degradation, water pollution, etc.) and to the Tinkisso River and other watercourses (flooding, etc.)</li> </ul>
Fields of common interest (issues of inter-community cooperation)	Physical and natural level	<ul style="list-style-type: none"> <li>• Environmental protection and the combat against deforestation and desertification</li> </ul>
	Socio-anthropological, cultural and historical level	<ul style="list-style-type: none"> <li>• Development of solidarity links among the communities based on history, close socio-economic relations and past common actions experiences</li> </ul>
	Economic level	<ul style="list-style-type: none"> <li>• Intensification of crops on coastal lands, lowlands and flood-plains, and access of rural people to agricultural materials and inputs</li> <li>• Proximity to the Siguiri market and sale strategy of main crops (peanuts and maize)</li> <li>• Development of the lowlands, plains and water control for the crops</li> <li>• Opening up of production areas and trading markets</li> <li>• Development of craft production in support of agriculture</li> <li>• Development of agro-industrial potential</li> <li>• Combat against wandering of animals in the cropping period</li> <li>• Combat against exodus of youth during the crop season</li> <li>• Rehabilitation of roads and tracks to access Doko and the town of Siguiri</li> <li>• Urban development of the Kintinian-hub as a <i>pôle relais</i> (urban/rural intermediary centre) of the town of Siguiri</li> </ul>



Description	NORASSOBA HUB	
General outline	Number of RDAs	4 RDAs (Norassoba, Noukounkan, Kiniébakoura, Niandankoro)
	Surface area	10 567 km <sup>2</sup>
	Estimated population	75 040 inhabitants
	Geographical situation	Located south of the Siguiri Prefecture
Main characteristics		<ul style="list-style-type: none"> <li>• Development of a hub on the basis of agricultural <b>potential</b> linked to the proximity of the Niger River (vast plains and lowlands adopted to rice cropping and market gardening, vast grazing lands for livestock farming); agro-industrial potential (crops and products of industrial harvesting); and fish potential (well-stocked fishing areas).</li> <li>• <b>Constraints</b> linked to the proximity of the Niger River and other watercourses (flooding, etc.)</li> </ul>
Fields of common interest (issues of inter-community cooperation)	Physical and natural	<ul style="list-style-type: none"> <li>• Environmental protection and the combat against deforestation and desertification</li> </ul>
	Socio-anthropological, cultural and historical	<ul style="list-style-type: none"> <li>• Developing solidarity links between communities based on history, close socio-economic and politico-administrative relations and to previous experiences in commune actions in the old developed plains</li> </ul>
	Economic level	<ul style="list-style-type: none"> <li>• Intensification of crops of floodplains (rainfed lowland rice growing, market gardening and others) and rural people's access to agricultural materials and inputs</li> <li>• Development of lowlands, plains and water control for crops</li> <li>• Proximity of the Siguiri market and sale strategy of main crops (cassava, peanut, rice, potato)</li> <li>• Opening up of production areas and trading markets</li> <li>• Development of craft production in support of agriculture</li> <li>• Development of agro-industrial potential</li> <li>• Combat against free running of animals during the crop season</li> <li>• Strengthening of the opening of a hub in the prefectures of Kouroussa, Kankan and the town of Siguiri by rehabilitation (asphalting) the national road—Kouroussa-Balato-Doura-Norassoba-Noukounkan-Niandankoro</li> </ul>

Description	SIGURINI HUB	
General outline	Number of RDAs	2 RDAs (Siguirini, Maleah)
	Surface area	5 239 km <sup>2</sup>
	Estimated population	49 547 inhabitants
	Geographical situation	Located in the west of the Siguiri Prefecture
Main characteristics		<ul style="list-style-type: none"> <li>• Development of the hub on the basis of <b>potentials</b>: gold mining; agricultural (large surface area under cultivation with different types of soil adopted to varied crops); agro-industrial (crops and productions of industrial collection); and fishing (surface water resources)</li> <li>• <b>Constraints</b> linked to gold mining (deforestation, soil degradation, water pollution, etc.) and the Bafing River and other watercourses (flooding, etc.)</li> </ul>
Fields of common interest (issues of inter-community cooperation)	The physical and natural level	<ul style="list-style-type: none"> <li>• Environmental protection and the combat against deforestation and desertification</li> </ul>
	The socio-anthropological, cultural and historical level	<ul style="list-style-type: none"> <li>• Development of solidarity links between communities based on history and close social relations (traditional Dialonké identity) and to past experience in common actions (combat against isolation and usability of the Siguirini road, management of natural resources on the border strip of Guinea-Mali)</li> </ul>
	Economic level	<ul style="list-style-type: none"> <li>• Distance from Siguiri market and sale strategy of main crops (peanut and maize)</li> <li>• Intensification of cropping on hillside, lowlands and plains, access of rural people to agricultural materials and inputs</li> <li>• Distance of Siguiri market and sale strategy of major commercial enterprises (peanut and maize)</li> <li>• Development of lowlands, plains and water management for crops</li> <li>• Opening up of production areas and trading markets</li> <li>• Development of crafts production in support of agriculture</li> <li>• Development agro-industrial potential</li> <li>• Combat against the wandering of animals in the cropping period</li> <li>• Combat against exodus of youth during the agricultural season</li> <li>• Rehabilitation of roads and tracks for the opening towards Kintinian, the town of Siguiri and the Prefecture of Dinguiraye</li> </ul>

Description	BARO HUB	
General outline	Number of RDAs	5 RDAs (Baro, Babila, Koumana, Balato, Doura)
	Surface area	3 262 km <sup>2</sup>
	Estimated population	32 479 inhabitants
	Geographical situation	Located east of the Kouroussa Prefecture
Main characteristics		<ul style="list-style-type: none"> <li>• Development of a hub on the basis of <b>potentials</b>: cultural and touristic (pond festivals); agricultural (large surface area of plains and lowlands under cultivation favourable to rather varied crops); mining (gold deposit potential); and fishing (water surface resources)</li> <li>• <b>Constraints</b> linked to gold mining (deforestation, soil degradation, water pollution, etc.) and the proximity of the Niger River and other watercourses (flooding, etc.)</li> </ul>
Fields of common interest (issues of inter-community cooperation)	The physical and natural level	<ul style="list-style-type: none"> <li>• Environmental protection and the combat against deforestation and desertification</li> </ul>
	The socio-anthropological, cultural and historical level	<ul style="list-style-type: none"> <li>• Development of solidarity links between the communities based on history, socio-cultural and political relations and previous experiences of communal action in the old managed plains</li> </ul>
	Economic level	<ul style="list-style-type: none"> <li>• Development of tourist potential related to the <i>fêtes des mares</i> (pond festivals);</li> <li>• Intensification of floodplain crops (Rainfed lowland rice growing crops, market gardening and others) and access of rural people to agricultural materials and inputs</li> <li>• Access to important trading markets</li> <li>• Management of lowlands, plains and control of water for crops</li> <li>• Proximity of the Kouroussa market and the sale strategy for major commercial enterprises (rice, peanuts, cassava)</li> <li>• Permanent usability of the national Kouroussa-Siguiri road</li> <li>• Development of agro-industrial potential</li> <li>• Combat against destruction of crops by wandering animals</li> <li>• Promotion of mining and quarrying</li> <li>• Support to main market gardening activity of women</li> </ul>

Description	CISSELA HUB	
General outline	Number of RDAs	3 RDAs (Cisséla, Komolakoura and Sanguiana)
	Surface area	4 555 km <sup>2</sup>
	Estimated population	55 231 inhabitants
	Geographic situation	Located west of the Kouroussa Prefecture
Main characteristics		<ul style="list-style-type: none"> <li>• Development of a hub on the basis of <b>potentials</b>: agricultural (large cultivable surface area on hillsides and lowlands), agro-industrial potential (industrial collection of crops and products); forestry (<i>parc du Haut Niger</i>); and commercial activities related to the large Fadoussaba market (regional market).</li> <li>• <b>Constraints</b> related to poor cropping practices</li> </ul>
Fields of common interest (issues of inter-community cooperation)	Physical and natural level	<ul style="list-style-type: none"> <li>• Environmental protection and combat against deforestation and desertification</li> </ul>
	Socio-anthropological, cultural and historical level	<ul style="list-style-type: none"> <li>• Development of solidarity links between communities based on history, close socio-economic relations and previous communal action experiences</li> </ul>
	Economic level	<ul style="list-style-type: none"> <li>• Intensification of crops on hillsides, lowlands and exposed plains and access of rural people to agricultural equipment and inputs</li> <li>• The Fadoussaba market and marketing of agricultural products</li> <li>• Development of the lowlands, plains and water control for crops</li> <li>• Opening up of production areas (producing districts)</li> <li>• Development of crafts production in support of agriculture</li> <li>• Development of agro-industrial potential</li> <li>• Combat against wandering animals in the cropping period</li> <li>• Rehabilitation of roads and tracks for permanent access to the Fadoussaba market, the permanent practicability of main access roads between the three RDAs and the town of Kouroussa</li> </ul>

Description	KINIERO HUB	
General outline	Number of RDAs	3 RDAs (Kiniéro, Banfèlè, Douako)
	Surface area	5 722 km <sup>2</sup>
	Estimated population	46 300 inhabitants
	Geographic situation	Located south of the prefecture of Kouroussa
Main characteristics		<ul style="list-style-type: none"> <li>• Development of a hub of the basis of <b>potentials</b>: gold mining potential, agricultural potential (large cultivatable surface area with different type of soil adapted to quite varied crops), agro-industrial (crops and income from industrial gathering), and fishing (resources on the water surface)</li> <li>• <b>Constraints</b> related to gold mining (deforestation, soil degradation, water pollution, etc.) and to the density of the water network (flooding, etc.)</li> </ul>
Fields of common interest (issues of inter-community cooperation)	Physical and natural level	<ul style="list-style-type: none"> <li>• Protection de l'environnement et lutte contre la déforestation et la désertification</li> </ul>
	Socio-anthropological, cultural and historical level	<ul style="list-style-type: none"> <li>• Environmental protection and combat against deforestation and desertification</li> </ul>
	Economic level	<ul style="list-style-type: none"> <li>• Intensification of hillside, lowland and floodplain crops and access of rural people to agricultural materials and inputs</li> <li>• Industrial gold mining</li> <li>• Trading of agricultural production on the Kouroussa market, the crossing of Niandah and the state of permanent usability the Kiniéro-Banfèlè-Douako road</li> <li>• Management of lowlands, plains and water control for crops</li> <li>• Opening up of production areas</li> <li>• Development of crafts production in support to agriculture</li> <li>• Development of agro-industrial potential</li> <li>• Combat against the exodus of youth during the cropping seasons</li> </ul>

## ANNEX 7

### Mali/Rural Commune of Fakala – Matrices of basic simulation of revenues and budgetary expenditures (high, middle and low scenarios)

Fakala Commune : Basic simulation of budgetary revenues—high scenario

TYPE OF REVENUE	Average Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Average growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Average budget growth	Multiplier coefficient
<b>A - LOCAL REVENUE</b>	<b>8,279,883</b>	<b>7,124,292</b>	<b>11,059,389</b>	<b>33.6%</b>	<b>135,831,720</b>	<b>77.5%</b>	<b>78.3%</b>		<b>87,139,214</b>		<b>83,113,784</b>	<b>1066.6%</b>	<b>10.0</b>
Tax revenues	5,715,031	5,973,477	10,357,017	81.2%	56,485,970	75.0%	76.6%		35,941,934		31,916,504	434.3%	5.6
Taxes and levies managed by the Commune	5,623,127	5,973,477	10,357,017	84.2%	45,977,870	75.0%	73.1%		29,539,458		25,514,028	327.1%	4.5
Regional and local development tax (TDRL)	4,697,518	5,562,437	8,681,106	84.8%	13,233,943	90%	90%	Effective registration of all taxable persons according to the census records, including government officials	10,719,494	80%	8,575,595	54.2%	1.8
Road network tax	3,125		1,045,300	33349.6%	8,056,378	80.0%	60.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law—Applying rates according to CC deliberation	3,867,061	100.0%	3,867,061	123646.0%	1237.5
Tax on wages and salaries ITS (local authority staff)	14,712			-100.0%					15,448				
Taxes on carts	35350	75000	167,000	372.4%	3,770,385	75.0%	80.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law—Applying rates according to CC deliberation	2,262,231	80.0%	1,809,785	5019.6%	51.2
Tax on boats	0												
Tax on nightclubs and dancing establishments	0												
Taxes on bars and eateries	0												

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Livestock tax	168,006	286,665	86,881	-48.3%	2,837,400	55.0%	65.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law —Applying rates according to CC deliberation	1,014,371	80.0%	811,496	383.0%	4.8
Firearms tax	70,458	41,875	31,430	-55.4%	1,772,403	55.0%	60.0%	IDEM	584,893	80.0%	467,914	564.1%	6.6
Tax on mills	9,375	7,500	10,500	12.0%					9,380	100.0%	9,380	5.0%	1.0
Taxes on issuing the gold permit	0												
Taxes on automatic distributor and game machines installed in public places	0												
Taxes or road taxes on motorcycles	622,083		250,800	-59.7%	4,395,560	80.0%	75.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law —Applying rates according to CC deliberation	2,637,336	60.0%	1,582,401	154.4%	2.5
Taxes or road taxes on bicycles					1,181,602	75.0%	75.0%	IDEM	664,651	100.0%	664,651		
Tax on advertising and poster	0												
Tax on authorizations on shows and amusements	0							To be organized					
Tax on construction authorization	0		37,000						38,850				

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Av. budget growth
Exit tax on transport vehicles in the terminals	2,500		47,000	1780.0%	10,730,200	90.0%	80.0%	Collaboration with the drivers' union and setting up of a suitable delegated management method	7,725,744	100.0%	7,725,744	308929.8%	3090.3
Tax on private use of the public domain	0												
Taxes and levies managed by the decentralized State services, in which a share of income is earmarked for the Commune	91,904	0	0	-100.0%	10,508,100	75.0%	80.0%	0	6,402,476		6,402,476	6866.5%	69.7
Patents	67,500			0									
Licences	0		0	0									
Licence taxes	0		0	0	10,508,100	75.0%	80.0%	Maintenance of the current distribution key of the presump- tive tax income	6,304,860	100.0%	6,304,860		
Additional tax on mining and quarrying	0		0	0									
Taxes and levies managed by the decentralized State services, in which a share of income is earmarked for the Com- mune	24,404			0				Greater involvement of the commune in the follow-up of activities, trans- parency of decon- centrated services concerned in the transfer of the communal share	97,616		97,616	300.0%	4.0



TYPE OF REVENUE	Average Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Average growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Average budget growth	Multiplier coefficient
Income from domain services and various services and sales	2,564,852	1,150,815	702,372	-72.6%	79,345,750	80.0%	80.0%	0	51,197,280		51,197,280	1896.1%	20.0
Income from domain services and various services and sales directly managed by the Commune	2,564,852	1,150,815	702,372	-72.6%	79,345,750	80.0%	80.0%	0	51,197,280		51,197,280	1896.1%	20.0
Sale from forest crops and products	53,130	91,950	0	-100.0%									
Fees and revenues from the use of the domain	0		0										
Licences, fees and taxes on funerals/funeral homes (inhumations/exhumations)	0		0										
Fees on parking and occupying public roads	0		0										
Dues on stalls in markets in fairs (including animals)	189,274	279,505	74,115	-60.8%	79,345,750	80.0%	80.0%	Current state of the market with the set-up of a suitable delegated management method, including a livestock market	50,781,280	100.0%	50,781,280	26729.5%	268.3
Parking dues on taxis and public transport vehicles	0							Collaboration with the drivers' union and effective collection of this tax					
Fees on gas pumps	0												
Sale of water	0												
Occupancy permit	0												
Fees on public lighting	0		60,000										

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Accrois budget base/moy	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Other fees and revenues on use of domain	18,150			-100.0%									
Works for third parties	0												
Provision of services	106,667			-100.0%									
Fees on household garbage collection	1,313			-100.0%									
Fees and duties on cultural services	0												
Fees and duties on sports services	0												
Fees and dues on health services	0												
Fees on latrines	0												
Health fees, insect control	0												
Other fees and duties on health services	0												
Fees and duties on administrative services	0												
Authentication of signa- tures	4,125		25,000	506.1%									0.0
Family record books	0												
Issuance of civil status documents and copies	10,500	12,000	24,000	128.6%				ntensification of actions promoting civil status services; implementation of action plans	144,000	100.0%	144,000	500.0%	13.7

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Other fees and duties on administrative services	0		291,050			0							
Fees and dues on social services	0		0										
Fees and dues on extracurricular and educational services	0		0										
Other dues and fees	0		291,050										
Other fees and revenues on use of domain	193,985	712,860	85,000	-56.2%									0.0
Income from staff services													
Vehicle rental: ambulances, etc.	0		0										
Equipment rental	0		0										
Rent on lodging			5,000										
Rent on youth centre		54,500	59,000					Setting up a suitable delegated management method	236,000	100.0%	236,000	300.0%	
Revenue provided for staff in charge	0		0										
Reimbursement of expenses other than staff fees	0		0										
Other revenue from day-to-day management (sale of impounded animals, impound tax)	14,875		18,000	21.0%				Increase related to the implementation of regulations on the wandering of animals, etc.) +106	36,000	100.0%	36,000	100.0%	2.4
Financial income (contributions, other financial assets and financial income)	0		0										

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Reversal of amortization and provisions	0		0										
Income outside of day-to-day management (other income outside of day-to-day management, surplus from previous budget year)	0		0										
Other income other than day-to-day management	0		61,207										
Surplus from previous budget year	1,972,833		0	-100.0%									
Income from domain services and various services and sales directly managed by the deconcentrated state services	0	0	0	0	0	0	0	0	0	0	0	0	
<b>B – TRANSFER REVENUE</b>	<b>7,140,443</b>	<b>14,079,708</b>	<b>7,106,816</b>	<b>-0.5%</b>	<b>51,142,987</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51,142,987</b>		<b>51,142,987</b>	<b>1750.0%</b>	<b>7.2</b>
Transfer revenue (operations)	2,586,881	5,927,040	5,814,454	-0.5%	49,527,534	0	0	0	49,527,534		49,527,534	1814.6%	19.1
General decentralization grant	1,105,120		2,358,454	113.4%	49,527,534			Modest increase related to the improvement of the current system of state transfers	49,527,534	100.0%	49,527,534	2000.0%	44.8
Allocation of Equalization Fund	0		0										
Other allocations	0		0										
State subsidies	1,123,960	2,289,805		-100%									
Grants for local authorities	0		0										
Subsidies for other bodies (LAFIAS)	0		3,456,000										
Contribution in the operations of kindergartens													

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Contribution to opera- tions of basic schools	0		0										
Other contributions	1,466,798	5,867,190	0	-100.0%									
Others contributions outside day-to-day management	14,963	59,850	0	-100.0%									
Transfer revenue (investment)	4,553,562	8,152,668	1,292,362	-71.6%	1,615,453	0	0	0	1,615,453	100.0%	1,615,453	-64.5%	0.4
Basic allocation (value of integrated assets)	0		0										
Overall investment fund: state and public authori- ties	4,553,562	8,152,668	1,292,362	-71.6%	1,615,453			Increase in subsidies related to improve- ment in communal management performance	1,615,453	100.0%	1,615,453	25.0%	0.4
Donations and legacies in assets	0		0										
Capitalized operating surplus	0		0										
State investment grants	0		0										
Investment grants for the local authorities	0												
Investment grants for international and foreign bodies	0		0										
Other investment grants	0		0										
Assimilated loans and debts	0		0										
Land, soil, sub-soil	0		0										
Income from disposals of fixed assets	0		0										

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
ACTUAL TOTAL REVENUE	15,420,326	21,204,000	18,166,205	17.8%	186,974,707				138,282,200		134,256,771	770.6%	8.7
Including:													
TOTAL REVENUE	15,420,326	21,204,000	18,166,205								134,256,771		
LOCAL REVENUE		7,124,292	11,059,389								83,113,784		
TOTAL REVENUE/ PERSON		884	739								5,072		
LOCAL REVENUE/ PERSON		297	450								3,140		
POPULATION		23,981	24,581								26,471		

### Fakala Commune: Basic simulation of budgetary expenditures—high scenario

TYPE OF EXPENDITURE	Average Expenditure 2001-2003	Expenditure 2003	% of total average expenditure	% of total expenditure 2000	ASSESSMENT SCENARIOS	Estimated budget expenditure	Budgetary framework indicator	Average expenditure growth	Multiplier coefficient
<b>A-OPERATING EXPENDITURES</b>	<b>10,660,681</b>	<b>11,714,976</b>	<b>59.6%</b>	<b>58.4%</b>		<b>80,554,062</b>	<b>60.0%</b>	<b>587.6%</b>	<b>6.9</b>
Commune Operations	9,613,350	11,714,976	53.7%	58.4%		33,564,193	25.0%	186.5%	2.9
Staff salaries and other staff-related fees	3,456,623	4,648,169	19.3%	23.2%	Increase linked to the strengthening of communal staff: full set-up of the organizational chart	16,110,812	12.0%	246.6%	3.5
Basic staff remuneration	0								
Main remuneration	0								
Allowances and benefits	0								
Overtime	0								
Remuneration of non-permanent staff	0								
Social fees and service cost	0								
Social services (allocations)	0								
Staff training expenses (workshops and seminars)	0								
Other staff fees	0								
Allowances and training fees of the elected officials									
Required contributions	0								
Equipment, supplies and services (stored and non-stored purchases)	6,156,727	7,066,807	34.4%	35.2%		10,740,542	8.0%	52.0%	1.5
Supplies in stock									
Foodstuffs	0								
Combustible materials, fuel and lubricants	0								
Maintenance products	0								
Supplies—books and school materials	0								
Office supplies in stock	0								
Other stocked supplies	0								
Repair and maintenance of furniture (mobile equipment in particular)	0								
Repair of administrative vehicles and various machines									

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
Other maintenance and repair									
External services									
General subcontracting: provision of public administrative services (provision of the deconcentrated services)	0								
Other external services (remuneration of an intermediary and advisory, other external fees)	0					0			
Issuance and collection fees on communal taxes, levies and revenue									
Insurance premiums	0					0			
Purchases of equipment and supplies not in stock	0					0			
Water	0								
Electricity and other energy	0								
Other purchases of equipment and supplies not in stock	0								
Non-storable maintenance supplies	0								
Non-storable office supplies	0								
Purchases of light equipment and tools (clothing, road equipment)	0								
Research costs and service provision (land development, reaffirmation to beneficiaries)	0								
Costs of works, equipment and supplies (for subdivision)	0								
Communications costs	0								
Announcements and inserts	0								
General and technical documentation	0								
Advertising-publications and public relations	0								
Festivals and ceremonies	0								
Symposiums, workshops, conferences and other meetings	0								
Postal and telecommunication charges	0								
Rent and rental charges									
Rent and rental charges	0								
Furniture rental	0								



TYPE OF EXPENDITURE	Average Expenditure 2001-2003	Expenditure 2003	% of total average expenditure	% of total expenditure 2000	ASSESSMENT SCENARIOS	Estimated budget expenditure	Budgetary framework indicator	Average expenditure growth	Multiplier coefficient
Transportation									
Transportation of goods	0								
Transportation of persons	0								
Grants to bodies (contribution to the operations of other chargeable services)									
Health, education and literacy, etc.									
Financial fees and assimilated charges (interest on loans and borrowing, financial fees and charges)									
Other day-to-day management fees									
Losses on irrecoverable debts	0								
Deficits of auxiliary budget	0								
Missions and receptions	0								
Travel and re-settlement	0								
Operating costs of other chargeable services									
Taxes and levies									
Land tax	0								
Registration and stamp dues	0								
Other taxes and levies	0								
Funding of amortization and other allowances	0								
Allowances on depreciation of management operations									
Provisional charges (risks and charges, major repairs, depreciation of assets)									
Other fees other than day-to-day management	0								
Withdrawal (on operations section, previous budget year deficit)									
Maintenance expenditures on administrative asset	0	0	0.0%	0.0%	Need to estimate maintenance of administrative buildings	6,712,839	5.0%		sv
Repair and maintenance of property assets (maintenance services of the public domain)									
Maintenance of administrative buildings (Town Hall, administrative residences and lodging, etc.)									

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
Operations of services for the populations	1,047,331	0	5.9%	0		46,989,870	35.0%	4386.6%	
Maintenance of socio-collective and community facilities					Need to estimate the maintenance of the socio-collective and community assets; at least 3% of the value of the public communal investment stock.				
Household garbage collection									
Maintenance and cleanup of urban roads and rural track									
Cleaning of ditches									
Maintenance and cleanup of educational infrastructures									
Maintenance and cleanup of health infrastructure									
Maintenance and cleanup of sports, leisure and other infrastructure									
Maintenance and cleanup of market infrastructure									
Other maintenances services of the public domain									
Subsidies, allocations and various socio-economic promotion actions	1,047,331	0	5.9%	0.0%	Renforcement des services fournis aux populations	13,425,677	10.0%		
Grants to bodies (communal)									
Relief, and assistance to the underprivileged and other social actions	0								
Fairs and exhibitions	0								
Support to local initiatives	0								

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
<b>B – INVESTMENT EXPENDITURE</b>	<b>7,234,705</b>	<b>8,352,648</b>	<b>40.4%</b>	<b>41.6%</b>		<b>53,702,708</b>	<b>40.0%</b>	<b>542.9%</b>	<b>6.4</b>
Structural investments	5,589,622	8,352,648	31.2%	41.6%		13,425,677	10.0%	60.7%	1.6
Acquisition of moveable assets									
Supplies and furniture									
Transportation equipment	0								
Office and agricultural equipment	0								
Technical and IT equipment	0								
Collections, works of art (libraries)	0								
Other acquisitions of furniture									
Acquisitions of assets									
Lands	0								
Construction (construction and renovation of administrative buildings)									
Infrastructure works	0								
Construction of buildings and facilities in progress	0								
Buildings given in concession	0								
Other fixtures and fittings	0								
Road, fire and emergency preparedness equipmen									
Livestock and plantations	0								
Socio-collective and community investments	333,333	0	1.9%	0.0%		33,564,193	25.0%		
Construction (construction and renovation									
Roads and rural tracks									
Educational infrastructures									
Health infrastructures									
Sports and leisure infrastructure, etc.									
Market infrastructure									
Development and urban planning works									

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
Other expenditures related to investment	1,311,750	0	7.3%	0.0%		6,712,839	5.0%		
Grants to other bodies	0								
Assimilated loans and debts (reimbursement)	0								
Fixed charges	0								
Advance payments and installments on property assets	0								
Other financial assets	0								
REAL TOTAL EXPENDITURE	17,895,386	20,067,624	100.0%	100.0%		134,256,771	100.0%	5.7	6.7
INCL :									
STRUCTURAL EXPENDITURE	15,202,972	20,067,624				46,989,870	35.0%		
MAINTENANCE EXPENDITURE OF ASSETS	0	0				40,277,031	30.0%		
SERVICES EXPENDITURE	2,692,414	0				87,266,901	65.0%		
SERVICE EXPENDITURE/PERSON		0				3,297			
local revenue/operating and maintenance expenditures			31.1%	18.1%			51.6%		
POPULATION		23,981				26,471			

### Fakala Commune: Basic simulation of budgetary revenues—middle scenario

TYPE OF REVENUE	Average Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Average growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Average budget growth	Multiplier coefficient
<b>A – LOCAL REVENUE</b>	<b>8,279,883</b>	<b>7,124,292</b>	<b>11,059,389</b>	<b>33.6%</b>	<b>52,894,687</b>	<b>77.5%</b>	<b>78.3%</b>		<b>35,218,463</b>		<b>29,330,811</b>	<b>254.2%</b>	<b>4.1</b>
Tax revenues	5,715,031	5,973,477	10,357,017	81.2%	42,013,687	75.0%	76.6%		27,838,623		21,950,971	284.1%	3.7
Taxes and levies managed by the Commune	5,623,127	5,973,477	10,357,017	84.2%	37,514,377	75.0%	73.1%		25,041,421		21,684,091	285.6%	3.6
Local and regional development tax (TDRL)	4,697,518	5,562,437	8,681,106	84.8%	13,233,943	90%	90%	Effective registration of taxable persons according to the census records, including government officials	10,719,494	80%	8,575,595	82.6%	1.5
Road tax	3,125		1,045,300	33349.6%	3,222,551	80.0%	60.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law — Applying rates according to CC deliberation	1,546,824	100.0%	1,546,824	49398.4%	
Tax on wages and salaries (ITS) (local authority staff)	14,712			-100.0%					15,448				
Tax on carts	35350	75000	167,000	372.4%	2,078,545	75.0%	80.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law — Applying rates according to CC deliberation	1,247,127	80.0%	997,702	2722.4%	13.3
Tax on boats	0												
Tax on nightclubs and dancing establishments	0												
Taxes on bars and eateries	0												

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Livestock tax	168,006	286,665	86,881	-48.3%	2,837,400	55.0%	65.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law —Applying rates according to CC deliberation	1,014,371	80.0%	811,496	383.0%	2.8
Firearms tax	70,458	41,875	31,430	-55.4%	1,772,403	55.0%	60.0%	IDEM	584,893	80.0%	467,914	564.1%	11.2
Tax on mills	9,375	7,500	10,500	12.0%					9,380	100.0%	9,380	5.0%	1.3
Taxes on issuing the gold permit	0												
Taxes on automatic distributors and game machines installed in public places	0												
Taxes or road taxes on motorcycles	622,083		250,800	-59.7%	2,457,732	80.0%	75.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law —Applying rates according to CC deliberation	1,474,639	60.0%	884,784	42.2%	
Taxes or road taxes on bicycles					1,181,602	75.0%	75.0%	IDEM	664,651	100.0%	664,651		
Tax on advertising and poster	0												
Tax on authorization of shows and amusements	0							A organiser					
Tax on construction authorization (permit)	0		37,000						38,850				

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Exit tax on transport vehicles in the terminals	2,500		47,000	1780.0%	10,730,200	90.0%	80.0%	Collaboration with the drivers' union and set-up of a suit- able delegated man- agement method	7,725,744	100.0%	7,725,744	308929.8%	
Tax on private use of the public domain	0												
Taxes and levies managed by deconcentrated state services, of which a share of income is earmarked to the commune	91,904	0	0	-100.0%	4,499,310	75.0%	80.0%		0		266,880	190.4%	
Patents	67,500			0									
Licence	0		0	0									
Licence taxes	0		0	0	4,499,310	75.0%	80.0%	Maintenance of the current distribution key of income from presumptive tax	2,699,586	6.3%	169,264		
Additional tax on mining and quarrying	0		0	0									
Transfer on felling permit	24,404			0				Greater involvement of the commune in the follow-up of activities, trans- parency of the deconcentrated services concerned in the transfer of the communal share	97,616		97,616	300.0%	
Income from domain services, various provisions and sales	2,564,852	1,150,815	702,372	-72.6%	10,881,000	1	1	0	7,379,840		7,379,840	187.7%	6.4
Income from domain services, provision directly managed by the commune	2,564,852	1,150,815	702,372	-72.6%	10,881,000	1	1	0	7,379,840		7,379,840	187.7%	6.4

TYPE OF REVENUE	Average Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Average growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Average budget growth	Multiplier coefficient
Sale on forest crops and products	53,130	91,950	0	-100.0%									
Fees and revenue for use of the domain	0		0										
Licences, fees and taxes on funerals/funeral homes (inhumations/exhumations)	0		0										
Fees on parking and occupying highways	0		0										
Dues on stalls in markets and fairs (including animals)	189,274	279,505	74,115	-60.8%	10,881,000	80.0%	80.0%	Current state of the market with a suitable management method, including the livestock market	6,963,840	100.0%	6,963,840	3579.2%	24.9
Parking fees on taxis and public transport vehicles	0							Collaboration with the drivers' union and effective collection of this tax					
Fees for gas pumps	0												
Sale of water	0												
Occupation permit	0												
Public lighting fees	0		60,000										
Other fees and revenues for use of the domain	18,150			-100.0%									
Works for third parties	0												
Service provisions	106,667			-100.0%									
Fees on household garbage collection	1,313			-100.0%									
Fees and dues on cultural services	0												
Fees and dues on sports services	0												



TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Fees and dues on health services	0												
Charges on latrines	0												
Health fees, insect control	0												
Other fees and dues on health services	0												
Fees and dues on administrative services	0												
Authentication of signatures	4,125		25,000	506.1%									
Family record book	0												
Issuance of civil status documents and copies	10,500	12,000	24,000	128.6%				Intensification of promotional actions of the civil state services; implementation of action plans	144,000	100.0%	144,000	500.0%	12.0
Other fees and dues on administrative services	0												
Fees and dues on social services	0		0										
Fees and dues on extracurricular and educational services	0		0										
Other fees and dues	0		291,050										
Other income	193,985	712,860	85,000	-56.2%									0.0
Income from staff services	0			0									
Rental of vehicles: ambulances, etc.	0												
Equipment rental	0												

TYPE OF REVENUE	Average Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Average growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Average budget growth	Multiplier coefficient
Rent of lodgings			5,000										
Rental of youth centres		54,500	59,000					Set-up of a suitable delegated management method	236,000	100.0%	236,000	300.0%	
Provided to staff in charge	0		0										
Reimbursement of fees other than staff fees	0		0										
Other income of day-to-day management (sale of impounded animals, impound tax)	14,875		18,000	21.0%				Increase linked to the implementation of regulations on the wandering of animals	36,000	100.0%	36,000	100.0%	
Financial products (contributions, other financial assets and financial products)	0		0										
Reversal of amortization and provisions	0		0										
Income outside day-to-day management (other income outside day-to-day management, surplus of previous budget year)	0		0										
Other income other than day-to-day management	0		61,207										
Previous budget year surplus	1,972,833		0	-100.0%									
Income from domain services, various services and sales directly managed by the deconcentrated state services	0	0	0	0	0	0	0	0	0	0	0	0	

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
<b>B – TRANSFER REVENUE</b>	<b>8,264,403</b>	<b>16,369,513</b>	<b>7,106,816</b>	<b>-14.0%</b>	<b>27,558,447</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,558,447</b>		<b>27,558,447</b>	<b>534.6%</b>	<b>1.7</b>
Transfer revenue (operations)	3,710,841	8,216,845	5,814,454	-14.0%	25,942,994	0	0		25,942,994		25,942,994	599.1%	3.2
General decentralization allocation	1,105,120		2,358,454	113.4%	25,942,994			Increase of average amount of the allocation linked to the minimum transfer by the state of resources related to the transferred competences	25,942,994	100.0%	25,942,994	1000.0%	
Amount of Equalization Funds	0		0										
Other funds	0		0										
State grants	1,123,960	2,289,805		-100.0%									
Grants for the local authorities	0		0										
Grants from other bodies (LAFIAS)	0		3,456,000										
Contribution to the operations of kindergartens	0		0										
Contribution to the operations of basic schools	0		0										
Other contributions	1,466,798	5,867,190	0	-100.0%									
Others outside day-to-day management	14,963	59,850	0	-100.0%									
Transfer revenue (investment)	4,553,562	8,152,668	1,292,362	-71.6%	1,615,453				1,615,453	100.0%	1,615,453	-64.5%	0.2
Basic allocation (value of integrated assets)	0		0										
Overall investment funds: the State and public authorities	4,553,562	8,152,668	1,292,362	-71.6%	1,615,453			Increase in grants linked to improvement of communal management performance	1,615,453	100.0%	1,615,453	-64.5%	0.2

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Donations and legacies in assets	0		0										
Capitalized operating surplus	0		0										
State investment grants	0		0										
Investment grants for the local authorities	0												
International and foreign investment grants	0		0										
Other investment grants	0		0										
Assimilated loans and debts	0		0										
Land, soil, subsoil	0		0										
Income from sale of prop- erty assets	0		0						-				
ACTUAL OVERALL TOTAL REVENUE	16,544,286	23,493,805	18,166,205	9.8%	80,453,133				62,776,909		56,889,257	243.9%	2.4
INCL:													
TOTAL REVENUE	16,544,286	23,493,805	18,166,205								56,889,257		
LOCAL REVENUE		7,124,292	11,059,389								29,330,811		
TOTAL REVENUE/ PERSON		980	739								2,149		
LOCAL REVENUE/ PERSON		297	450								1,108		
POPULATION	23,981	23,981	24,581								26,471		

### Fakala Commune: Basic simulation of budgetary expenditures — middle scenario

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expenditure	% of total expenditure 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expenditure growth	Multiplier coefficient
<b>A – OPERATING EXPENDITURE</b>	<b>10,660,681</b>	<b>11,714,976</b>	<b>59.6%</b>	<b>58.4%</b>		<b>31,289,091</b>	<b>55.0%</b>	<b>193.5%</b>	<b>2.7</b>
Operations of the Commune	9,613,350	11,714,976	53.7%	58.4%		17,066,777	30.0%	77.5%	1.5
Staff salaries and other staff-related fees	3,456,623	4,648,169	19.3%	23.2%	Increase linked to strengthening of communal staff (recruitment of two qualified agents)	6,826,711	12.0%	97.5%	1.5
Basic staff remuneration	0								
Main remuneration	0								
Allowances and benefits	0								
Overtime	0								
Remuneration of unpermanent staff	0								
Social fees and service costs	0								
Social provisions (allocations)	0								
Staff training fees (workshops and seminars)	0								
Other staff fees	0								
Training allowances and fees of elected officials									
Required contributions	0								
Equipment, supplies and services (purchases in stock and not in stock)	6,156,727	7,066,807	34.4%	35.2%		7,395,603	13.0%	20.1%	1.0
Supplies in stock									
Foodstuffs	0								
Combustible materials, oil and lubricants	0								
Maintenance products	0								
Book supplies and school material	0								
Office supplies in stock	0								
Other supplies in stock	0								
Maintenance and repair of furniture (mobile equipment in particular)	0								
Maintenance of administrative vehicles and various machines									
Maintenance and repair of office equipment and furniture									
Other maintenance and repair									

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% du total dépenses 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
External services									
General subcontracting: public administrative services provision (provision of deconcentrated services)	0								
Other external services (remuneration of an intermediary and advisory, other external fees)	0					0			
Issuance fees and collection of communal taxes, levies and revenue									
Insurance premiums	0					0			
Purchases of equipment and supplies not in stock	0					0			
Water	0								
Electricity and other energy	0								
Other purchases of supplies and equipment not in stock	0								
Non-storable maintenance supplies	0								
Non-storable office supplies	0								
Purchase of light equipment and tools (clothing, road equipment)	0								
Costs of research and service provision (land development, reaffirmation to beneficiaries)	0								
Costs of works, equipment and facilities (subdivision)	0								
Expenditure on communications									
Announcements and inserts	0								
General and technical documentation	0								
Advertising -publications and public relations	0								
Festivals and ceremonies	0								
Colloquiums and seminars, conferences and other meetings	0								
Postal and telecommunication charges	0								
Rents and rental charges									
Rents and rental charges	0								
Furniture rental	0								

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
Transportation									
Transportation of goods	0								
Transportation of persons	0								
Grants for bodies (contribution to the operations of other paying services)									
Health, education and literacy, etc.									
Financial expenses and assimilated fees (interest on loans and borrowing, financial fees and charges)									
Other day-to-day management fees									
Losses on irrecoverable debits	0								
Deficit of auxiliary budgets	0								
Missions and receptions	0								
Travel and re-settlement	0								
Operating fees of other services									
Taxes and levies									
Land tax	0								
Dues on registration and stamps	0								
Other taxes and levies	0								
Funding of amortizations and provisions	0								
Allowances on depreciation of management operations									
Provisional allocations (risks and fees, major repairs, depreciation of property assets)									
Other day-to-day management fees	0								
Withdrawal (on operations section, deficit of previous budget year)									
Expenditure on repair of administrative assets	0	0	0.0%	0.0%	Need to estimate maintenance of administrative buildings	2,844,463	5.0%		sv
Repair and maintenance of property assets (maintenance services of the public domain)									
Maintenance of administrative buildings (Town Hall, administrative residences and lodgings, etc.)									

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
Operations of services for the populations	1,047,331	0	5.9%	0		14,222,314	25.0%	1258.0%	SV
Maintenances of socio-collective and community facilities	0	0	0.0%	0.0%	Need to estimate the maintenance of socio-collective and community equipment assets; at least 3% of value of public communal investment stock	11,377,851	20.0%		
Repair and maintenance of fixed assets (maintenance services of the public domain)									
Household garbage collection									
Repair and cleanup of urban roads and rural tracks									
Cleaning of ditches									
Maintenance and cleanup of educational infrastructure									
Maintenance and cleanup of health infrastructure									
Maintenance and cleanup of sports, leisure and other infrastructure									
Reparation and cleanup of market infrastructure									
Other maintenance services of the public domain									
Grants, allocations and various socio-economic promotion actions	1,047,331	0	5.9%	0.0%	Renforcement des services fournis aux populations	2,844,463	5.0%	171.6%	
Grants to bodies (communal)									
Relief, assistance to the underprivileged and other social actions	0								
Fairs and exhibitions	0								
Support to local initiatives									
<b>B – INVESTMENT EXPENDITURE</b>									
Structural investments									
Acquisition of moveable assets									
Equipment and supplies									
Transportation equipment									
Office and agricultural equipment									



TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
Technical and IT equipment	0								
Collections, works of art (libraries)	0								
Other acquisitions of furniture									
Acquisitions of property assets.									
Lands	0								
Constructions (construction and renovation of administrative buildings)									
Infrastructure works	0								
Works on buildings and facilities in progress	0								
Buildings given in concession	0								
Other fixtures and fittings	0								
Road network, fire and emergency preparedness equipment									
Livestock and plantations	0								
Socio-collective and community investments	333,333	0	1.9%	0.0%		17,066,777	30.0%		
Construction (construction and renovation)									
Rural roads and tracks									
Educational infrastructure									
Health infrastructure									
Sports and leisure infrastructure, etc.									
Market infrastructure									
Development and urban planning works									

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
Other Expenditure related to investment	1,311,750	0	7.3%	0.0%		2,844,463	5.0%		
Subsidies granted to other bodies	0								
Assimilated loans and debts (reimbursement)	0								
Fixed charges	0								
Advances and instalments paid on assets	0								
Other financial assets	0								
OVERALL ACTUAL TOTAL EXPENDITURE	17,895,386	20,067,624	100.0%	100.0%		56,889,257	100.0%		2.8
INCL:									
STRUCTURAL EXPENDITURE	15,202,972	20,067,624				22,755,703	40.0%		
MAINTENANCE EXPENDITURE OF ASSETS	0	0				14,222,314	25.0%		
SERVICES EXPENDITURE	2,692,414	0				34,133,554	60.0%		
SERVICES EXPENDITURE/PERSON		0				1,289			
POPULATION		23,981				26,471			

### Fakala Commune: Basic simulation of budgetary revenues—low scenario

TYPE OF REVENUE	Average Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Average growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Estimate Commune revenue	Average budget growth	Multiplier coefficient
<b>A-LOCAL REVENUE</b>	<b>8,279,883</b>	<b>7,124,292</b>	<b>11,059,389</b>	<b>33.6%</b>	<b>52,894,687</b>	<b>77.5%</b>	<b>78.3%</b>		<b>35,218,463</b>		<b>29,330,811</b>	<b>254.2%</b>	<b>3.5</b>
Tax revenues	5,715,031	5,973,477	10,357,017	81.2%	42,013,687	75.0%	76.6%		27,838,623		21,950,971	284.1%	3.8
Taxes and levies managed by the Commune	5,623,127	5,973,477	10,357,017	84.2%	37,514,377	75.0%	73.1%		25,041,421		21,684,091	285.6%	3.9
Regional and local development tax (TDRL)	4,697,518	5,562,437	8,681,106	84.8%	13,233,943	90%	90%	Effective registration of all taxable persons according to the census records, including government officials	10,719,494	80%	8,575,595	82.6%	1.8
Road network tax	3,125		1,045,300	33349.6%	3,222,551	80.0%	60.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law — Applying rates according to CC deliberation	1,546,824	100.0%	1,546,824	49398.4%	495.0
Tax on wages and salaries (ITS) (local authorities staff)	14,712			-100.0%					15,448				
Tax on carts	35,350	75,000	167,000	372.4%	2,078,545	75.0%	80.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law —Applying rates according to CC deliberation	1,247,127	80.0%	997,702	2722.4%	28.2
Tax on boats	0												

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Tax on nightclubs and dancing establishments	0												
Taxes on bars and eateries	0												
Livestock tax	168,006	286,665	86,881	-48.3%	2,837,400	55.0%	65.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law —Applying rates according to CC deliberation	1,014,371	80.0%	811,496	383.0%	4.8
Firearms tax	70,458	41,875	31,430	-55.4%	1,772,403	55.0%	60.0%	IDEM	584,893	80.0%	467,914	564.1%	6.6
Tax on mills	9,375	7,500	10,500	12.0%					9,380	100.0%	9,380	5.0%	1.0
Tax on issuing the gold licence	0												
Taxes on automatic distributors and game machines installed in public places	0												
Taxes or vignettes (road tax) on motorcycles	622,083		250,800	-59.7%	2,457,732	80.0%	75.0%	Updating of census records, expanding the tax base to all taxpayers and applying the maximum rate provided by law —Applying rates according to CC deliberation	1,474,639	60.0%	884,784	42.2%	1.4
Taxes or vignettes on bicycles					1,181,602	75.0%	75.0%	IDEM	664,651	100.0%	664,651		
Tax on advertising and poster													

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Tax on authorizations on shows and amusements	0							To organize					
Tax on construction authorization	0		37,000						38,850				
Exit tax on transport vehicles in the terminals	2,500		47,000	1,780.0%	10,730,200	90.0%	80.0%	Collaboration with the drivers' union and set-up of a suitable delegated management method	7,725,744	100.0%	7,725,744	30,8929.8%	3,090.3
Tax on private use of the public domain	0												
Taxes and levies managed by the deconcentrated state services, in which a share of the income is earmarked to the Commune	91,90491.	0	0	-100%	4,499,310	75.0%	80%	0	2,797,202		266,880	190.4%	2,9
Patents	67500		0	0									
Licences	0		0	0									
Small business licence taxes	0		0	0	4,499,310	75.0%	80%	Maintenance of the current distribution key of the presumptive tax income	2,699,586	6.3%	169,264		
Additional tax on mining and quarrying	0		0	0									
Transfer on felling permit	24,404			0				Greater involvement of the commune in follow-up of activities, transparency of deconcentrated services concerned in the transfer of the communal share.	97,616		97,616	300.0%	4.0

TYPE OF REVENUE	Recettes moy. de 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Income from domain services, various services and sales	2,564,852	1,150,815	702,372	-72.6%	10,881,000	1	1	0	7,379,840		7,379,840	87.7%	2.9
Income from domain services, various sales and services directly managed by the Commune	2,564,852	1,150,815	702,372	-72.6%	10,881,000	1	1	0	7,379,840		7,379,840	187.7%	2.9
Sale of forest crops and products	53,130	91,950	0	-100.0%									
Fees and revenue for use of domain	0		0										
Licences, charges and taxes on funerals/funeral homes (inhumations/exhumations)	0		0										
Dues on parking and occupying public highways	0		0										
Dues on markets and fairs (including animals)	189,274	279,505	74,115	-60.8%	10,881,000	80.0%	80.0%	Current state of the market with the set-up of a suitable delegated management method, including the livestock market	6,963,840	100.0%	6,963,840	3579.2%	36.8
Dues on parking taxis and public transport vehicles	0							Collaboration with the drivers' union and effective collection of this tax					
Fees for gas pumps	0												
Sale of water	0												

TYPE OF REVENUE	Average Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Average growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Average budget growth	Multiplier coefficient
Occupancy permit	0												
Public lighting fees	0		60,000										
Other fees and revenues for use of the domain	18,150			-100.0%									
Works for a third party	0												
Service provision	106,667			-100.0%									
Fees on household garbage collection	1,313			-100.0%									
Fees and dues on cultural services	0												
Fees and dues on sports services	0												
Fees and dues on health services	0												
Fees on latrines	0												
Health fees, insect control	0												
Other fees and dues on health services	0												
Fees and dues on administrative services	0												
Authentication of signatures	4,125		25,000	506.1%									0.0
Family record books	0												
Issuance of civil status documents and copies	10,500	12,000	24,000	128.6%				Intensification of actions promoting civil state services; implementation of action plans	144,000	100.0%	144,000	500.0%	13.7

TYPE OF REVENUE	Average Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Average growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Average budget growth	Multiplier coefficient
Other fees and dues on administrative services	0												
Fees and dues on social services	0		0										
Fees and dues on extracurricular and educational services	0		0										
Other fees and dues	0		291,050										
Other income	193,985	712,860	85,000	-56.2%									0.0
Income from staff services	0		0										
Rental of vehicles: ambulances, etc.	0		0										
Equipment rental	0		0										
Lodging rent			5,000										
Rental of youth centre		54,500	59,000					Set up of a suitable delegated management method	236,000	100.0%	236,000	300.0%	
Provided to staff in charge	0		0										
Reimbursement of fees other than staff fees	0		0										
Other income from day-to-day management (sale of impounded animals, impound tax)	14,875		18,000	21.0%				Growth linked to the implementation of regulations on wandering of animals, etc.)	36,000	100.0%	36,000	100.0%	2.4



TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Financial products (contributions, other financial assets and financial products)	0		0										
Reversals on amortization and provisions	0		0										
Income outside day-to-day management (other income outside day-to-day management, surplus from previous budget years)	0		0										
Other income other than day-to-day management	0		61,207										
Surplus of previous budget year	1,972,833		0	-100.0%									
Income from domain services, various services and sales directly managed by the deconcentrated state services	0	0	0	0	0	0	0	0	0	0	0	0	
<b>B – TRANSFER REVENUE</b>	<b>8,264,403</b>	<b>16,369,513</b>	<b>7,106,816</b>	<b>-14.0%</b>	<b>5,153,134</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,153,134</b>	<b>0</b>	<b>5,153,134</b>	<b>-69.2%</b>	<b>0.6</b>
Transfer revenue (operations)	3,710,841	8,216,845	5,814,454	-14.0%	3,537,681	0	0	0	3,537,681		3,537,681	-4.7%	1.0
General decentralization allocation	1,105,120		2,358,454	113.4%	3,537,681			Modest increase linked to improvement of the current system of state transfer	3,537,681	100.0%	3,537,681	50.0%	3.2
Allocation of Equalization Fund	0		0										
Other allocations	0		0										
State grants	1,123,960	2,289,805		-100.0%									
Grants for local authorities	0		0										

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collection	Conditions for attaining results	Total available revenue	% commune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Grants for other bodies (LAFIAS)	0		3,456,000										
Contribution to the operations of kindergartens	0		0										
Contribution to the operations of basic schools	0		0										
Other contributions	1,466,798	5,867,190	0	-100.0%									
Other income outside day-to-day management	14,963	59,850	0	-100.0%									
Transfer revenue (investment)	4,553,562	8,152,668	1,292,362	-71.6%	1,615,453	0	0	0	1,615,453	100.0%	1,615,453	-64.5%	0.4
Basic allocation (value of integrated assets)	0		0										
Overall investment funds: state and public authorities	4,553,562	8,152,668	1,292,362	-71.6%	1,615,453			Increase in grants linked to improvement of communal management performance	1,615,453	100.0%	1,615,453	25.0%	0.4
Donations and legacies in assets	0		0										
Capitalized operating surplus	0		0										
State investment grants	0		0										
Investment grants for local authorities	0												
Investment grants for international and foreign bodies	0		0										
Other investment grants	0		0										

TYPE OF REVENUE	Av. Revenue 2001-2003	Revenue 2003 Base budget	Revenue at 31/12/04 Base budget	Av. growth of base budget	POTENTIAL RESOURCES	% control of tax base	% collec- tion	Conditions for attaining results	Total available revenue	% com- mune accord. to key	Est. Commune revenue	Av. budget growth	Multiplier coefficient
Assimilated loans and debts	0		0										
Land, soil, subsoil	0		0										
Proceeds from disposal of fixed assets	0		0										
OVERALL ACTUAL TOTAL REVENUE	16,544,286	23,493,805	18,166,205	9.8%	58,047,820				40,371,596		34,483,944	108.4%	2.1
INCL:													
TOTAL REVENUE	16,544,286	23,493,805	18,166,205	0							34,483,944		
LOCAL REVENUE		7,124,292	11,059,389	0							29,330,811		
TOTAL REVENUE/ PERSON		980	739	0							1,271		
LOCAL REVENUES/ PERSON		297	450	0							1,081		
POPULATION	23,981	23,981	24,581								27,132		

### Fakala Commune: Basic simulation of budgetary expenditure—low scenario

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
<b>A – OPERATING EXPENDITURE</b>	<b>10,660,681</b>	<b>11,714,976</b>	<b>59.6%</b>	<b>58.4%</b>		<b>21,035,206</b>	<b>61.0%</b>	<b>79.6%</b>	<b>1.8</b>
Commune operations	9,613,350	11,714,976	53.7%	58.4%		12,414,220	36.0%	6.0%	1.1
Staff wages and other staff-related fees	3,456,623	4,648,169	19.3%	23.2%	Increase linked to strengthening of communal staff (recruitment of two qualified agents)	5,517,431	16.0%	18.7%	1.2
Basic staff remuneration	0								
Main remuneration	0								
Allowances and benefits	0								
Overtime	0								
Remuneration of impermanent staff	0								
Social fees and service costs	0								
Prestations sociales (allocations)	0								
Staff training fees (workshops and seminars)	0								
Other staff fees	0								
Allowances and fees for training elected officials									
Required contributions	0								
Equipment, supplies and services (purchases in stock and not in stock)	6,156,727	7,066,807	34.4%	35.2%		5,172,592	15.0%	-26.8%	0.7
Supplies in stock									
Foodstuffs	0								
Combustible materials, oil and lubricants	0								
Maintenance products	0								
Book supplies and school material	0								
Office supplies in stock	0								
Other supplies in stock	0								
Repair and maintenance of furniture (mobile equipment in particular)	0								
Maintenance of administrative vehicles and various machines									
Maintenance and report of office supplies and furniture									
Other maintenance and repair									

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
External services									
General subcontracting: public administrative service provision (provision of deconcentrated services)	0								
Other external services (remuneration of intermediary and advisory, other external charges)	0					0			
Issuance fees and collection of communal taxes, levies and revenue									
Insurance premiums	0					0			
Purchases of equipment and supplies not in stock	0					0			
Water	0								
Electricity and other energy	0								
Other purchases of equipment and supplies not in stock	0								
Non-storable maintenance supplies	0								
Non-storable office supplies	0								
Purchase of equipment and tools (clothing, road equipment)	0								
Cost of studies and services provision (land development, reaffirmation to beneficiaries)	0								
Cost of works, material and equipment (subdivision)	0								
Communications costs									
Announcements and inserts	0								
General and technical documentation	0								
Advertising-publications and public relations	0								
Festivals and ceremonies	0								
Colloquiums and seminars, conferences and other meetings	0								
Postal and telecommunication fees	0								
Rent and rental charges									
Loyers	0								
Furniture rental	0								

TYPE OF EXPENDITURE	Average Expenditure 2001-2003	Expenditure 2003	% of total expenditure	% of total expenditure 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Average expenditure growth	Multiplier coefficient
Transportation									
Transportation of goods	0								
Transportation of persons	0								
Grants to bodies (contribution to the operations of other chargeable services)									
Health, education and literacy, etc.									
Financial fees and assimilated charges (interest on loans and borrowing, fees, financial charges)									
Other day-today management fees									
Loss on irrecoverable debts	0								
Deficits of auxiliary budgets	0								
Missions and receptions	0								
Travels and re-settlement	0								
Operating fees of other chargeable services									
Taxes and levies									
Land tax	0								
Registration and stamp dues	0								
Other taxes and levies	0								
Allowances on depreciations and provisions	0								
Allowances on depreciation on management operations									
Provisional allocations (risks and charges, major repairs, depreciation of fixed assets)									
Other fees other than day-today management	0								
Withdrawal (on operations section, deficit from previous budget year)									
Maintenance expenditure on administration assets									
Repair and maintenance of property assets (maintenance services of the public domain)									
Maintenance of administrative buildings (Town Hall, administrative residences and lodgings, etc)									

TYPE OF EXPENDITURE	Average Expenditure 2001-2003	Expenditure 2003	% of total expenditure	% of total expenditure 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Average expenditure growth	Multiplier coefficient
Operations of services for the populations	1,047,331	0	5.9%	0		8,620,986	25.0%		
Maintenance of socio-collective and community facilities	0	0	0.0%	0.0%	Need to estimate maintenance on socio-collective and community assets; at least 3% of the value of the public communal investment stock	6,896,789	20.0%		SV
Maintenance, repair and maintenance of fixed assets (maintenance services of the public domain)									
Household garbage collection									
Maintenance and cleanup of urban roads and rural tracks									
Cleaning of ditches									
Maintenance and cleanup of educational infrastructure									
Maintenance and cleanup of health infrastructure									
Maintenance and cleanup of sports, leisure and other infrastructure									
Maintenance and cleanup of market infrastructure									
Other maintenance services of the public domain									
Grants, allocations and various socio-economic promotion actions	1,047,331	0	5.9%	0.0%	Strengthening services provided to populations	1,724,197	5.0%		
Grants to bodies (communal)									
Relief, assistance to the underprivileged and other social actions	0								
Fairs and exhibitions	0								
Support to local initiatives									
<b>B – INVESTMENT EXPENDITURE</b>	<b>7,234,705</b>	<b>8,352,648</b>	<b>40.4%</b>	<b>40.4%</b>		<b>13,448,555</b>	<b>39.0%</b>		
Structural investments	5,589,622	8,352,648	31.2%	41.6%		3,103,555	9.0%		0.4
Acquisition of furniture	0								
Equipment and supplies	0								
Transportation equipment	0								
Office and agricultural equipment	0								
Technical and IT equipment	0								

TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth	Multiplier coefficient
Collections, works of art (libraries)	0								
Other acquisitions of furniture									
Acquisitions of property assets									
Lands	0								
Construction (construction and renovation of administrative buildings)									
Infrastructure works	0								
Works on buildings and facilities in process	0								
Buildings given in concession	0								
Other fittings and fixtures	0								
Road, fire and emergency preparedness equipment									
Livestock and plantations	0								
Socio-collective and community investment	333,333	0	1.9%	0.0%		8,620,986	25.0%		
Construction (construction and renovation)									
Roads and rural tracks									
Educational infrastructure									
Health infrastructure									
Sports and leisure infrastructure, etc.									
Market infrastructure									
Development and urban planning works									
Other Expenditure related to investment	1,311,750	0	7.3%	0.0%		1,724,197	5.0%		
Grants earmarked to other bodies	0								
Assimilated loans and debts (reimbursement)	0								
Fixed charges	0								
Advances and instalments paid on property assets	0								
Other financial assets	0								



TYPE OF EXPENDITURE	Av. Expenditure 2001-2003	Expenditure 2003	% of total av. expendi- ture	% of total expendi- ture 2000	ASSESSMENT SCENARIOS	Est. budget expenditure	Budgetary framework indicator	Av. expen- diture growth.	Multiplier coefficient
OVERALL TOTAL ACTUAL EXPENDITURE	17,895,386	20,067,624	100.0%	100.0%		34,483,944	100.0%	71.8%	1.7
INCL:									
STRUCTURAL EXPENDITURE	15,202,972	20,067,624	85.0%	100.0%		15,517,775	45.0%		
MAINTENANCE EXPENDITURE OF ASSETS	0	0				8,620,986			
SERVICES EXPENDITURE	2,692,414	0	15.0%	0.0%		18,966,169	55.0%		
SERVICES EXPENDITURE/PERSON		0				717			
INVESTMENT EXPENDITURE/PERSON		348				508			
local revenue/operations and maintenance expenditure			77.7%	60.8%			105.0%		
POPULATION		23,981				26,471			

## ANNEX 8

### Survey and interview grids on the institutional and organizational diagnostic of the local authority

#### Local democracy

##### Grid 1

##### Representativeness and operating procedure of the community/communal country

Analysis grid on the communal/community council			
Question	Answer		
Number of locally elected officials			
Are all the territorial subdivisions of the commune represented by an elected official within the communal/community council?	Yes <input type="checkbox"/> No <input type="checkbox"/> If not, which sector is not represented or is under-represented? _____ _____ _____		
Number of elected officials who know how to read and write			
Number of illiterate local officials			
Number of community council sessions during the last three years	Year 3	Year 2	Year 1
Are the sessions public?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Do the citizens have the right to a question period?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Are there debates within the community council for taking decisions?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Is there a delegated signing authority within the commune?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	If yes, who?		
Please indicate the documents that are available at the commune.	Available	Unavailable	
	Budget <input type="checkbox"/>	<input type="checkbox"/>	
	Administrative account <input type="checkbox"/>	<input type="checkbox"/>	
	Communal development plan <input type="checkbox"/>	<input type="checkbox"/>	
	Capital plan <input type="checkbox"/>	<input type="checkbox"/>	
	Mapping <input type="checkbox"/>	<input type="checkbox"/>	
What are the fields of competence actually assumed by the commune?	Completely	Partially	Weakly
	Education <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Health <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Hydraulics <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Civil status records <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Finances <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Health and sanitation <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Census and electionn <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of public markets registered during the last three years			
Number of markets resulting from open tenders			

Analysis grid of the communal/community council	
Question	Answer
For the last three years, indicate the number of markets granted according to their value.	<div>Market value</div> <div>Number</div> <div>0 to 500 000 CFAF _____</div> <div>500 001 to 2 000 000 CFAF _____</div> <div>More than 2 000 000 CFAF _____</div>
Please indicate the number of financing partnerships signed during the last three years.	<div>Number</div> <div>List the partners</div> <div>_____</div>
Please indicate the number of management agreements for equipment or infrastructure signed during the last three years.	<div>Total number</div> <div>Number by field</div> <div>Health _____</div> <div>Education _____</div> <div>Water _____</div> <div>Other _____</div>

## Grid 2

## Relations between the citizen and the communal institution

Grille d'analyse de la participation du citoyen au processus démocratique local	
Question	Answer
Percentage of participation in the last local elections	_____ %
Do citizens participate in community council sessions?	<div>Yes <input type="checkbox"/> No <input type="checkbox"/></div> <div>If yes, on average, how many by assembly? _____</div>
What are the reasons for their participation?	If not, why not?
Is the communal information transmitted to them?	<div>Yes <input type="checkbox"/> No <input type="checkbox"/></div> <div>If yes, through which means? _____</div>
Do citizens have access to the local authority's records?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does the local authority consult citizens for major decisions?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Do citizens participate in debates on the budgetary process?	<div>Yes <input type="checkbox"/> No <input type="checkbox"/></div> <div>If yes, how? If not, why?</div>
In what framework do debates take place?	<div>Council sessions <input type="checkbox"/></div> <div>Public consultations in the villages <input type="checkbox"/></div> <div>Others <input type="checkbox"/></div>
Are citizens able to express their point of view on the preliminary budget?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Are citizens aware of the control mechanisms of the local authority that are available to them?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Do citizens declare the events relating civil status?	<div>Birth %</div> <div>Death %</div> <div>Marriage %</div>

## Missions of the local authority, organization and services provided to citizens

### Grid 3

#### Data grid on the organization of the local authority

Organization of the communal/community administration	
Question	Answer
Is there an organizational chart of the commune?	Yes <input type="checkbox"/> No <input type="checkbox"/>
What are the key services of the commune and the qualifications of the main persons in charge?	First and last name Category (A, B, C, D, E)
General/community secretariat	
Financial affairs <ul style="list-style-type: none"> <li>Budget accounting (expenditures)</li> <li>Revenue board (revenues)</li> </ul>	
Planning and development	
Technical services	
Are the duties of the revenue manager and the expenditures manager performed by the same person?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Are there descriptions of tasks for all the positions?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, for which? _____
Types of contracts in effect in the local authority	Number Fixed term contract Permanent contract
To which staff unit do the officials belong Who are at the service of the local authority?	Number State official Local authority official

Human resources (communal staff, elected officials)						
Question	Answer					
How many people work for the commune? by sex						
	Men		Women		Total	
Personnel by category	Cat. A	Cat. B	Cat. C	Cat. D	Cat. E	Total
Elected officials						
Permanent employee on state budget						
Permanent employee on the local authority's budget						
Contractual						
Temporary						
Total						

<i>Duties/qualifications of elected officials (main managers)</i>	First and last name	Duties/qualification
Mayor/president		
1st deputy/Vice President		
Presidential committees 1. 2. 3.		
Others (specify)		

This grid will be completed by the in-depth analysis of the staff situation at the moment of the survey.

#### Grid 4

#### Personnel situation

Personnel situation within the commune								
Service	Last name of employee	First name of employee	Date of birth	Hiring date	Level of education	Position held	Annual salary	Social duties

**Grid 5**  
**Data grid on the infrastructure assets of the local authority services**

Type of facility	Location	Number	Capacity (surface area/ number)	Opera- tional level <sup>1</sup>	Condition <sup>2</sup>	Year of construc- tion	Expected duration		Acquisition cost	Maintenance cost	Operating cost	Replace- ment cost	Manage- ment method
							Theoretical	Actual					
EDUCATION													
Primary/basic schools, whole group													
Primary/basic schools, part-time													
Maternal school													
Literacy centre													
First cycle of secondary school													
First and second cycle of secondary school													
HEALTH													
Centre communal de santé (CCS, commu- nal health cen-tre)													
Health unit/village health units													
Social center													
Community centre													
HYDRAULICS													
Large-diameter wells													
Drilling													
ROADS													
Rural road (km)													
Road system in agglomerated center (km)													
Green spaces, gardens and public spaces													

<sup>1</sup> Good, average, poor

<sup>2</sup> Idem

Type of facility	Location	Number	Capacity (surface area/ number)	Opera- tional level <sup>3</sup>	Condition <sup>4</sup>	Year of construc- tion	Expected duration		Acquisition cost	Maintenance cost	Operating cost	Replace- ment cost	Manage- ment method
							Theoretical	Actual					
THE ECONOMY													
Market													
Main market													
Secondary market													
Truck depot													
Central station													
Secondary station													
Port and landing													
Slaughterhouse													
Livestock stock													
CULTURE, LEISURE AND SPORTS													
Youth center/ performance center													
Sports fields													
Tourist center													
ADMINISTRATION													
Mayor's seat													
Number of buildings													
Main building													
Building annexes													
Arrondissement Offices													
Administrative residences/camp sites													

<sup>3</sup> Good, fair, poor<sup>4</sup> Idem

## Grid 6

**Main fields of competence of the authority (RDA, commune)  
and services provided to citizens**

Analytical grid of services provided by the local authority (commune)				
Question	Answer			
List of services provided directly by the local authority				
What is the cost of supplying each of the services (personnel, operations, maintenance of facilities, etc.)?	Services	Costs of Personnel	Operating Costs	Maintenance Costs
Does the local authority (commune) have agreements or conventions with local partners to supply services?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, how many and in which sector?			
What are type of service provision contract(s) are mainly used in the commune?	<div> <div>           Contractualization of service <input type="checkbox"/>            Internal management <input type="checkbox"/>            Government services agreement <input type="checkbox"/>            Franchise <input type="checkbox"/>            Volunteerism <input type="checkbox"/>            Usage costs <input type="checkbox"/>            Subsidies <input type="checkbox"/>            Indirect taxation <input type="checkbox"/> </div> <div>           Number of agreements            _____            _____            _____            _____            _____            _____            _____            _____         </div> </div>			



Grid 7

**Assessment grid on services provided by the local authority and the degree of citizen and community satisfaction**

Sector	Local authority objectives	Intervention framework of the structure in charge of the service	Assessment of the current services provided	Assessment of the level of citizen and community satisfaction
		<p>Intervention framework</p> <ul style="list-style-type: none"> <li>• Identification of the mission and the objectives of the services</li> <li>• Identification of the populations' needs and constraints</li> <li>• A policy/strategy of the municipal office</li> <li>• Minimum level of services</li> </ul>	<p>Number of infrastructures of current services on regulations</p>	<p>Through survey interviews</p>
		<p>Intervention capacity of the structure of the mayor's office in charge of the service</p> <ul style="list-style-type: none"> <li>• Staff number</li> <li>• Staff skills (level of staff qualifications, training efforts adopted)</li> <li>• Efficiency/productivity of the structure (availability of staff and customer care, speed and quality of services offered, etc.)</li> </ul>	<p>Effective operations of infrastructures and accessibility by the local populations</p> <ul style="list-style-type: none"> <li>• Physical state of infrastructures or facilities</li> <li>• Effective operations of infrastructures</li> <li>• Facility of access of local populations</li> </ul>	
		<p>Financial resources ear-marked by the local authority for services provision</p> <ul style="list-style-type: none"> <li>• Annual investment/person</li> <li>• Annual amount of operating and maintenance expenditures</li> </ul>		

Grid 8

**Data grid on the deconcentration system and support of deconcentrated services to the local authority**

*List of main deconcentrated services represented at the territorial level*

N°	Field	Departmental level	Communal/ community level	Total number of staff	By category				
					A	B	C	D	E
1	Education								
2	Health								
3	Hydraulics								
4	Rural roads and tracks								
5	Livestock farming								
6	Agriculture								
7	The environment and natural resources								
8	Culture, sport sand leisure								
9	Safety and security								
10	Taxation								
11	Budget and finances								

*Number and position of deconcentrated services agents at the level of the local authority*

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N°	Field	Name of deconcentrated services located in the local authority	Number of available agents in the deconcentrated services at the local authority level					Total number of agents
			Category A	Category B	Category C	Category D	Category E	
1	Education							
2	Health							
3	Hydraulics							
4	Rural roads and tracks							
5	Livestock farming							
6	Agriculture							
7	The environment and natural resources							
8	Culture, sports and leisure							
9	Policing security							
10	Taxation							
11	Budget and finances							

## ANNEX 9

### Data and financial diagnostic survey grid of the local authority

#### Changes in local authority revenues, by large major expenditures

Account No.	REVENUES	Year 1	Year 2	Year 3	Year 4	Year 5	Average
	LOCAL REVENUES						
	Tax revenues						
	Taxes and levies managed by the commune						
	Taxes and levies management by the deconcentrated state services						
	Revenue from state property/assets and other services income						
	Income/services from state property, services and various sales managed by the commune						
	Income/services of the state property, provision and various services and sales managed by the deconcentrated services						
	TRANSFER REVENUES						
	Transfer revenues (operations)						
	Transfer revenues (investment)						
	TOTAL REVENUES						

### Evolution of expenditures of the local authority by major significant expenditures

Account No.	EXPENDITURES	Year 1	Year 2	Year 3	Year 4	Year 5	Average
	OPERATING EXPENDITURES						
	Commune operations						
	Salaries of personnel and other staff-related fees						
	Equipment, supplies and services						
	Maintenance expenditures of the administrative assets						
	Operations of services for the population						
	Maintenance of socio-collective and community facilities						
	Various subsidies, allocations and socio-economic promotional activities						
	INVESTMENT EXPENDITURES						
	Structural investment						
	Socio-collective and community investments						
	Other investment expenditures						
	TOTAL EXPENDITURES						

**Grid on local socio-economic resources data**

*Distribution of the population by territorial subdivisions*

Territorial subdivisions		Population	Men	Women	Between 14 and 60 years old	Pupils and students	Officers and salaried workers
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
TOTAL							

Fixed assets of the local authority by the territorial subdivisions

				BUILDING CHARACTERISTICS					
				TYPE OF WALL			TYPE OF ROOF		
	Territorial subdivisions	Number of plots/ concessions	Number of buildings	Adobe	Semi-rigid	Hard	Straw	Sheet metal	Slab
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
	TOTAL								

Distribution of economic activities of the local authority by category and by territorial subdivision

code	Activity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
<b>1</b>	<b>PRODUCTION</b>																
<b>10</b>	<b>Activities of the agricultural, quarrying and mining industry sector</b>																
101	Agriculture and livestock breeding																
102	Fishing																
103	Quarrying																
104	Traditional mining																
105	Industrial mining																
<b>11</b>	<b>The food and beverage industry</b>																
111	Bakeries, bread ovens																
112	Processing and preservation of agricultural products																
113	Manufacturing dairy products																
114	Dehuskers, mills (maize, pepper, coconut, etc.)																
115	Butcher shop																
116	Manufacturing home-made drinks																
<b>12</b>	<b>Spinning, weaving, textiles</b>																
121	Artisanal textiles																
122	Tailoring, embroidery, decoration on fabric																
123	Mattress making																
<b>13</b>	<b>Manufacturing shoes and leather items</b>																
131	Artisanal leather work																
<b>14</b>	<b>Wood working</b>																
141	Sawmill and mechanical woodworking (foresters)																
142	Woodworking (sculptors, etc.)																
143	Furniture making (carpenters)																
<b>15</b>	<b>Chemical industry</b>																
151	Artisanal soap making																
<b>16</b>	<b>Non-metallic mineral products</b>																
161	Manufacturing terracotta items																

code	Activity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
<b>17</b>	<b>Workmanship and machinery-construction</b>																
171	Manufacturing cutlery, tools and hardware																
172	Tinsmithing (pot making)																
173	Metal furniture-making (welders)																
<b>18</b>	<b>Other industries</b>																
181	Jewellery																
<b>2</b>	<b>TRADE, HOTELS AND RESTAURANTS</b>																
<b>20</b>	<b>Trade</b>																
201	Fabrics																
202	Hardware																
203	Pharmacy/warehouse of pharmaceutical products and medicine																
204	Variety shops/groceries																
205	Petroleum products																
206	Fishmonger's shop																
207	Spare parts																
208	Foodstuffs																
209	Stationery shop, bookstore																
210	Wood and charcoal																
211	Other retail products																
<b>21</b>	<b>Lodging</b>																
221	Hotels																
222	Motels, Inns, Camping																
223	Chambres de passage (Guest rooms)																
<b>22</b>	<b>Bars, restaurants</b>																
221	Restaurants, outdoor restaurants																
222	Bars, restaurants, dancing bars																
223	Eateries																
224	Bars																
225	Bars, cafés																
226	Other bars																



code	Activity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
<b>3</b>	<b>SERVICES</b>																
<b>31</b>	<b>Real estate, construction of buildings and public works</b>																
311	Construction enterprises and public works																
312	Agents, public works and construction workers																
<b>32</b>	<b>Transportation</b>																
321	Road transport—coaches																
322	River transport—people																
333	Road transport—goods																
<b>33</b>	<b>Sports, leisure/relaxation</b>																
331	Videoclubs																
332	Cultural centres/youth centres																
333	Photography																
<b>34</b>	<b>Financial institutions</b>																
341	Local savings and credit banks																
342	Tontine (Informal rotating savings and credit associations)																
343	Other non-banking financial institutions																
<b>35</b>	<b>Health</b>																
351	Private modern medical services																
352	Private veterinarians																
<b>36</b>	<b>Repair services</b>																
361	TV-radio repairer																
362	Watchmaking																
363	Mechanics for two-wheeled vehicles																
364	Redraw operator																
365	Mechanics, painters, solders for automobiles																
366	Vulcanization and battery charging																
367	Shoe repairs																
368	Other repair services																
<b>37</b>	<b>Other services</b>																
371	Laundry workers																
372	Hairdressing salon																
373	Hairdressers																
374	Photocopying and typing documents																
375	Computer services																
<b>TOTAL</b>																	

*Distribution of means of transportation of the local authority by territorial subdivision*

Type of transportation means	TERRITORIAL SUBDIVISIONS															TOTAL
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Heavy-vehicles																
Five-tonne trucks																
6-20-tonne trucks																
Truck > 20 tonnes																
Motorcycles																
Motorcycles < 50 cc																
Motorcycles between 51 and 125 cc																
Motorcycle > 125 cc																
Bicycles																
Bicycles																
PLOUGHS																
Draught ploughs																
Hand plough																
Taxis																
Two-wheeled motorcycles																
Three-wheel vehicles																
Four-wheel vehicles																
TOTAL																

## Data grid on truck depots and parking lots

<b>Number of terminals</b>	
including:	
Weekly activity	
Permanent activity	

Movement of vehicles by type, per market day	
Type of vehicle	
5-seater	
9-seater	
Minibus	
Bus	
Covered truck	
5-tonne truck	
10-tonne truck	
Truck > 20 tonnes	
<b>SUBTOTAL</b>	
Movement of vehicles by type per normal day	
Type of vehicle	
5-seater	
9-seater	
Minibus	
Bus	
Covered truck	
5-tonne truck	
10-tonne truck	
Truck > 20 tonnes	
<b>SOBTOTAL</b>	
<b>TOTAL</b>	

[illegible][illegible][illegible]

\_\_\_\_\_

MARKET INCL.	
Number of shelters	Number of vendors
0	0

[illegible]

Main products sold			Number of vendors		Nombre de vendeurs
Code	PRODUCTS				
341/342	Beauty products and soaps				
343	Medicine				
344	Pharmacopoeia products				
363	Cassettes				
371	Radio cassette players and others				
401	Bicycle spare parts				
402	Motorcycle spare parts				
404	Automobile spare parts				
411	Construction materials				
412	Imported tools				
601	Money-changing				
<b>TOTAL</b>					

*Grid on origin and destination of products*

Location of clients' origins		MARKET	MARKET
1	International (outside national territory)		
2	National (outside the region)		
3	Region (outside the <i>département</i> )		
4	<i>Département</i> (outside the commune)		
5	Commune		

Main product supply markets			
1			
2			
3			
4			
5			
6			

*Data grid on mines and quarries of the local authority*

Artisanal gold mining	Number per year
Mining plot	
Total surface area mined (ha)	
Traditional mining chiefs	
Miners	
Mining assistants	
Total gold panners	
Gold collectors and traders	
Quarrying (stones, sand, etc.)	
Total surface area mined	
Number of traditional mining companies	
Number of loads—5-tonne vehicles	
Number of loads—Vehicles 10 tonnes and over	

### Assessment grid of fiscal potential/resource potential

	BASIC DATA	
A	Population	
B	Average annual growth rate of the population	
C	Size of household	
D	Average annual growth rate of the households	
E	Average number of people per lodging/building	
F	Average number of lodgings per plot/concession	

N°	TYPE OF REVENUE	Basic year data (n-1)	Basic year data (n-1)	Projected estimates Year No.	Projected estimated amounts Year No.
1	TAX/CONTRIBUTION TO DEVELOPMENT (head tax)	Basic year data (n-1)	Projectors	Projected population estimates Year No.	Projected amounts Year No.
10	Total population				
11	Tax exemption rate				
12	Taxation rate of the population				
13	Taxable population (10*12)				
14	Average amount per head tax item				
15	Theoretical fiscal potential—head tax (13*14)				
16	Rate of control of the tax base				
17	Amount of issuances—head tax (15*16)				
18	Collection rate				
R1	Simulated amount of head tax revenues (est.) (17*18)				
2	SINGLE LAND TAX (tax on developed and undeveloped land)			Number	Amount
21	Total number of lodgings/buildings (A/E)				
22	Total number of lots/plots (21/F)				
23	Number of plots/concessions built in rigid or semi-rigid material				
24	Number of lots/plots built with non-rigid materials				
25	Taxation rate of plots				
26	Number of taxable plots (22*25)				
27	Average amount per land tax item				
28	Theoretical fiscal potential—land tax (developed and undeveloped land) (26*27)				
29	Rate of control of tax base				
210	Amount of single land tax issuances (28*29)				
211	Collection rate				
R2	Simulated amount of land tax revenue (est.) (210*211)				

N°	TYPE OF REVENUE	Basic year data (n-1)	Basic year data (n-1)	Projected estimates Year No.	Projected estimated amounts Year. No
3	PROFESSIONAL TAX / LICENCE			Number	Amount
30	Rate of activity				
31	Total number of economic activities				
32	<b>Taxation rate of economic activities</b>				
33	Number of taxable activities (31*32)				
34	Average amount per activity tax item				
35	Theoretical fiscal potential—professional tax				
36	<b>Rate of control of the tax base</b>				
37	Amount of single land tax issuances (15*16)				
38	Collection rate				
R3	<b>Simulated amount of professional tax revenue (est.) (37*38)</b>				
4	TAX ON MOTORCYCLES			Number	Amount
41	Average number of motorcycles				
42	Average amount per tax /road tax item on motorcycles				
43	<b>Theoretical fiscal potential—tax/road tax on motorcycles (41*42)</b>				
44	<b>Control rate on tax base</b>				
45	Amount of tax issuances/road tax on motorcycles (43*44)				
46	Collection rate				
R4	<b>Simulated amount of tax/road tax revenue on motorcycles (est.) (45*46)</b>				
5	TAX ON LES BICYCLES			Number	Amount
51	Average number of bicycles				
52	Average number of bicycles				
53	<b>Average number of bicycles (51*52)</b>				
54	<b>Rate of control of the tax base</b>				
55	Amount of issuances tax/vignette (road tax) on bicycles (53*54)				
56	Collection rate				
R5	<b>Simulated amount of tax revenues/road tax on bicycles (est) (55*56)</b>				



N°	TYPE OF REVENUE	Basic year data (n-1)	Basic year data (n-1)	Projected estimates Year No.	Projected estimated amounts Year. No
<b>6</b>	<b>TAX ON CARTS</b>			<b>Number</b>	<b>Amount</b>
61	Average number of carts				
62	Average amount per tax item on carts				
<b>63</b>	<b>Theoretical fiscal potential on cart tax (61*62)</b>				
<b>64</b>	<b>Rate of control of tax base</b>				
65	Amount of tax issuance on carts (63*64)				
<b>66</b>	<b>Collection rate</b>				
<b>R6</b>	<b>Simulated amount of tax revenue on carts (est.) (65*66)</b>				
<b>7</b>	<b>DUTIES ON TAXIS</b>			<b>Number</b>	<b>Amount</b>
71	Average number of motor-taxis (two- or three-wheeled)				
72	Average number of vehicle taxis (four-wheeled)				
73	Average amount per duty item on motor taxis				
74	Average amount per duty item on vehicle taxis				
<b>75</b>	<b>Theoretical fiscal potential on taxi duties (71*73+72*74)</b>				
<b>76</b>	<b>Rate of control of the tax base</b>				
77	Fees on taxis (75*76)				
<b>78</b>	<b>Collection rate</b>				
<b>R7</b>	<b>Simulated amount of revenue on taxi duties (est.) (77*78)</b>				
<b>8</b>	<b>LIVESTOCK TAX</b>			<b>Number</b>	<b>Amount</b>
81	Total number of animals (bulls, sheep/goats, donkeys, horses, camels)				
82	Average amount per tax item on livestock				
<b>83</b>	<b>Theoretical fiscal potential on livestock (81*82)</b>				
<b>84</b>	<b>Control rate of the tax base</b>				
85	Amount of tax issuances on livestock (83*84)				
<b>86</b>	<b>Collection rate</b>				
<b>R8</b>	<b>Simulated amount of tax revenue on livestock (est.) (85*86)</b>				

N°	TYPE OF REVENUE	Basic year data (n-1)	Basic year data (n-1)	Projected estimates Year No.	Projected estimated amounts Year. No.
<b>9</b>	<b>TAXES AND DUTIES ON CIVIL STATUS DOCUMENTS</b>			<b>Number</b>	<b>Amount</b>
91	Average number of documents (births, marriages, deaths, etc.)				
<b>92</b>	<b>Declaration rate</b>				
93	Average number of documents processed by the services (91*92)				
94	Average amount per duty and tax item of civil status				
<b>95</b>	<b>Theoretical fiscal potential of civil status tax (93*94)</b>				
<b>96</b>	<b>Rate of control of the tax base</b>				
97	Amount of issuances - civil status tax (95*96)				
<b>98</b>	<b>Collection rate</b>				
<b>R9</b>	<b>Simulated amount of revenue of civil status tax (est.) (97*98)</b>				
<b>10</b>	<b>DUTIES AND TAXES ON MARKETS</b>			<b>Number</b>	<b>Amount</b>
101	Average number of sellers in the markets				
102	Average amount per items of market duties and taxes				
<b>103</b>	<b>Theoretical fiscal potential and market taxes (101*102)</b>				
<b>104</b>	<b>Rate of control of the tax base</b>				
105	Amount of issuances—market taxes and duties (103*104)				
<b>106</b>	<b>Collection rate</b>				
<b>R10</b>	<b>Simulated amount of market taxes and duties revenues (105*106)</b>				
<b>11</b>	<b>DUTIES AND TAXES ON PARKING TERMINAL</b>			<b>Number</b>	<b>Amount</b>
111	Average number of light vehicles per market day				
112	Average number of heavy vehicles per market day				
113	Average amount per item of light vehicles parking taxes and duties				
114	Average amount per item of heavy vehicles parking dues and taxes				
<b>115</b>	<b>Fiscal potential on parking dues/taxes (111*113+112*114)</b>				
<b>116</b>	<b>Rate of control of the tax base</b>				
117	Amount of issuances of parking taxes and fees (115*116)				
<b>118</b>	<b>Collection rate</b>				
<b>R11</b>	<b>Simulated amount of parking duties/taxes revenue (117*118)</b>				

N°	TYPE OF REVENUE	Basic year data (n-1)	Basic year data (n-1)	Projected estimates Year No.	Projected estimated amounts Year. No.
12	MINE FEES			Number	Amount
121	Average surface area for artisanal mining				
122	Average number of miners (including assistants)				
123	Average amount per item of surface royalties—artisanal mining				
124	Average amount per item—miner royalties				
125	Theoretical fiscal potential of mining royalties (121*123+122*124)				
126	Rate of control of tax base				
127	Amount of issuances—mining royalties (125*126)				
128	Collection rate				
R12	Simulated amount of revenues of mining royalties (127*128)				
	TOTAL				

### Identification and analysis grid of the local authority's services

N°	Services	Main income/ revenue-generating activities	Main Fees/ Expenditure-generating items	Role and impact on services/provisions to inhabitants
1				
2				
3				
4				
5				

## Record card on consumer organizations' needs

Service

N°	Category	Number	Amount
<b>1</b>	<b>Personnel</b>		
	Category A		
	Category B		
	Category C		
	Category D		
	Category E		
<b>2</b>	<b>Equipment and supplies</b>		
	Office supplies		
	Computer supplies		
	Fuel		
	Travel and missions		
<b>3</b>	<b>Services consumed</b>		
31	Electricity and water		
32	Telephone, fax, Internet		
33	Maintenance and repairs of property equipment		
34	Maintenance and reparation of premises		
<b>4</b>	<b>...</b>		
	<b>TOTAL</b>		

## Synthetic simulations of the local authority budget

The synthesis simulation of the budget is an analytical tool that allows, according to the local authority, to engage in negotiations with the State on local financial resources. The contents of the process of synthetic budget simulation of the budget is as follows:

### Revenues

The minimum level of local revenues/person is set for the basic rural authority; between 1 000 and 2 000 CFAF

Some characteristic indices of a local authority having a kind of economic dynamism have been selected, as follows:

- structuring economic infrastructures such as the weekly market, the truck depot, livestock market, etc.;
- natural resources such as mines (gold, diamonds, etc.), quarries (stone, sand, laterite, etc.), forests (particularly, wood);
- a strong tourist attraction characterized by large tourist flow;
- others.

### Scale table of indices with considerable influence on local resources

	Level 1	Level 2	Level 3
<b>Structuring economic infrastructures</b>			
Industry	Regional (outside the commune)	local	None
Market	Regional (outside the commune)	local	None
Terminal	Regional (outside the commune)	local	None
Livestock market	Regional (outside the commune)	local	None
<b>Natural resources</b>			
Mines	Industrial mining	Artisanal mining	None
Quarries	Industrial mining	Artisanal mining	None
Forests	Industrial mining	Artisanal mining	None
<b>Tourism</b>	International reach	National reach	None
<b>Additional part of local revenue</b>	<b>40%</b>	<b>20%</b>	<b>0%</b>

Each of these indices has been assigned a weight according to the importance of its impact that it could have on local resources. Each index was graded into three levels (level 1 to 3), have a decreased weight from 40% to 0, as shown in the table below.

## Weighting of indices that considerably influence local resources

	Level 1 %	Level 2 %	Level 3 %
<b>Structuring economic infrastructures</b>			
Industry	30.0%	10.0%	0.0%
Market	40.0%	15.0%	0.0%
Terminals	10.0%	4.0%	0.0%
Livestock market	3.0%	1.5%	0.0%
<b>Natural resources</b>			
Mines	30.0%	20.0%	0.0%
Quarries	10.0%	5.0%	0.0%
Forests	7.0%	3.5%	0.0%
<b>Tourism</b>	20.0%	6.0%	0.0%
<b>Additional share of local revenue</b>	<b>+ 150.0%</b>	<b>+ 65.0%</b>	<b>0.0%</b>

### Expenditures

The general considerations on which the approach is based are thus summarized as:

In an organized society, human beings have a certain number of needs that belong to the community (state or local) to be satisfied. In general, the needs are:

1. Mobility: roads and organization of transportation, terminals
2. Training and education at different levels (primary, secondary, high school, technical, vocational), handicrafts
3. Supplies: drinking water, agricultural production/livestock farming, trade markets exchanges
4. Local Health care: health centers
5. Healthy living; sanitation, clean water, latrines, garbage dump
6. Working; availability of jobs
7. Recreation; sports, culture, leisure
8. Various administrative documents; mayor's office, police, etc.

Within the list of competences devolved to the local authorities, the following are highlighted;

- Own needs for administrative activities (those related to land, land development, planning, town planning, etc.
- Needs associated with problems of the populations (health, education, vocational training, literacy, culture, sports and leisure, civil protection, assistance and first aid, drinking water, etc.).

Whether this is based empirically or on transferred competences, the different responsibilities corresponding to the needs of society should be realized through the organization of services and projects for the populations.

In regard to these considerations, a common type is outlined, the main characteristics of which are indicated as:

## Characteristics of the standard commune

N° STANDARD COMMUNE BASIC DATA			
a	Population	10,000	persons
b	Surface area	400	km²
c	Density	25	persons/km²
d	Agglomeration/urbanity rate	15%	

REVENUES			
e	local revenue/person (minimum amount)	1	CFAF

Weighting grid on resource indices	Level 1		Level 2		Level 3	
Structuring economic infrastructures	Criteria	Weighting factor	Criteria	Weighting factor	Criteria	Weighting factor
Industry (I)		30.0%		10.0%		0.0%
Market (M)	Regional (outside the commune)	40.0%	local	15.0%	None	0.0%
Terminal (G)	Regional (outside the commune)	10.0%	local	4.0%	None	0.0%
Livestock market (MB)	Regional (outside the commune)	13.0%	local	1.5%	None	0.0%
Ressources naturelles						
Mines (MI)	Industrial mining	30.0%	Artisanal mining	20.0%	None	0.0%
Quarries ('C)	Industrial mining	10.0%	Artisanal mining	5.0%	None	0.0%
Forests (F)	Industrial mining	7.0%	Artisanal mining	3.5%	None	0.0%
Tourism (T)	International reach	20.0%	National reach	6.0%	None	0.0%
Additional part of local revenues		160.0%		65.0%		0.0%

## EXPENDITURES

### Services infrastructures and assessment of the minimum amount of public local investment stock

	Sectoral rules and regulations	Minimum population per 1 infrastructure (*)	Average acquisition unit cost (in '000)	Minimum infrastructure for 10 000 persons ('000 of CFAF)	Minium public local investment stock	%	Average running costs—Maintenance and operations (5%) ('000 of CFAF)
Education					212,667	31.6%	10,633
First and second cycle of secondary school	Number of primary schools per secondary school	15,000	40,000	0.0	0		0
First cycle of secondary school	"	7,500	23,000	1	30,667		1,533
Primary/basic school for entire group	Number of pupils in a class	2,500	30,000	4	120,000		6,000
Primary/basic school—three levels	"		15,000		0		0
Maternal school/Centre d'éveil (Activity Centre)	"	5,000	15,000	2	30,000		1,500
Literacy centre		2,500	8,000	4	32,000		1,600
Health					69,167	10.3%	3,458

	Sectoral rules and regulations	Minimum population per 1 infrastructure (*)	Average acquisition unit cost (in '000)	Minimum infrastructure for 10 000 persons ('000 of CFAF)	Minium public local investment stock	%	Average running costs—Maintenance and operations (5%) ('000 of CFAF)
Commune health centre	Number of doctors, women midwives, nurses per population size	15,000	80,000	1	53,333		2,667
Health Unit/Village Health Unit		6,000	6,500	2	10,833		542
Social centre		10,000	5,000	1	5,000		250
Community shelter					0		0
<b>Hydraulics</b>					233,333	34.7%	11,667
Drilling community hand-pumped water wells (FPM) (1 per water point)	Number per minimum population size	300	7,000	33	233,333		11,667
Village water supply (AEV) (6 per waterpoint)			75,000				
Autonomous waterpoint (PEA) (4 per waterpoint)			35,000				
Large-diameter wells (1 per waterpoint)		300	12,500		0		0
<b>Road system</b>					116,000	17.2%	5,800
Rural tracks (km)	Number of km for a minimum population size	1,000	8,000	15	116,000		5,800
Road system in the agglomeration centre		50,000			0		0
Green spaces, gardens and public places		50,000			0		0
<b>The economy</b>					11,500	1.7%	575
Vaccination centre		10,000	4,000	1	4,000		200
Livestock market			3,000		0		0
Slaughterhouse					0		0
Village bank					0		0
Cereal bank					0		0
Weekly market		20,000	15,000	1	7,500		375
Terminal					0		0
<b>Culture, leisure and sports</b>					20,000	3.0%	1,000
Youth centre/Leisure centre		10,000	10,000	1	10,000		500
Community radio			5,000		0		0
Sports field		10,000	10,000	1	10,000		500
<b>Administration</b>					10,000	1.5%	500
Buildings in Town Hall		10,000	10,000	1	10,000		500
Buildings in the territorial subdivisions					0		0
Administratives residences			7,000		0		0
Camps			6,000		0		0
<b>TOTAL</b>					672,667	82.8%	33,633



f	Minimum amount of public local investment stock		672,667	CFAF
g	Maintenance and operations rate		5%	CFAF
h	Theoretical minimum expenditures for maintenance and operations of local infrastructure		33,633	CFAF
i	Minimum maintenance and operations expenditure of infrastructures/person		3	CFAF

### Structure of the local authority

	Number	Unit cost (in '000)	Amount ('000 of CFAF)
<b>Communal staff</b>			<b>4,260</b>
General Secretary	1	120	1,440
Head of Financial Services	1	75	900
Head of Social Services	1	75	900
Secretary	1	50	600
Watchman/Guard	1	35	420
<b>Elected officials</b>			<b>4,520</b>
Mayor	1	150	1,800
Deputies	2	80	1,920
Councillors (1 for 2,500 persons)	8	100	800
<b>Other operating expenditures</b>			
Equipment, supplies and services (35% of staff fees)			3,073
<b>MINIMUM OPERATING EXPENDITURES</b>			<b>11,853</b>

j	Minimum theoretical operating expenditures of the local authority		11,853	CFAF
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#### NB

(\*) Following the national regulations on implementation and taking into account: a minimum population, a certain minimum km. distance between two infrastructures and other specific data according to sector.

The budget concerns a rough assessment of theoretical investment stock of a standard local authority, a more detailed work per sector could be carried out according to desired goals.

On the basis of the characteristics of commune type, one must determine a differentiation coefficient for the local authority concerned, which is calculated according to population (additional costs linked to additional infrastructure needs), density additional costs linked to the distance and residential scatter) and the rate of agglomeration (additional costs linked to the development of a particularly concentrated centre).

### **The simulation parameters**

*At the level of revenue*, the variables particularly concern: the level of local revenue/person ratio, the population, the agglomeration rate/urbanity rate.

*At the level of expenditures*, these parameters concerned; the population, surface area, density, equipment rate of the local authority (which depends on the level obtained with respect to public local investment needs), the rate of maintenance and operations of service infrastructures, the annual rate of acquiring new infrastructures or the extent of the lack of basic infrastructures.

### **The results of the simulations and the measurement indicators**

#### *Synthetic simulation of budgetary revenues*

The data on the population of the commune concerned allow to obtain basic amount of local revenues from the level of local revenues /person of the standard commune

The application of the differentiation rate of local revenues allows to determine the additional share of local revenues linked to own economic characteristics of the locality.

The level of transfers granted by the State is earmarked to cover the gap between the total minimum expenditures relating to supplying a considerable level of services and the total local revenues.

The results are assessed on the basis of indicators, notably:

- The local revenue/person ratio
- The relation between the level of local revenue planned and the actual level of these revenues (growth rate, multiplier coefficient).

#### *Synthetic simulation of budgetary expenditures*

The data on the population, the surface area and the agglomeration rate allow to obtain the coefficient of differentiation of the local authority concerned. This coefficient is then used to assess the following in successive stages:

- The theoretical minimum operating expenditures of the local authority (body) ;
- The value of the local public investment stock and consequently, the minimum maintenance and operations expenditures of these infrastructures;
- The amount public infrastructure deficit and consequently the amount of expenditures for acquiring infrastructures.

The results are assessed through the following indicators: maintenance expenditures/person ratio, maintenance expenditures/total expenditures, services expenditures/person, services expenditures/total expenditures.

The simulation grid of the results that are entirely automatically calculated by Excel, as shown below.

## Simplified simulation grid of the local authority budget

N°	LOCAL AUTHORITY BASIC DATA		
1	Population	25,000	persons
2	Surface area	1,025	km <sup>2</sup>
3	Density	27	person/km <sup>2</sup>
4	Urbanity/agglomeration rate	15%	

local revenue/person	2,000 CFAF
Maintenance expenditure/person	1,000 CFAF
Services expenditures/person	3 000 CFAF
Maintenance expenditure/total expenditure	18%
Services expenditure/total expenditure	74%
State transfers/person	2,000 CFAF

Indicators



REVENUE (in '000 CFAF)		
5	Average level of local revenue/person (5 = e)	1
BASIC LOCAL REVENUE		
6	Amount of basic local revenue (6 = 1*5)	25,000
LOCAL REVENUE DIFFERENTIAL		
	Differentiation grid	Weighting level 1, 2 or 3
7	Structuring economic infrastructures	57%
	Industry	0%
	Market	40%
	Terminal	4.00%
	Livestock market	13.00%
8	Natural resources	0%
	Mines	0.0%
	Quarries	0.0%
	Forests	0.0%
9	Tourism	0%
10	Differentiation rate of local revenue (10 = 7+8+9)	57%
11	Amount of local revenue differential (11 = 10*6)	14,250
12	TOTAL LOCAL REVENUE (12 = 6 + 11)	39,250
13	STATE TRANSFERS (13 = 215 - 12)	54,725
14	TOTAL REVENUE	93,975

EXPENDITURES (in '000 CFAF)			
DIFFERENTIATION DATA			Weighting
21	Population coefficient (21 = 1/a * P21)	1.8	70%
22	Density coefficient (22 = 3/c * P22)	0.2	20%
23	Agglomeration coefficient (23 = 4/d * P23)	0.1	10%
24	Local authority's differentiation coefficient (24 = 21+22+23)	2.1	
ADMINISTRATIVE OPERATIONS			
25	Theoretical operating expenditure (local authority structure) (25 = j*24)	24,488	
MAINTENANCE OF INFRASTRUCTURE ASSETS AND PUBLIC DOMAIN			
26	Need of local public investment (26 = f*24)	1,389,729	
27	Equipment rate	25%	
28	Value of public local investment stock (28 = 26*27)	347,432	
29	Maintenance and operations rate of infrastructure	5%	
210	Minimum maintenance and operating expenditure of local infrastructure (210 = 28*29)	17,372	
SOCIO-ECONOMIC PROMOTION			
211	Expenditure of socio-economic promotion		
ACQUISITION OF ASSETS			
212	Value of the local public infrastructure deficit (212 = 26-28)	1,042,297	
213	Annual rate of acquiring new infrastructure/ covering the deficit	5%	
214	Amount of expenditures on acquiring infrastructure (214 = 212*213)	52,115	
215	TOTAL EXPENDITURES	93,975	

## ANNEX 10

### Survey and interview grids on the local authority's economic diagnostic

#### Identification grid on main economic activities

Identification record of main economic activities			
Name of the enterprise _____			
Exact location: _____			
Are premises occupied?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Owner or tenant of property:		Owner <input type="checkbox"/>	Tenant <input type="checkbox"/>
Rent to pay:		Yes <input type="checkbox"/>	No <input type="checkbox"/>
		N/A <input type="checkbox"/>	
		If yes, how many? _____ CFCAP	
Number of employees:		1 – 10 <input type="checkbox"/>	11 – 50 <input type="checkbox"/>
		51 et plus <input type="checkbox"/>	
<b>Type of enterprise:</b>		<b>Field of activity:</b>	
Informal micro-activity <input type="checkbox"/>		Trade <input type="checkbox"/>	
Micro enterprise <input type="checkbox"/>		Processing <input type="checkbox"/>	
Small enterprise <input type="checkbox"/>		Production <input type="checkbox"/>	
		Transportation <input type="checkbox"/>	
		Services <input type="checkbox"/>	
		Other (specify) <input type="checkbox"/>	
<b>Sector</b>			
Agriculture <input type="checkbox"/>	Mines <input type="checkbox"/>	Social <input type="checkbox"/>	
Fishing <input type="checkbox"/>	Fresh products <input type="checkbox"/>	Health <input type="checkbox"/>	
Forestry <input type="checkbox"/>	Public works <input type="checkbox"/>	Education <input type="checkbox"/>	
<b>Additional information:</b>			

### Analysis grid of the issue of local economic operators

	Financing	Provision	Human resources	Production and technology	Marketing and markets
<b>External context</b>	<ul style="list-style-type: none"> <li>• Criteria of accessibility to financial institutions</li> <li>• Adaptability of mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Accessibility and provision of external inputs</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of the external human resources training and preparation environment</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of the capacity of the offer in technology and the capacity of enterprises to integrate them</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis regarding information on markets and commercial practices</li> </ul>
<b>Support institutions</b>	<ul style="list-style-type: none"> <li>• Quality of council services</li> <li>• Localization</li> </ul>	<ul style="list-style-type: none"> <li>• Type of information and support regarding provision</li> </ul>	<ul style="list-style-type: none"> <li>• Offer and accessibility for strengthening capacities of enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Role played by the institutions to improve productivity of enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Type of services provided to enterprises in marketing and market knowledge</li> </ul>
<b>National unions/ professional groups</b>	<ul style="list-style-type: none"> <li>• Role played by these organizations in terms of financing</li> </ul>	<ul style="list-style-type: none"> <li>• Role played by these organization to improve provision</li> </ul>	<ul style="list-style-type: none"> <li>• Role played by these organizations to increase the level of training and dialogue with the State</li> </ul>	<ul style="list-style-type: none"> <li>• Role played by these organizations to increase information and exchanges</li> </ul>	<ul style="list-style-type: none"> <li>• Role played by these organizations to promote local products</li> </ul>
<b>Diagnostics of the enterprise</b>	<ul style="list-style-type: none"> <li>• Financial and managerial analysis of the enterprise</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of the management of stocks and inputs in the enterprise</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of the quality of human resources within the enterprise</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of the quality of products and know-how of enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• What knowledge does the enterprise have on markets ?</li> </ul>
<b>Problems to resolve</b>	<ul style="list-style-type: none"> <li>• Identification of problems to resolve for financing enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of all the problems in regard to provision for the enterprise</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of the problems limiting human resource training</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of elements allowing for improvement in the quality/price relationship of the product of the enterprise</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of the strategy implemented to access markets</li> </ul>

## Analysis grid on local economic commitment

### Analysis grid on local economic commitment

- How would you define an individual's wealth??
- How is the will to "assume responsibility" expressed or the belief that only the local authority could manage it.
- What are the concrete signs allowing to believe that the citizens are ready for some "sacrifices" in order to carry out an endogenous economic development approach?
- What is the leadership exercised by the mayor and members of his council? If this exists, which form does this leadership take (political, on which issues, crisis situation, etc.)?
- Are there local actors actively bring projects, or are they simply definers of the situation (members of dialogue groups or others) ?
- How do they contribute to the development of the local authority ?
- What is the contribution of women to the local economy ? Identify the sectors.
- Who are the leaders in the community?
  - Charismatic /religious (whose influence relies only on his or her qualities)?
  - Political (authority)?
  - Presence of a group leader (where it is the group or not an individual alone who dominates)?
- What actions of the locally elected members (commune) can they do to stimulate economic development in the local authority ?
- Do you see the need for a local economic development programme ? Why?
- What/who defines the private sector ?
- How is entrepreneurship defined?
- How do you regard the partnership between the public and private sector in economic development or for services provision?
- In which way is the development of the markets or neighbouring market facilities a factor of growth in agricultural productivity in the area?
- What are the local credit structures (banks, savings banks, cooperatives) ? Have you access to these sources of credit (conditions and modalities)?
- What are the other sources of financing of local economic activities (NGO, State, national banks, donors)? In which proportion?

Summary table on the local economic diagnostic

	Strengths	Weaknesses
<b>PHYSTICAL AND NATURAL FRAMEWORK</b>		
<b>HUMAN FRAMEWORK</b>		
<b>PRODUCTION</b>		
Potentials (agricultural, livestock farming, fishing, forestry)		
Main plant productions		
Gathering products		
Fruit		
Main animal production		
The external environment and serious problems linked to production		
<b>MARKETING</b>		
Main crops (the most sold)		
Crop markets		
High cost of main crops		
Low price of main crops		
Economic environment and serious problems linked to marketing		
<b>MARKET INFRASTRCTURES</b>		
Weekly markets		
Terminals/parking points		
Slaughterhouses/slaughtering areas		
Livestock stocks		
<b>TOURISM, LEISURE AND ACCOMMODATION</b>		
<b>MINES, INDUSTRY AND CRAFTS</b>		
<b>CURRENT LOCAL ECONOMIC DYNAMICS</b>		
Most important villages, in economic order		
Position with respect to national road network and the city (urban center)		
Important rural roads		
Local economic actors		
Intercommoned roads and tracks		
Intercommoned cooperation for economic development		

## For better management, be well-informed and assess accurately

The communes face many problems in their effort to bring satisfactory responses to legitimate expectations on basic public services of the marginalized populations. Among these problems, the issues concerning local finances, communal management and local economic development constitute the fundamental issues. Many supports were brought to the local authorities in West Africa and, despite the studies, the approaches and experiences carried out within resource mobilization of the local authorities, the low impact of the actions on the small rural authorities must be pointed out.

Within this context, and in order to strengthen self-management capacities of the communes and to improve the economic and social situation of populations concerned, the United Nations Capital Development Fund (UNCDF) has developed a pilot test called, *Système d'Analyse Financière et Institutionnelle des Collectivités Locales* (LAFIAS, Financial and Institutions Analysis System of the Local Authorities).

LAFIAS is a joint approach that aims, through analytical tools, to identify the issues linked to the management of the local governance, particularly organizations operations of the authorities, their financing and the economic dimension of the developed. It relies on diagnostics (organizations, financial and economic), public consultations and action plans established starting points for reflection identified with the actors concerned.

Its experimentation in three West African countries (Guinea, Benin and Mali) has allowed to test the analytical and diagnostic tools as well as approach in local public consultation. It is hoped that this work would become a reference in communal management.



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