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# Guinea-Bissau

## Guinea Bissau Citizen Engagement

### Policy Note on Inclusive on Inclusive Service Delivery

June 2019

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# Guinea Bissau

## Policy Note on Inclusive Service Delivery<sup>1</sup>

May 2019

**Summary:** *Despite higher levels of poverty and extreme poverty in rural areas, access to basic services outside the capital is limited in Guinea-Bissau. The state's weak presence beyond Bissau has meant that donors, working in partnership with local non-governmental organizations (NGOs), have become an alternative service provider, leaving the country heavily dependent on development partners. Only 1 percent of its investment program is financed by domestic finances and there is little coordination of donors, leading to gaps and duplication. Despite decentralization efforts, local governments lack the capacity to provide basic services. Therefore, in the short term, the focus should be on creating a development partnership framework (DPF) to establish a system for planning, monitoring, and evaluating development efforts. This framework should be set up in an incremental fashion, starting with (i) establishing a transitory DPF while the government puts in place the enabling actions needed; (ii) establishing an Aid Coordination Unit within the office of the Prime Minister to support the overall implementation of the DPF; (iii) creating an Aid Management Information System to act as a single repository for all aid information; and (iv) institutional development and capacity building to improve the efficiency and effectiveness of development programs and ensure a transparent and accountable planning and budget process.*

### Introduction

- Poverty and extreme poverty are higher in rural areas, with median per capita consumption 38 percent lower outside the capital Bissau.** The 2016 *Systematic Country Diagnostic (SCD)*<sup>2</sup> identified limited access to basic services in the peripheries as a core binding constraint on shared growth in Guinea-Bissau. The SCD saw these constraints as underpinning a broken social contract leading to a rentier economy and institutional fragility, undermining development outcomes and economic opportunities across the board. Therefore, the SCD identified inclusive service delivery as key to breaking improving welfare. Accordingly, the FY18-21 *Country Partnership Framework (CPF)*<sup>3</sup> identifies the need to strengthen the provision of services—such as education, health, and water and sanitation (human development overall) to areas outside the capital as a priority under the first of its two main focus areas.
- The state's weak presence beyond Bissau is linked to Guinea-Bissau's colonial heritage—where colonial leaders did not invest significantly in physical infrastructure, human capital or institutions.** "Unlike other Portuguese colonies, Guinea-Bissau was not considered fit for settlement, and the colonial administration thus made no significant investments in the country beyond what was required to extract natural resources. At the time of independence in 1974, Guinea-Bissau's literacy rate

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<sup>1</sup> Prepared by Najat Yamouri (Senior Social Development Specialist, GSU01) and Kanishka Senath Balasuriya (Consultant, GSU01).

<sup>2</sup> World Bank (2016). *Guinea-Bissau Systematic Country Diagnostic: Turning Challenges into Opportunities for Poverty Reduction and Inclusive Growth*. Washington, DC: World Bank.

<sup>3</sup> World Bank (2017). *Guinea-Bissau Country Partnership Framework for the Period FY18-FY21*. Washington, DC: World Bank.

was 1 percent, and the country had only 60 kilometers of paved roads”.<sup>4</sup> The situation has persisted in post-independence Guinea-Bissau, with development programs failing to effectively and meaningfully integrate the rural population. Instead, political decision making has been limited to a small “urban core” and power and resources have been concentrated in Bissau.

3. **In the context of weak state presence, civil society organizations have emerged as the primary service delivery providers in rural areas.** A recent assessment of NGOs conducted by the EU found a clear duality between a weak state and a strong civil society continuing to this day in relation to service delivery. However, instead of complimenting state structures, the assessment found the collaboration between public administration entities and NGOs taking the form of NGOs providing resources and support to public administration, especially at the local level. In this role, NGOs often tended to replace the public administration rather than reinforce them. However, despite such mutual dependence, the degree of cooperation between government and NGOs remains weak, due to various factors including weak capacity and frequent rotation of civil servants, lack of an enabling legal and political framework, and conflict of interests created by civil servants also working in the NGO sector. The lack of coordination often results in duplication of effort and/or in conflicting agendas with some local officials viewing NGOs as rivals.
4. **The amendment of Guinea-Bissau’s constitution in 1991, allowing for political pluralism, freedom of expression, assembly, press and association, led to a proliferation of civil society organizations**—including various associations, community organizations, partisan formations, unions, advocacy networks, and socio-professional organizations (2018 EU Mapping of NGOs). These early organizations formed the backbone of a civil society that started to grow, with help from international donors, as a formal sector consisting of non-profit organizations and small community associations aimed at achieving various social and/or public goals. Many of these NGOs, which are private in nature and not subject to the direct control of the state, carry out development activities in social sectors such as education, health, agriculture, fishing, social services and culture.
5. **In addition to the political opening, there were other important processes that led to a significant growth of the NGO sector in the post-independence period.** These include the country transitioning to a liberal economy, leading, at least initially, to greater inequality and the rapid adoption of structural adjustment measures, resulting in the disruption of public services. Political elites, who were laid off from important positions within the government due to the structural adjustment measures, took advantage of the new climate of political liberalization and their network of connections to establish their own NGOs (2018 EU assessment of NGOs). For donors, who were keen to address the increasing inequalities but were struggling with the state’s weak presence/capacity, these NGOs—with their technical orientation and familiarity with the local context—became perfect counterparts to implement their programs. Therefore, most donors established very strong links with these new NGOs, in some cases, converting them into their own implementing units instead of reinforcing their participatory approach or improving their internal governance. Many donors provided institutional support to these NGOs, which often included covering organizational and administrative expenses, such as the construction of offices and the purchase of vehicles etc. Donor relationship with these entities were also not necessarily defined by merit or competitive selection (2018 EU assessment of NGOs).

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<sup>4</sup> World Bank (2016). *Guinea-Bissau Systematic Country Diagnostic: Turning Challenges into Opportunities for Poverty Reduction and Inclusive Growth*. Washington, DC: World Bank.

6. **Meanwhile, the 1998 conflict brought about a key milestone in the relationship between donors and NGOs.** With demands for humanitarian aid vastly increasing during and in the immediate aftermath of the conflict, donors abandoned their focus on building stable and durable structures (institutional development) to provide urgently needed aid through any means possible, including via ad hoc structures. This led to an explosion of new civil society organizations, both with previous NGOs significantly expanding their scope, and numerous new NGOs emerging to take advantage of the abundant development 'rents'. These donor-driven NGOs, instead of developing a clear development agenda based on the needs of their constituencies, adopted very fluid mandates to better respond to donor priorities without restricting themselves to one constituency. Many of them became part of the crucial machinery that implements donor-driven development interventions across a large swathe of the country. Therefore, donors, working in partnership with these NGOs, became alternate "service providers" taking on many of the core public service responsibilities of the government in the country's peripheries.
7. **This process eventually set the stage for the current service delivery landscape where donors, working in partnership with local NGOs, constitute an alternative "service provider".** Donors have taken on the responsibility of providing many of the core public services, especially outside of Bissau, in partnership with local NGOs. Consequently, Guinea-Bissau is heavily dependent on development partners. Between 2010 and 2016, on average 95 percent of the annual Public Investment Program (PIP) was financed by external assistance—74 percent of which was in the form of grants/donations and the rest in the form of loans on concessional terms. Only 1 percent of the PIP was financed by domestic funding. This situation has considerably reduced the state's presence outside Bissau, weakening state-society relations and causing the state to become "illegitimate in the eyes of many of its citizens" (CPF FY18-21).<sup>5</sup> This has translated into repeated cycles of political turmoil in the form of military coups, political assassinations, and repeated unconstitutional takeovers of the government. Moreover, the heavy dependence on donors has become a significant source of fragility as uncertainties around donor support can have deep-seated and long-lasting impacts threatening to exacerbate most crises. For instance, widespread donor suspension of operations in wake of the 2012 coup attempt resulted in significant disruptions in service delivery. The role of NGOs as social intermediaries has also been negatively impacted as they are becoming service providers working for donors with little local accountability apart from the reporting to donors and limited interaction with the Government.

## Challenges and Opportunities

8. **Strengthening the state's capacity to deliver inclusive services will be critical not only to addressing rural inequalities, but also to strengthening state-society relations to minimize the risk of fragility.** Increased state involvement in public service provision would help to strengthen the link between state and citizens thereby triggering the long and arduous process towards resilience and a renewed social contract. However, one of the main constraints in this regard is the nonexistent capacity of local governments to provide basic services and public goods. Despite various laws and programs promoting decentralization (including a strong focus under the *Terra Ranka* development program), meaningful political and fiscal decentralization has eluded Guinea-Bissau so far. While the 1997 decentralization law anticipated that each region would be financially sustainable due to transfers from the central government, very few transfers have taken place. Therefore, while meaningful decentralization can be viewed as an eventual solution in the long term, a more practical short-term

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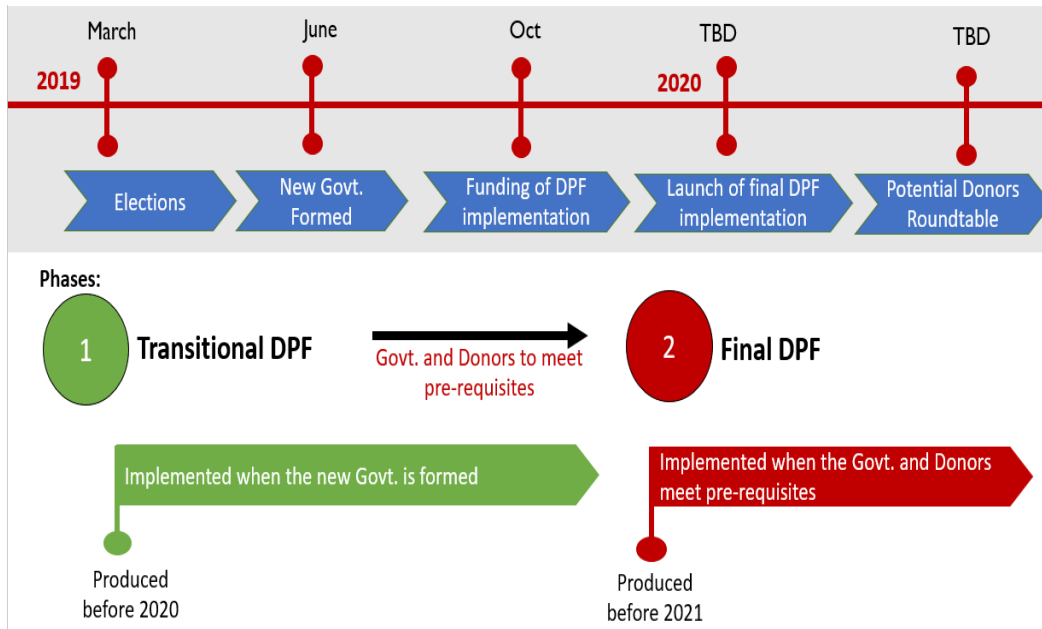
<sup>5</sup> World Bank (2017). *Guinea-Bissau Country Partnership Framework for the Period FY18-FY21*. Washington, DC: World Bank.

solution to strengthening the state's ownership of service provision would be to include ongoing donor efforts into a well-designed and well-managed national planning system.

9. **Currently, donors are providing many services to compensate for the state's weak presence, however with very little coordination or harmonization between them or the state.** With donors funded projects, different kind of social services such as health care, education, social protection through cash transfers, food and nutrition, access to water, but also support to economic activities are being provided to communities. The provision of these services happens through either dedicated project's units or NGOs with little coordination among them or with state institutions. As a result, the specific objectives of various donors and their niche focus areas have led to a multiplicity of overlapping policies and strategies, with the bulk of aid being delivered on an emergency basis, without coherent links or sequencing between them. This approach is contrary to the 2005 Paris Declaration aide effectiveness principle adopted by donors. The Paris Declaration principles emphasize the need for recipient countries to set their own development strategies, improve their institutions, and tackle corruption to avoid long-term aid dependency. They also call on donors to bring their support in line with the strategies set by the recipient country while coordinating and harmonizing efforts among donors. The principles call for "mutual accountability" between donors and the state to better manage results. At the country level, this entails establishing inclusive development partnerships, involving not only government and donor agencies, but also NGOs and private sector representatives in the development dialogue and process. The Paris declaration also calls for 'Mutual accountability' between donors and the state to better manage development programs and results.
10. **The government and donors have made various attempts to provide a strategic framework for the relationship between them with limited success.** Initially, the government gave the semi-public entity the National Coordination of Non-Governmental Aids (SOLIDAMI) responsibility for overseeing the activities of local NGOs involved in the implementation of donor programs. SOLIDAMI was based in the Directorate of International Cooperation of the Ministry of Foreign Affairs but it lacked a designated budget and failed to systematically coordinate donor activities. SOLIDAMI was eventually forced to turn into an institute to solicit funding from donors and to carry out activities that were not part of its initial mission of coordination and networking. Meanwhile, the European Union (EU) and the United Nation Development Program (UNDP) jointly launched a process to harmonize aid in 2006, creating a group of partners for Guinea-Bissau. This group was open to all bilateral and multilateral donors in accordance with the principles of the Paris Declaration. However, as many donors suspended their operations in face of the 2012 coup, many of the thematic groups under this initiative had to be dissolved. As a result, aid coordination and monitoring remain ineffective due to the structural weaknesses of the public administration.
11. **While NGOs are providing many services to the population with donors' support, the government needs to lead the coordination and harmonization of donor programs.** Facilitating NGOs and donors' coordination with the government institutions would be crucial to improving the social contract and addressing access and quality of service delivery in rural areas and lagging regions. No clear institutional framework for aid coordination exists among the different ministries, leading to overlaps and hampering information sharing. There have also been few monitoring and coordination activities at the government level, resulting in unnecessary waste of scarce resources due to delays, duplication, overlapping implementing mechanisms, and elite capture. Effective donor coordination would contribute to Guinea-Bissau's development in multiple ways:

- i. Ensuring that the disbursement of donor funds is in line with government objectives and strategies
  - ii. Avoiding overburdening public authorities with additional administrative processes by taking capacity constraints into consideration
  - iii. Ensure consistency and effective sequencing among the programs of various donors
  - iv. Improve donor coordination to ensure a coherent approach to working with NGOs as social intermediaries to strengthen their internal governance and citizen engagement capacity
12. **For donors to effectively support the government they need to be well coordinated.** A recent rapid assessment of government planning processes, conducted jointly by the United Nations (UN) and the World Bank (WB), identified the broad contours of a development partnership framework (DPF) for aid coordination among donors and the government. The final DPF will build on the UN's Local Economic Development program, and will establish a system for planning, as well as monitoring and evaluation, including a monitoring database. The DPF would be supported by an Aid Coordination Unit based in the office of the Prime Minister. Meanwhile, the government would be required to implement the enabling actions needed to ensure the effectiveness of the DPF.
13. **The DPF proposes an Aid Coordination unit housed in the office of the Prime Minister to support overall coordination and alignment with both government and donor priorities,** to ensure that efforts of international partners are complementary and not fragmented. The Aid Coordination Unit shall primarily be a donor coordination platform to ensure optimum application of resources and unified representation of international partners for development to effect necessary reforms to improve public service deliveries. The DPF will be process oriented and formulated in a way that it allows for a coordinated dialogue on future development interventions.
14. **The joint UN-WB team also proposed taking an incremental and adaptive approach towards establishing the DPF given the highly dynamic political situation and the low institutional and NGO capacity in Guinea-Bissau.** Therefore, the team recommends initially setting up a transitory DPF before finalizing more comprehensive arrangement, once the government has put in place the required enabling actions). The recent elections and the forming of a new government should present a window of opportunity for donors to collectively pursue a positive and systematic transformation in the country. In effect, the DPF would lay the technical foundation and inform future high-level policy dialogues between donors and the new government, around cross sectoral reforms (possibly leading to a donor roundtable if and when the prevailing conditions allow).

**Figure 5.1: Tentative Timeline for Implementing the Development Partnership Framework**



## Options for Reform

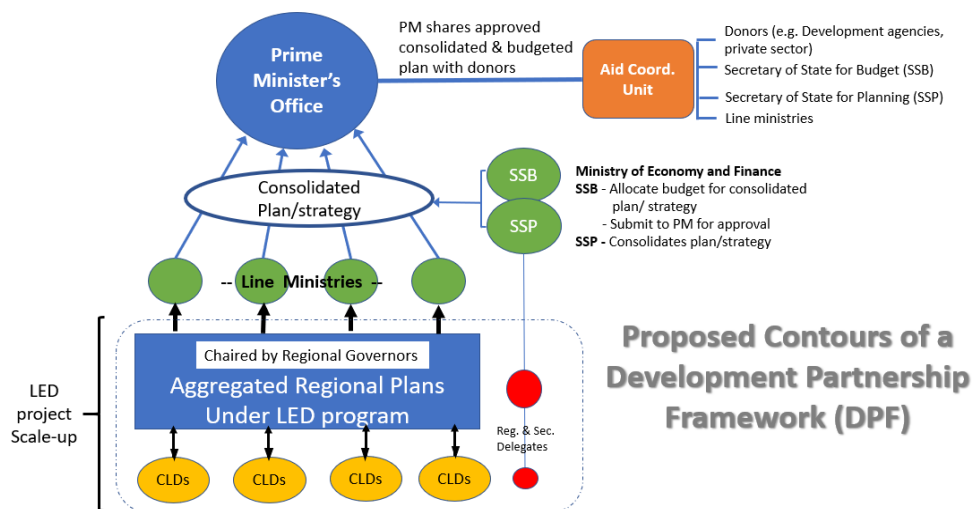
15. **Establish a development partnership framework (DPF) in close coordination with other donors.** The framework would include strategic guidance from the top while integrating a bottom-up prioritization process. It would also factor in feedback from NGOs and the private sector. Most importantly, the DPF would require the UN and WB, alongside other key donors such as the European Union, to rally together and coordinate their aid efforts. The DPF will be process oriented and formulated in a way that allows for coordinated dialogue on future development interventions.
16. **Establish an Aid Coordination Unit (ACU) within the office of the Prime Minister to support overall implementation of the DPF.** The ACU will be responsible for ensuring the coordination and alignment with both government and donor priorities, to ensure that the efforts of international partners are complementary and not fragmented. The ACU should primarily act as a donor coordination platform to ensure the optimum use of resources and effect of the reforms needed to improve public service delivery.
17. **The broad scope of the ACU's responsibilities would include facilitating compliance with the DPF by all international development partners and government institutions** and the creation of a conducive environment. The consolidated development plans shared by the government should mirror the priorities of donor community for financing development programs and investments and the ACU should guide the government and implementing agencies in delivering fast, efficient and inclusive services. Meanwhile, the ACU will attempt to simplify processes and procedures by using the latest information technology (IT) to improve transparency in operations and to anchor its coordination in



transparent IT-based processes. The ACU will also be responsible for putting in place enabling actions required as prerequisites for the DPF.

18. **To support the ACU, an aid monitoring database (Aid Management Information System) should be established as a single repository for all aid information.** This would help improve the planning, execution and monitoring of development interventions. Essentially, it will be an IT application to support the aid coordination, monitoring and evaluation, and reporting of donor programs, particularly, in service delivery sectors. It should be hosted at the National Institute of Statistics (INE) data center to increase access to universal data and enable integration with other financial databases being developed by various projects and donors to improve governance, infrastructure and service delivery. The ICT platform will increase transparency and force coordination as the DPF accountability processes will be reflected in the ICT platform through having various levels of authorizations and access depending on the roles, tasks and accountability matrix.

**Figure 5.2: Proposed Contours of a Development Partnership Framework**



**The Ministry of Finance and other sectoral ministries will need institutional development and capacity building** to improve the efficiency and effectiveness of development programs to ensure the transparency and accountability of the planning and budgeting processes. This would also include capacity support to the main actors of the national planning system to produce well-designed and well-managed annual national plans. The INE will also need support to set up a data center and become the primary repository of all data pertaining to government, private, and donor programs, surveys, and all development activities. Data should be standardized across projects, donors, and ministries etc. to improve the governance and monitoring of service delivery programs.