

PROJECT DOCUMENT
July 2011

Country: Southern and Eastern Africa Region

Programme Title: ICLD-UNCDF International Joint Training Programme to Strengthen Local Government in Support of Local Development in Southern and Eastern Africa

<p>Programme Duration: 36 months Anticipated start/end dates: August 01, 2011 – May 31, 2014</p> <p>Fund Management Option: Parallel</p>	<p>Total estimated budget: USD 2,951,500 Out of which: 1. Funded Budget: USD 2,096,500 2. Unfunded budget: USD 855,000</p> <p>* Total estimated budget includes both programme costs and indirect support costs.</p>
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<p>Sources of funded budget: (All figures in USD)</p> <ul style="list-style-type: none"> • UNCDF Core 200,000 • ICLD* 1,596,500 <p>* Out of this amount, USD 300,000 will be channeled via UNCDF as non-core resources and USD 1,784,500 will be managed directly by ICLD as parallel funding.</p> <p>The contribution from ICLD is subject to necessary decisions at ICLD.</p>

<p>UN organizations</p> <p>For the United Nations Capital Development Fund</p>  <p><i>David Morrison</i> Executive Secretary</p>	<p>For the International Centre for Local Democracy</p>  <p><i>Ms Maria Åberg</i> Secretary General</p>
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Executive Summary

A significant number of local governments in Africa have administrative and technical responsibilities to perform without the requisite capacity and resources to discharge them. As a result, the local government sectors of most if not all countries in Sub Saharan Africa, despite their level of decentralisation, are faced with the twin challenges of capacity gaps and unfunded mandates. Consequently, the capacity of the local government sector to anchor sustainable local development, poverty reduction and the achievement of the Millennium Development Goals still remains a challenge. The traditional response to this capacity gap has often been offered through sporadic, discrete and disjointed short courses and project-based workshops in the absence of strategic national human skills development frameworks that, in part, respond to the specific capacity needs and challenges of the local government sectors.

The **ICLD-UNCDF International Joint Training Programme to Strengthen Local Government in Support of Local Development in southern and eastern Africa** programme is both a national and regional response to the capacity requirements identified in local government in southern and eastern Africa. Specifically, the programme seeks to pioneer the “proof of concept” that greater impact and sustainability in capacity development for local governments has to be grounded in combining theoretical knowledge with practical implementation set in specific policy and institutional contexts and anchored in a change management process at policy, organisational and individual levels and structured and planned to be driven by change agents and through change projects. The change agents and change projects are identified and designed to engender an explicit and sustainable improvement in the outcomes and development impact of participating institution as defined in their mandates.

In the long-term, the programme is intended to contribute to the higher goal of establishing institutional platforms for strengthening and empowering local governments in the participating countries and regions in order to sustain local development and reduce poverty on the back of efficiency benefits to be gained by adopting both national and regional approaches to capacity development for local government. If it is established that this capacity development model is valid and sustainable, it could then be replicated in other parts of Africa.

The programme builds on partnerships among ministries responsible for local government, local government units or local authorities, national and regional local government associations, existing local government training institutions, regional economic groupings and development partners in southern and eastern Africa to build a sustainable capacity development enterprise for the local government sector in support of sustainable local development processes in the region and beyond.

The programme is also informed by the ICLD ITP methodology that seeks to foster institutional change through capacity building and individual learning in a number of areas relevant to local development. It also draws on the UNCDF intervention logic of using decentralization as the policy entry framework and demonstrating “proof of concept” for decentralized development for both governments and development partners resulting in systems development, capacity enhancement through learning by doing modality. This feeds into national up scaling through replication and evidence based policy influencing for sustainable impact. In addition, the

programme is anchored in the capacity development work of the UNDP and the regional institutions such as SADC and the EAC and targets middle to high level staff as change agents that can positively impact sustainable organizational, policy and capacity changes in the institutions whose mandates are in local governance and local development.

The two key outputs of the programme are:

- Capacity of practitioners and institutions in local government enhanced at individual, institutional, policy and systems levels to foster equitable and participatory local development; and,
- The bases for national and regional resources and human skills development and knowledge management for sustainable local development and poverty reduction through local governments in the participating countries developed.

The approach to capacity development adopted under this programme is a combination of guided instructions on local governance and development in identified thematic areas that include the following:

- Decentralized Governance and Accountability
- Local Government Financing
- Inclusive Service Delivery
- Local Economic Development
- Gender Equitable Local Development, and
- Capacity Development for Local Development.

The programme includes mentoring of participants through “change projects” in any of the thematic areas and regular critical reflection and reporting forums involving designated mentors, sponsoring institutions and participating development partners in order to mainstream and sustain the change process beyond the timeframe of the training programme.

The Programme underlines the new strategic approach of the UNCDF to enhance the regional approach to strengthening local governments as the key entry points and strategic partners of choice in addressing the challenge of capital underinvestment that is so pervasive in the LDCs - with gender-equitable local development treated and addressed as a cross-cutting issue and specific module. It is also a direct response to the felt needs identified by the region in the surveys of the status of local governments in southern and eastern Africa that were jointly commissioned by the UNCDF, UNDP RSC-SEA (Regional Service Center for Southern and Eastern Africa) and the Commonwealth Local Government Forum (CLGF) and subsequently endorsed by the Southern Africa Development Community (SADC) and East African Community (EAC) forums of Ministers responsible for Local Government. The programme also underlines the value of sharing and drawing from North-South experiences in crafting appropriate and sustainable responses to national and regional challenges in the South.

Situation Analysis

1. Nature of the Challenge

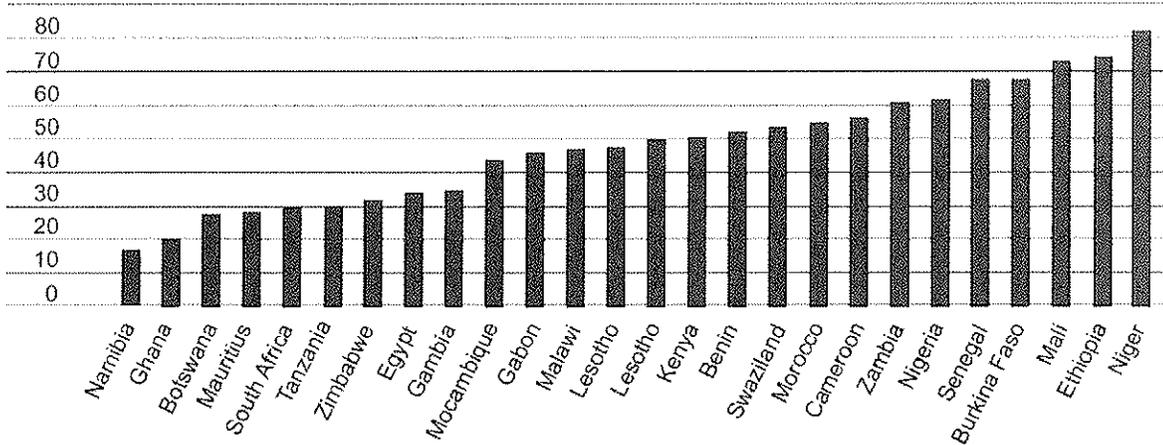
There is a growing understanding and practice in the context of public administration and management reform that local governments play a critical role in local development, poverty reduction and accelerating and localizing the realization of the Millennium Development Goals in eastern and southern Africa. This is evident from ongoing reforms in the region including national decentralization policies which not only recognize the importance of local governments but promote greater autonomy for local governments as well. As noted in the two studies on the state of local government in southern and eastern Africa; during the past two decades, great progress has been made in all aspects of local governance including decentralization, local government financing, inclusive service delivery and capacity building for local governments.¹

However, the milestones achieved vary from one country to another, and have not been without challenges. The reality on the ground shows that decentralization has been impeded by a variety of challenges ranging from inadequate and conflicting conceptualization of the role of and planning for the reform of local government, inadequate resourcing, and lack of capacity at individual, institutional and systems levels and varying pockets of resistance from interest groups at different levels of governance. The prognosis of the empowerment local government as the key entry point and strategic platform for integrated and sustainable service delivery, local development and poverty reduction generally remains bleak.

As a general principle, challenges in managing decentralisation processes, financing local governments, designing more inclusive service delivery models and infusing more gender equitable local development approaches and methodologies are undermined by the pervasive lack of capacity at the individual, institutional, policy and systemic levels particularly in relation to the empowerment of local governments to effectively address their mandates. The ECA (2005) evaluation of local government capacity to implement decentralised responsibilities in selected African countries emerged with similar observations as captured in Figure 1 below.

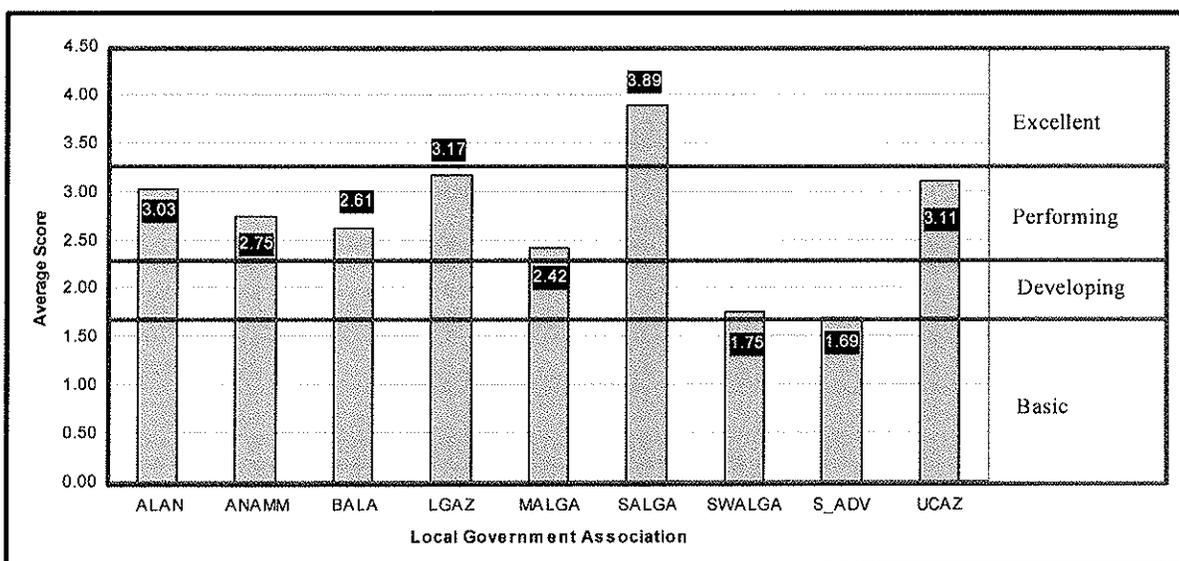
¹ *Report on Status of Local Governance in Southern Africa and Case Studies and Report on Status of Local Governance in Eastern Africa and Case Studies.* These studies were commissioned by the UNDP RSC - ESA, UNCDF and CLGF.

Figure 1: Capacity of Local Governments (%) to Implement Decentralised Responsibilities in Africa



At the level of local government associations the assessment by MDP-ESA revealed that some of the local government associations remain weak and this calls for their strengthening. Figure 2 below shows the varied capacities of different associations based on an average score. It shows that SALGA is the most capable and performing association in the region while others generally need strengthening.

Figure 2: Capacities of Local Government Associations in selected African Countries



On the back of data collected from different countries in southern Africa by Chatiza (2010), there are indications that despite national and sub-national variations, the situation in the region relative to the achievement of the Millennium Development Goals (MDGs) targets which ought to be anchored in and accelerated by local governments is under threat as indicated in Table 1 below.

Table 1: MDGs Status of selected SADC countries

Country	MDGs									
	1 ²	2 ³	3 ⁴	4 ⁵	5 ⁶	6 ⁷	7			
							Water ⁸		Sanitation ⁹	
							Urban	Rural	Urban	Rural
Lesotho	n/d	83,1%	n/d	82,9	n/d	23,2%	73,9%		66,2%	
Malawi	40%	75,7%	0,94	122	807	12%	80%		94%	
Mozambique	54,7%	77,1%	n/d	138	500,1	11,5%	60%	54%	50%	39%
South Africa	n/d	93,8%	1	104	625	8,7%	92,4%		72,2%	
Swaziland	69%	83,85%	n/d	120	589	34,6%	79%	54%	n/d	n/a
Zambia	67%(R), 20%(U)	83%	0,8	119	449	14,3%	60%		63,9%	
Zimbabwe	72%	99%	0,99	86	725	18,1%	100%	61%	98%	30,5%

Sources: Government of Malawi 2009; Government of South Africa 2010; Government of Zimbabwe 2010; Government of Zambia 2008; Government of Mozambique, 2010; Government of Swaziland 2007.¹⁰

The evidence of weak local government capacity is also well documented in the Global Forum on Local Development Report of October 2010 which points to the dilemma of weak local government capacities and greater call for autonomy in a bid to effectively play their role in ensuring gender equitable basic services delivery. One of the recommendations of this report is the need for concrete, focused and localised action aimed at strengthening the institutional capacity of local governments to deliver basic services.¹¹

In the circumstances, partnerships are required in order to develop local, national, regional and global capacities to empower local governments for sustainable local development and poverty reduction. Such an initiative should build on the following principles:-

² Proportion of people living below poverty datum line.

³ Primary education completion rate.

⁴ Ratio of literate women to men (15-24 years of age).

⁵ Under – five mortality rate (per 1000 live births).

⁶ Maternal mortality rate (per 100,000 live births).

⁷ Rate of prevalence of HIV/AIDS among adults (15-24 years of age).

⁸ Proportion of the population with access to an improved water source.

⁹ Proportion of the population with access to improved sanitation.

¹¹ UNCDF (2010) “Global Forum on Local Development Report: Pursuing the MDGs through Local Government”, Kampala, Uganda.

- The need to strengthen all levels of governance to perform assigned roles and responsibilities in a holistic manner;
- The strengthening of both national and regional local government associations;
- The identification of champion leaders and change agents at all levels, national, regional and local to anchor the empowerment of local governments to engender sustainable local development and inclusive service delivery;
- The development of predictable, adequate and sustainable system of financial transfers with emphasis on local revenue generation;
- The need to locate and anchor the empowerment of local governments for sustainable local development in a gender equitable framework;
- A focus on partnerships and local government's role in bringing together the private sector and community groups to enhance local development;
- To recognize that decentralization as an enabling instrument to empower local governments needs to be flexible and adaptive to changing political, social, economic and environmental changes;
- The need to develop sound administrative, management and accountability systems that give voice and choice to empowered communities able to manage their own development, claiming their rights and exercising responsibility;
- Need to identify, relate and sequence short, medium and far term human skills development priorities building on local, national, regional and global partnerships, good practices, institutional comparative advantages; and
- The need to enhance knowledge development, documentation and sharing among all stakeholders and embrace and develop the use of available ICTs in the management of local government, in local development and inclusive delivery.

2. ICLD-UNCDF ITP Partners

The Swedish International Centre for Local Democracy (ICLD) is part of Swedish development co-operation. Its purpose is to promote local democracy in low and middle-income countries. For the ICLD, local democracy principally concerns strengthening local institutions, issues regarding decentralization, local autonomy, citizen influence and collaboration between various participants.

The ICLD operates with existing institutions and authorities and combines mutual collaboration with local ownership of programmes that reflect the challenges faced by partners.

The focus of Swedish development co-operation partnerships is on combating poverty using a rights-based approach. This approach to alleviating poverty is multi-dimensional and includes people's ability to influence their own lives and development, particularly at the local level. The operations of ICLD therefore form a central plank in combating poverty and promoting sustainable local democracy and development.

Since 2009, the ICLD has developed its own three-year Strategy and Operational Plan on the back of a combination of international and national policy documents, as well as its agreements with the Swedish International Development Cooperation Agency. The Swedish Association of

Local Authorities and Regions, Lund University and Gotland Municipality are the parent bodies for and constitute the board of the ICLD.

The ICLD's operational areas are anchored in the following areas:-

Centre of Knowledge – ICLD is active in knowledge gathering and knowledge development within the area of local democracy. This is also addressed in the context of the centre's quality assurance work.

The Municipal Partnership Programme – supports development co-operation between Swedish municipalities, regions, county councils and similar bodies in about 20 developing countries.

The International Training Programmes – ICLD offers high quality long-term capacity development courses targeted at middle to high level staff that impact sustainable organizational and policy changes in their institutions.

The combination of these three areas of operation concerning knowledge development, practical experience and long-term educational courses paves the way for unique opportunities to promote and develop local democracy.

Established by the General Assembly in 1966 and with headquarters in New York, UNCDF is an autonomous UN organization affiliated with UNDP. It is a capital investment agency of the UN working in the least developed countries. It works to advance access to microfinance and basic services in ways that are sustainable, and can be taken to scale by the private sector, development partners and national governments. In this context, the UNCDF plays a key role in contributing to the realization of the Millennium Development Goals.

On the ground in over 40 of the world's poorest countries, primarily in Africa and Asia, UNCDF provides technical support and seed capital – grants and loans – to strengthen institutions that create economic opportunity and provide essential services for poor people. UNCDF focuses on *microfinance*, supporting providers and policies that help more households and small businesses gain access, and on *capital development at the local level*, working to ensure that investments by local authorities – irrigation schemes, clinics, roads, water supply – are sustainable and respond to the needs of the poor. UNCDF's work in microfinance and local development enhances peoples' choices and helps them respond to food insecurity, climate change and sustainable local economic development challenges in general.

UNCDF works in challenging environments – remote rural areas, countries emerging from conflict – and paves the way for others to follow. Its programmes are designed to shape national policies and to catalyze larger-scale investments by the private sector, development partners and national governments, for significant impact on the Millennium Development Goals, especially Goal 1: *Eradicate Extreme Poverty and Hunger*, Goal 3:

Promote Gender Equality and Empower Women, and Goal 7: Ensure Environmental Sustainability.

3. Programme Rationale

The UNCDF-ICLD partnership will significantly contribute to the realization of the outcomes articulated in the strategic frameworks of the UNCDF particularly in relation to its LDPA mission - *to provide and leverage capital investments for sustainable and scalable public infrastructure, basic services and systems in the LDCs through empowered local governments and institutions*. The focus on capacity development in the participating countries will enable UNCDF to address Pillar 1 of its LDPA strategic plan by focusing on providing basic infrastructure, influencing planning and financing processes and strengthening local governments; up scaling and replication of pilots across a wider geographic area; and enhancing policy and institutional impact and partnerships for sustainability.

The partnership will also enable UNCDF to address Pillar 3 of the LDPA strategic plan which focuses on strengthening existing and building new knowledge partnerships at local, national, regional and global levels to anchor LDPA work in knowledge development and management, the systematic documentation, packing and dissemination of lessons learned, generation of knowledge in line with the UNCDF corporate knowledge management strategy and using knowledge and partnerships to advocate for local development in support of the UNCDF brand of “realizing LD through LG”. This will ultimately move UNCDF closer to the realization of its Strategic Objective 2 - *to strengthen the enabling environment and capacities of local governments in 35 LDCs to provide pro-poor infrastructure and services to leverage at least 10 times UNCDF’s original investment by 2015-* and in the process realize its vision that - *the Least Developed Countries are able to undertake the local investments required for them to achieve the Millennium Development Goals in a sustainable and equitable manner*.

The partnership between ICLD and UNCDF was sealed in a Memorandum of Understanding (MoU) signed in October 2010 highlighting areas of cooperation including supporting the Global Forum on Local Development, engaging in knowledge management activities, and promoting international training and capacity building. ICLD provided important inputs to the recently held Global Forum on Local Development (Kampala, Uganda, October 2010), including bringing world-renowned experts to the Forum and committing to the follow-up process. In a recent mission in October 2010 - the Director of UNCDF’s Local Development Practice Area held extensive discussions on setting up an international training program (ITP) based on the ICLD/SIDA- ITP methodology and utilizing the UNCDF local development methodology and experiences as the key sourcebooks and materials.

The programme began in January 2011 with a field visit to the Eastern and Southern Africa region. The application process will start towards the end of March 2011 and the first phase commence in late May 2011 when the ICLD and UNCDF focal persons visit

selected participants, their designated mentors/supervisors, representatives of sponsoring institutions and other local partners in the participating countries. The second phase of the program will be held in Sweden in late August / beginning of September 2011. There will be three rounds of the programme which will last until 2014.

Concurrent with the establishment of the partnership between ICLD and UNCDF, there are regional, national and local level developments taking place among partnering institutions within southern and eastern Africa which are developing a regional programme to strengthen local governments and local institutions as key stakeholders in achieving sustainable local development, reducing poverty and generally driving the realization of the Millennium Development Goals.¹² These developments constitute a framework for anchoring the ICLD -UNCDF ITP programme.

It has been demonstrated that sustainable development can only be realized on the back of robust policies, strong institutions and systems, and active citizen engagement in decision-making. Local governments and institutions need to be supported to strengthen their ability to deliver services within the provisions of national policies, laws and regulations. Decentralized governance and revitalized local institutions can assert the supremacy of civilian authority and provide voice and choice for the poor, marginalised and vulnerable households and communities as transformative agents in reducing poverty and the realization of the MDGs.

On the back of a study that focused on decentralized governance, local government finance, inclusive local service delivery and capacity building for local government in Southern and Eastern Africa, the UNDP Regional Service Centre for Eastern and Southern Africa in partnership with the UNCDF and the Commonwealth Local Government Forum (CLGF) are formulating a regional programme to provide strategic support geared towards strengthening the capacity of local government institutions as critical players in the human development arena, particularly in poverty reduction and achievement of the MDGs¹³. It is also expected that this strategic approach and the

¹² See “Report on Status of Local Governance in southern Africa and Case Studies” and “Report on Status of Local Governance in Eastern Africa and Case Studies” commissioned by the UNDP RSC_ESA, UNCDF and CLGF in 2010. See also Statement of Ministers on Local Government Validation and Dissemination Workshop, 1-2 November 2010, Windhoek, Namibia and Meeting of Local Government Ministers from Eastern Africa: Kigali Statement on Strengthening Local Government in Eastern Africa-4-5 May, 2011.

¹³ “Report on Status of Local Governance in southern Africa and Case Studies” and “Report on Status of Local Governance in Eastern Africa and Case Studies” These studies were commissioned by the UNDP RSC - ESA, UNCDF and CLGF. They constitute the situation analysis of the challenges faced by local governments in southern and eastern Africa which have been recognized by Ministers responsible for Local Government in the region at their meetings in Windhoek, Namibia (Oct 2010) and Kigali (May 2011). These studies and communiqués now form the basis for an initiative - The Local Government Capacity Building Programme:

deployment of relevant capacities, systems, tools and processes like the public expenditure managements systems, local development funds, national fiscal transfer systems, etc. that have been developed by the partners will lead to improved and sustainable livelihoods in the two regions.

In addition, the regional studies on the status of local government in southern and eastern Africa referred to above also observe that the absence of or presence of weak accountability policies and systems are a major development challenge for most countries particularly in relation to the mobilization and utilization of public revenues. The lack of such accountability often diverts scarce resources away from public services towards private benefit, subverts democracy and delegitimizes governments. Within local government, accountability challenges go beyond capacity issues as even sophisticated, well-capacitated local governments have had significant proportions of their revenues, decisions and expenditures subverted due to inadequate accountability systems. Local governments and other partners at local levels therefore need to interface with communities that have requisite capacity to effectively manage their own development, are capable of claiming their rights and exercising responsibility, including the ability to hold development partners and service providers to account.

There is also greater recognition that discrete, uncoordinated and country-based, mechanisms and instruments, although relevant and important, are likely to generate limited concrete and sustainable positive change and impact. What is required therefore is the mobilization of global, regional and inter-disciplinary and cross-practice support and partnerships to complement in-country capacity development for the local government sector. This requires a regional, national and local approach in re-thinking development strategies in relation to strengthening the capacities of local governments, regional development entities, local government associations, communities and the non-state actors in support of gender-equitable realization of the MDGs, sustainable local economic development and poverty reduction.

The capacity development imperative of the ITP programme will therefore draw its thematic areas of focus from the emerging regional programme on strengthening local governments and poverty reduction as the key entry points for achieving sustainable local development. Decentralized governance, local government finance, inclusive service delivery and gender enabled local development will underpin the regional capacity development programme in the context of a policy, institutions and systems change process.

Finally, close consultations will be made with UN-Habitat in the design of the curriculum, ensuring that available training materials - publication, tools, etc -are taken into account where relevant, and that synergies are created with the ITPs that are being

Strengthening Local Government Capacities in Eastern and Southern Africa. The ICLD-UNCDF ITP is the proof of concept required to upscale this initiative.

implemented in collaboration with UN-Habitat. This has been acknowledged at the highest level of UN-Habitat and a concrete timetable has been agreed upon with UNCDF to guide the partnership.

4. Strategies, including lessons learned and the proposed programme

The **International Joint Training Programme to Strengthen Local Government in Support of Local Development in Southern and Eastern Africa** will be a joint effort by ICLD and UNCDF.

ITPs represent one of ICLD's areas of comparative advantage deriving from well tested and tried SIDA methodologies. As part of SIDA's work with capacity and institutional development, SIDA offers international training programs (ITP) for participants from low-and middle-income countries in priority areas. The ITP methodology takes account of the desire to support institutional reforms and change processes that the participating organizations would have expressed in their application to the programme. SIDA has over 100 ITPs running in several areas and ICLD is responsible for programmes which promote the role of local government, enhanced democracy and local development. The ITP involves the sharing of knowledge among practitioners and the exchange of experience among a set of countries, and in the long term, the programme is intended to contribute to institutional strengthening and capacity development in the participating countries.

In most programmes, Sweden acts as a fulcrum where the practitioners come together for the first phase of the ITP and undergo collaborative learning using the Swedish experience and examples. The teaching methods are highly interactive and there is a strong emphasis on participatory methods and group dynamics throughout the programme. The phase in Sweden is followed by an intermediate phase when the participants return home to their places of work and are coached by their designated mentors. The mentoring is intended to ensure that the participants use the knowledge obtained to implement their change projects. Each designated mentor will have a group of 5 participants who could be grouped either by project they are working with or by nationality. In the 'usual' programmes, the designated mentor is a person from Sweden, assigned by ICLD, who starts the mentoring before the phase in Sweden, continues with it during the phase in Sweden, (usually 3 hours/week and group) and continues with the mentoring by email when the participants are back in their home environment.

One of the key underlying motives of the ITP is to build capacity within the participating /sponsoring institutions and to promote change of both the individual and the policy and institutional setting they work within. The change process is defined jointly by the sponsoring institutions and the participants and the theoretical knowledge combined with professional insights from facilitated field visits will be useful for the participant to engage in and implement the change process. In the programme, there will be a number of field visits to local government associations, specific departments within a local

government, regional authorities, governmental agencies, and others, during both the phase in Sweden and at home. This forms the link between the theoretical knowledge articulated throughout the programme and the practical implementation considered relevant for each specific context. However, since change is usually a long term process, the participants have to limit themselves to what can be done in the 18 months duration of the ITP. There are also questions in terms of how much an ITP can induce diverse change required by the 30 participants attending the ITP. This raises the questions of focus and target group and ensuring clarity in what change means. In order to build sustainability, the participants will be linked to an internet platform where they can participate in the programme and also stay in touch with each other during and after the program. An alumni network will be set up for ease of sharing experiences after the programme has ended.

After the intermediate phase, which will last for approximately 5 months with participants working in their home institutions with regular contacts with their designated mentors - the participants will gather in the region to continue the learning process that started in Sweden. This phase is structured to enable the participants, the designated mentors and programme managers to critically reflect on the extent to which programme implementation is leading to the realization of planned outcomes and impacts. Thus, the phase presents space to identify obstacles and challenges faced and the opportunity to define requisite corrective action to achieve programme objectives.

The participants will also share experiences from the work they have undertaken in context of the change projects and processes in their working environment during the intermediate phase. The sharing of experiences assists the participants along the implementation process. Another important assumption is that there is institutional commitment signed off by the sponsoring institutions of the participants. The ITP formally ends in 18 months on a platform that gives opportunity to demonstrate the efficacy of programme outcomes to influencing policy and institutional change within the sponsoring institutions. It also provides space to recognize participants and their sponsoring institutions. Beyond this platform, technical consultations, programme documentation and networking can continue to be supported by the ICLD and other co-operating partners.

The proposed ITP seeks to build on the comparative advantage of ICLD in terms of methodologies for ITPs, the available funding and capacities, with UNCDF's strong on-the-ground presence in terms of implementing local development programmes and the vast international knowledge gained in the last 20 years in the LDCs. Using a typical ITP ICLD template, the programme will focus on the change that local government capacity development programmes seek to achieve through promoting decentralized development, shifting from deconcentration to devolution, and promoting pro-poor infrastructure and services at local government levels. These are the basic assumptions of change that the program seeks to address at both the level of participants and their sponsoring institutions. The training will focus on six key thematic areas, namely:

- Decentralized Governance and Accountability

- Local Government Financing
- Inclusive Service Delivery
- Local Economic Development
- Gender Equitable Local Development, and
- Capacity Development for Local Development

The focus of the programme is on local governments that have undergone or are undergoing processes of change through the support of the UNCDF and other development partners, including SIDA programmes. The participants are expected to be senior and middle level managers working for, or with, local governments. They are expected to derive their research problem for the ITP within the framework of decentralizing local government systems. UNCDF's regional technical teams will take a lead in guiding and mentoring the participants jointly with the ICLD team based in Sweden.

The source books for the courses will be derived from UNCDF's key publications such as "Delivering the Goods" and a variety of other technical and evaluation materials on LD programs. There is also a book "Northern Democracy", developed by ICLD, which briefly describes the governance structure in Sweden. This meets UNCDF's knowledge management and dissemination objectives in terms of sharing lessons learnt and creating collaborative learning among programs. Together with ICLD's focus on collaborative learning embedded in the ITP methodology, positive synergies are certain to be derived.

In addition to the UNCDF technical team, the proposed programme will engage regional institutions – relevant ministries responsible for the local government sectors in the participating countries, universities, national and regional associations of local governments, local government units, and the private sector – in shaping the ITP. This will also influence the curricula of planning and development courses over time and facilitate the development of skills in local government as a discipline and profession. Therefore, potential memoranda of understanding will be signed with relevant key sponsoring institutions to engage in the ITP. This will create a pool of resource persons to support both the ITP and the thrust to strengthen local government capacity to engender sustainable local development and poverty reduction outcomes at the national and regional levels.

To ensure buy-in and ownership of the UNCDF-ICLD programme at the local, national and regional levels, the curricula will be informed by and respond to the challenges of local government and local development as articulated in the regional programme on strengthening local government and poverty reduction developed on the back of the regional studies commissioned by the UNDP RSC-SEA, UNCDF and CLGF referred to earlier on. This is intended to ensure that the UNDP RSC-SEA-UNCDF-CLGF regional programme uses the ITP methodology to respond to the capacity development imperatives in relation to local governments as the key entry points and strategic partners of choice in addressing challenges of local development in a policy and institutional change context.

At the country level, the partners in both the ICLD-UNCDF and the UNDP RSC-SEA-UNCDF regional programmes will work closely with UNDP Country Offices, UNCDF programme staff and other partner representatives as defined in the proposed governance structures.

Proposed target countries at the first phase are Tanzania, Uganda, Rwanda, Zambia and Zimbabwe. The selection of the participants though base of institutional nomination would employ a specific criterion on gender to ensure an equal and balanced representation of respective demographic cohorts.

UNCDF programme countries, which are also SIDA priority countries, qualify as candidates for proposed target countries. The combination satisfies both ICLD and UNCDF in terms of building on already existing knowledge and networks. Eastern and southern Africa has been identified for the first phase of the proposed programme and this will include the following countries: Rwanda, Tanzania, Uganda, Zambia and Zimbabwe. The UNDP RSC-SEA also has programmes running in the selected countries. UNCDF is actively engaged in different phases of local development programmes and has in-depth knowledge of working with local governments in these countries, who are also committed to decentralization and strengthening local governments. The proposed ITP will strengthen collaborative learning among key decision-makers and promote sharing of lessons on the challenges of change in promoting decentralization. It will also build sustainable networks among the participants that will remain after the programme has ended.

Thirty participants from the selected countries will take part in this capacity developing programme for each cycle. The programme is intended for key decision makers and professionals involved in reforms related to local development and local democracy. This could include decision makers at intermediate to high levels in ministries responsible for local governments or decentralization processes and local and regional governments. More than one participant from the same institution could be allowed, and the programme will strive for a gender balance among the participants. Only participants officially nominated by the appropriate authority within their home institution will be considered for admission to the programme. The selection of participants will to a large extent be based on the commitment sponsoring institutions of the participants to build platforms for and engagement with concrete, locally owned gender equitable and sustainable capacity development actions both at national and regional level. Potential candidates will be invited to apply through the Swedish Embassies in the participating countries. UNCDF and ICLD will establish a gender sensitive selection committee to select the participants for each of the three cycles. Women participants and designated mentors are particularly encouraged to apply.

Table 1: Results and Resource Framework

Programme Outcome: Local Capacities in targeted Local Governments in Least Developed Countries strengthened to support local development, poverty reduction and the achievement of the Millennium Development Goals

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For 2011 (USD)						
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments	
<p>Output:</p> <p>1. Capacity of practitioners and institutions in Local Governments enhanced at individual, institutional, policy and systems levels to foster equitable and participatory local development</p> <p>Indicator: Countries have defined tools and systems for responding and directing local development processes, capital investments and inclusive service delivery</p> <p>Baseline: Only 2 countries (South Africa and Uganda) have decentralized tools for LD Management and Investment.</p>	<ul style="list-style-type: none"> Develop a Joint International Training Programme (ITP) for local Development in Southern and Eastern Africa 	<ul style="list-style-type: none"> Develop the ITP Curriculum for Phase 1- Sweden 							
		<ul style="list-style-type: none"> Select countries and participants for the ITP 							
		<ul style="list-style-type: none"> Organize curriculum development workshop with UN Habitat 			3,000			3,000	
		<ul style="list-style-type: none"> Select Designated Mentors for participants in each country 			6,000			6,000	
		<ul style="list-style-type: none"> Organize ITP Training session in Sweden 							
					294,500		13,000		

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For 2011 (USD)					
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments
		<ul style="list-style-type: none"> Undertake mentoring for Change Projects 		63,000			63,000	
<p>Output: 2. Basis for a skills development and knowledge management platform on Local Development in participating countries developed</p> <p>Indicator: A skills development base and knowledge management platforms established for the region</p> <p>Baseline: Ad-hoc Regional Workshops organized by development partners and without any sustainable actions</p>	<ul style="list-style-type: none"> Formulate skills development Programme in Local government SADC and EAC Develop knowledge Management Platform for Local Development in the Region 	<ul style="list-style-type: none"> Organize Regional Workshop for monitoring progress of ITP Participant projects - Tanzania 	81,000				81,000	
		<ul style="list-style-type: none"> Document lessons and share lessons from ITP 						
		<ul style="list-style-type: none"> Enhance partnership and intensify resource mobilization 						
		<ul style="list-style-type: none"> Develop relevant tools for strengthening Local Governments in the Region 						
		<ul style="list-style-type: none"> Manage project and provide technical support 						
			94,000				94,000	

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For 2011 (USD)					
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments
<p>Output: 3. Effective management, monitoring and evaluation</p> <p>Indicator: Necessary technical staff and resources available for supervision, management, monitoring and evaluation of Programme</p> <p>Baseline: No technical staff devoted at the Regional level for the management of the programme</p>	<ul style="list-style-type: none"> • Secondment of a ICLD staff to manage and provide technical support for running of monitoring of the two ITP Programmes 	<ul style="list-style-type: none"> • Provide resources for the seconded staff from ICLD • Undertake missions, monitoring and provide Technical support • Conduct final evaluation for Project 		12,970	30,000		42,970	
Total			469,500	75,970	52,000		597,470	

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2012 (USD)					
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments
<p>Output: 1. Capacity of practitioners and institutions in Local Governments enhanced at individual, institutional, policy and systems levels to foster equitable and participatory local development</p> <p>Indicator: Countries have defined tools and systems for responding and directing local development processes, capital investments and inclusive service delivery</p> <p>Baseline: Only 2 countries (South Africa and Uganda) have decentralized tools for LD Management and Investment.</p>	<ul style="list-style-type: none"> Develop a Joint International Programme (ITP) for local Development in Southern and Eastern Africa 	<ul style="list-style-type: none"> Develop the ITP Curriculum for Phase 1- Sweden 						
		<ul style="list-style-type: none"> Select countries and participants for the ITP 			3,000		3,000	
		<ul style="list-style-type: none"> Review curriculum for the ITP 			6,000		6,000	
		<ul style="list-style-type: none"> Select Designated Mentors for participants in each country 						
		<ul style="list-style-type: none"> Organize ITP Training session in Sweden 	294,500		13,000		307,500	
		<ul style="list-style-type: none"> Undertake mentoring for Change Projects 		63,000			63,000	

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2012 (USD)					
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments
<p>Output: 2. Basis for a skills development and knowledge management platform on Local Development in participating countries developed</p> <p>Indicator: A skills development base and knowledge management platforms established for the region</p> <p>Baseline: Ad-hoc Regional Workshops organized by development partners and without any sustainable actions</p>	<ul style="list-style-type: none"> Formulate skills development Programme in Local government SADC and EAC Develop knowledge Management Platform for Local Development in the Region 	<ul style="list-style-type: none"> Organize Regional Workshop for monitoring progress of ITP Participant projects 	81,000				81,000	
		<ul style="list-style-type: none"> Organize a Regional Workshop on LD for the presentation of the final work of the ITP participants 	64,000	51,374		145,000	260,374	Target fund raising from Swedish diplomatic missions and other funding bodies
		<ul style="list-style-type: none"> Document lessons and share lessons from ITP 	30,000	16,000		84,000	130,000	
		<ul style="list-style-type: none"> Enhance partnership and intensify resource mobilization 						
		<ul style="list-style-type: none"> Develop relevant tools for strengthening Local Governments in the Region 						
		<ul style="list-style-type: none"> Manage project and provide Technical support 	45,000			20,000	65,000	

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2012 (USD)					
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments
<p>Output: 3. Effective management, monitoring and evaluation</p> <p>Indicator: Necessary technical staff and resources available for supervision, management, monitoring and evaluation of Programme</p> <p>Baseline: No technical staff devoted at the Regional level for the management of the programme</p>	<ul style="list-style-type: none"> • Secondment of a ICLD staff to manage and provide technical support for running of monitoring of Programme 	<ul style="list-style-type: none"> • Provide resources for the seconded staff from the ICLD 	40,000	10,000	40,000		90,000	
		<ul style="list-style-type: none"> • Undertake missions, monitoring and provide Technical support 	9,000	9,826			18,826	
		<ul style="list-style-type: none"> • Conduct final evaluation for Project 						
Total			563,500	150,200	62,000	249,000	1,024,700	The funding gap is 54%

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2013 (USD)				Comments	
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap		Total
<p>Output: 4. Capacity of practitioners and institutions in Local Governments enhanced at individual, institutional, policy and systems levels to foster equitable and participatory local development</p> <p>Indicator: Countries have defined tools and systems for responding and directing local development processes, capital investments and inclusive service delivery</p> <p>Baseline: Only 2 countries (South Africa and Uganda) have decentralized tools for LD Management and Investment.</p>	<ul style="list-style-type: none"> Develop a Joint International Programme (ITP) for local Development in Southern and Eastern Africa 	<ul style="list-style-type: none"> Develop the ITP Curriculum for Phase I- Sweden 						
		<ul style="list-style-type: none"> Select countries and participants for the ITP 			3,000		3,000	
		<ul style="list-style-type: none"> Review curriculum for the ITP 			6,000		6,000	
		<ul style="list-style-type: none"> Select Designated Mentors for participants in each country 						
		<ul style="list-style-type: none"> Organize ITP Training session in Sweden 	294,500		13,000		307,500	
		<ul style="list-style-type: none"> Undertake mentoring for Change Projects 		63,000			63,000	

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2013 (USD)					
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments
<p>Output: 5. Basis for a skills development and knowledge management platform on Local Development in participating countries developed</p> <p>Indicator: A skills development base and knowledge management platforms established for the region</p> <p>Baseline: Ad-hoc Regional Workshops organized by development partners and without any sustainable actions</p>	<ul style="list-style-type: none"> Formulate skills development Programme in Local government SADC and EAC Develop knowledge Management Platform for Local Development in the Region 	<ul style="list-style-type: none"> Organize Regional Workshop for monitoring progress of ITP Participant projects 	81,000				81,000	
		<ul style="list-style-type: none"> Organize a Regional Workshop on LD for the presentation of the final work of the ITP participants 			14,000	146,000	160,000	Target fund raising from Swedish diplomatic missions and other funding bodies
		<ul style="list-style-type: none"> Document lessons and share lessons from ITP 						Target fund raising from Swedish diplomatic missions and other funding bodies
		<ul style="list-style-type: none"> Enhance partnership and intensify resource mobilization 				130,000	130,000	
		<ul style="list-style-type: none"> Develop relevant tools for strengthening Local Governments in the Region 						
		<ul style="list-style-type: none"> Manage project and provide technical 						
					45,000			20,000

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2013 (USD)					
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments
		support		10,830				
<p>Output: 6. Effective management, monitoring and evaluation</p> <p>Indicator: Necessary technical staff and resources available for supervision, management, monitoring and evaluation of Programme</p> <p>Baseline: No technical staff devoted at the Regional level for the management of the programme</p>	<ul style="list-style-type: none"> • Secondment of a ICLD staff to manage and provide technical support for running of monitoring of Programme 	<ul style="list-style-type: none"> • Provide resources for second staff from the ICLD 	40,000				40,000	
		<ul style="list-style-type: none"> • Undertake missions, monitoring and provide Technical support 	9,000				9,000	
		<ul style="list-style-type: none"> • Conduct final evaluation for Project 						
Total			469,500	73,830	36,000	296,000	875,330	Funding gap is 23%

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2014 (USD)					
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments
<p>Output: 7. Capacity of practitioners and institutions in Local Governments enhanced at individual, institutional, policy and systems levels to foster equitable and participatory local development</p> <p>Indicator: Countries have defined tools and systems for responding and directing local development processes, capital investments and inclusive service delivery</p> <p>Baseline: Only 2 countries (South Africa and Uganda)</p>	<ul style="list-style-type: none"> Develop a Joint International Programme (ITP) for local Development in Southern and Eastern Africa 	<ul style="list-style-type: none"> Develop the ITP Curriculum for Phase 1- Sweden 						
		<ul style="list-style-type: none"> Select countries and participants for the ITP 						
		<ul style="list-style-type: none"> Organize curriculum development workshop with UN Habitat 						
		<ul style="list-style-type: none"> Select Designated Mentors for participants in each country 						
		<ul style="list-style-type: none"> Organize ITP Training session in 						

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2014 (USD)							
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap	Total	Comments		
have decentralized tools for LD Management and Investment.		Sweden <ul style="list-style-type: none"> Undertake mentoring for Change Projects 								
Output: 8. Basis for a skills development and knowledge management platform on Local Development in participating countries developed Indicator: A skills development base and knowledge management platforms established for the region Baseline: Ad-hoc Regional Workshops organized by development partners and without any sustainable	<ul style="list-style-type: none"> Formulate skills development Programme in Local government SADC and EAC Develop knowledge Management Platform for Local 	<ul style="list-style-type: none"> Organize Regional Workshop for monitoring progress of ITP Participant projects 								
		<ul style="list-style-type: none"> Organize a Regional Workshop on LD for the presentation of the final work of the ITP participants 							Target fund raising from Swedish diplomatic missions and other funding bodies	
		<ul style="list-style-type: none"> Document lessons and share lessons from ITP 			50,000	110,000		160,000		
		<ul style="list-style-type: none"> Enhance partnership and intensify resource mobilization 				70,000		70,000		Target fund raising from Swedish diplomatic missions and other funding bodies

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2014 (USD)				Comments	
			ICLD Funded	ICLD Funded (UNCDF-managed)	UNCDF Core	Funding Gap		Total
actions	Development in the region	<ul style="list-style-type: none"> Develop relevant tools for strengthening Local Governments in the Region Manage project and provide Technical support 	45,000			20,000	65,000	
<p>Output: 9. Effective management, monitoring and evaluation</p> <p>Indicator: Necessary technical staff and resources available for supervision, management, monitoring and evaluation of Programme</p> <p>Baseline: No technical staff devoted at the Regional level for the management of the programme</p>	<ul style="list-style-type: none"> Secondment of an ICLD staff to manage and provide technical support for running of monitoring of Programme 	<ul style="list-style-type: none"> Provide resources for the staff seconded from the ICLD 	40,000				40,000	
		<ul style="list-style-type: none"> Undertake missions, monitoring and provide Technical support 	9,000				9,000	
		<ul style="list-style-type: none"> Conduct final evaluation for Project 						
							110,000	110,000

Programme Outputs	Main Indicative Activities	Sub-Activities	Resource allocation & Indicative For Year 2014 (USD)					Comments
			ICLD Funded	ICLD Funded (UNCDF- managed)	UNCDF Core	Funding Gap	Total	
Total			94,000	0	50,000	310,000	454,000	Funding gap is 48%

5. Management and Coordination Arrangements

The development and delivery of the ICLD-UNCDF ITP will be the primary responsibility of ICLD. UNCDF technical staff - TAs and CTAs - will in conjunction with ICLD focal persons, backstop programme roll-out in terms of programme content, the selection of participants and mentors, definition of roles and developing a shared understanding of the programme to secure buy-in and ownership by key partners. UNCDF shall appoint both a HQ Focal Point and a Regional Focal Point, based in Johannesburg, for engaging with ICLD on programmatic, managerial and financial matters. ICLD shall designate a Focal Point to interact with UNCDF at HQ and Regional Office (Johannesburg) levels. Furthermore:

- ICLD will be the leading implementing agency for the ITP, including managing the overall recruitment for the programme and management of workshops in Sweden and the regional meetings.
- UNCDF HQ will provide support for the development of the curriculum – participating in the Sweden phase – and overall oversight of the UNCDF part of the programme.
- UNCDF’s regional team based in Johannesburg will support the identification of the participants and their designated mentors. They will also support the development of specific country case studies and course materials based on UNCDF’s ongoing programs. They will support the regional seminars with lectures and field visits as well as facilitating the linkage with the Regional Institutions.
- UNCDF (country level) programme officers (POs) and chief technical advisors (CTAs) will help in identifying the mentors (together with the regional team) and following up specific requests by programme participants and organizations.

Steering Committee

A Steering Committee made up of senior representatives of ICLD and UNCDF will convene approximately once a year to provide inputs into the strategic planning and delivery process of the ITP. The meetings may be held via tele or videoconference, without the need to engage in travel.

6. Fund Management Arrangements

UNCDF will be responsible for managing the funds and implementing the activities based on the following resources:

- Contribution from ICLD of US\$ 300,000 to UNCDF as non-core resources (parallel funding modality, UNCDF Direct Implementation Modality);
- Contribution from own core resources of US\$ 200,000, through UNCDF Direct Implementation Modality;
- Contributions to be mobilized of US\$ 825,000, to be implemented through UNCDF Direct Implementation.

ICLD will be responsible for bearing the costs and implementing the activities related to programme management, participants' travel, accommodation and DSA, lectures, workshops, application process and monitoring.

With regard to the funding gap of US\$ 825,000, three major sources have been targeted for funding, which are:

- i. Funding from Swedish embassies of the participating countries from the capacity development support funds. Initial discussions have been held with the respective consulates and immediately after the approval of the documents formal applications will be made
- ii. Direct Funding of candidates from donor support projects in the respective countries where a surcharge of 10% will be charge on top of each directly sponsored participant. This we anticipate could cover at least 30% of the unfunded amount.
- iii. Advocacy funding, which will jointly be raised with African Regional Organizations (SADC and COMESA) targeting EU to cover the remaining cost.

A few key results will be achieved in the funded phase of the Project that will help to motivate other partners to support the Project, either programmatically or financially. Of particular relevance, the funded phase of the Project will result in the establishment of a skills development base and knowledge management platforms in the region. Another key result includes the capacity of practitioners and institutions in Local Governments, which will have been enhanced at individual, institutional, policy and systems levels to foster equitable and participatory local development.

7. Monitoring, Evaluation and Reporting

The main element of the monitoring of results achievements will consist in a survey, jointly designed by UNCDF and ICLD. The survey will measure the expectations and level of satisfaction of each of the ITP participants and their institutions. The results of

the survey will be compiled, analysed, and shared. The survey will focus on the usefulness of the sessions, the relevance of the topics covered, the level of engagement and interest of the mentors, and the overall quality of the programme.

A comprehensive Monitoring and Evaluation framework will thus be developed following the baseline survey. A quarterly technical report will be developed for the deliberation and process decisions by the Programme's Technical team. This will culminate in an Annual report which will be presented to the Steering Committee. There will be an independent final evaluation at the end of the Programme. A final evaluation is scheduled towards the end of the Project.

The joint monitoring and evaluation framework indicating the outputs, the indicators and the means of verification, as well as the risk are presented by the Table below:

Table 2: Joint Programme Monitoring Framework (JPMF)

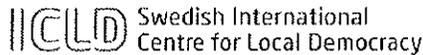
Expected Results (Outcomes & outputs)	Indicators	Means of verification	Collection methods (with indicative time frame and frequency)	Responsibilities	Risks and assumptions
Capacity of practitioners and institutions in Local Governments enhanced at individual, institutional, policy and systems levels to foster equitable and participatory local development	Countries have defined tools and systems for responding and directing local development processes and capital investments	Annual Review on the status of systems, tools and processes to support Local Development in Participating Countries	Report produced annually by UNCDF-UNDP-ICLD with partners in participating countries	UNCDF-ICLD	Conflicts among key stakeholders in Local Government Associations
Basis for a skills development and knowledge management platform on Local Development in participating countries developed	A skills development base and knowledge management platforms established for the region	Annual review of skills base and knowledge generated in the Region	Reports produced annually by UNCDF-UNDP-ICLD with Secretariats of the RECs	UNCDF / ICLD / UNDP	Inadequate resources to sustain change process
Effective management, monitoring and evaluation support provided	Technical staff and resources available for supervision, management, monitoring and evaluation of Programme	Annual technical programme report for UNCDF-ICLD ITP	Reports produced annually by UNCDF Regional Team	UNCDF Regional team at SEA	Inadequate resource for effective monitoring and technical support

8. Legal Context of Relationship

The legal basis for the relationship between the UNCDF and ICLD is the Memorandum of Understanding signed in October 2010, and which is Annex 1 to this Project Document.

9. Work plan and Budget (all figures in USD attached as Annex 2)

ANNEX I: Memorandum of Understanding between UNCDF and ICLD



MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED NATIONS CAPITAL DEVELOPMENT FUND AND THE INTERNATIONAL CENTRE FOR LOCAL DEMOCRACY

This Memorandum of Understanding (“MOU”) is entered into by the United Nations Capital Development Fund (“UNCDF”), a subsidiary organ of the United Nations, an intergovernmental organization established by its Member States with its headquarters in New York, NY (USA), and the International Centre for Local Democracy (hereinafter “ICLD”), headquartered in Visby, Sweden. UNCDF and ICLD are hereinafter jointly referred to as the “Parties”.

WHEREAS, UNCDF serves in many respects as an operational arm of the United Nations at the country level and works with partners in numerous countries to promote sustainable development, eradication of poverty, advancement of women, good governance and the rule of law.

WHEREAS, UNCDF represented by its Executive Secretary is interested in enhancing its development activities in strengthening countries’ capacities for effective decentralization, local government and good governance; improve access to basic social services; and promote public dialogue and accountability.

WHEREAS, ICLD is an organization duly organized under the laws of Sweden and committed to helping promote local democracy in developing countries; and undertaking research and knowledge development in an international context concerning local democracy and local self-government.

WHEREAS, the Parties share similar missions and wish to cooperate in areas of mutual concern to enhance the effectiveness of their development efforts.

NOW, THEREFORE, the Parties agree to cooperate as follows:

Article I Purpose

1.1 The purpose of this MOU is to provide a framework of cooperation and facilitate collaboration between the Parties, on a non-exclusive basis, in areas of common interest.

Article II Areas of Cooperation

- 2.1 The Parties agree to cooperate in the following areas of activity:
- i) Participation by ICLD in the UNCDF-sponsored *Global Forum on Local Development*, to be held on Kampala, Uganda, 4-6 October 2010. ICLD will sponsor some participants to this event;
 - ii) Formulation of a capacity-building programme for promoting local development through local governments in Africa; and
 - iii) Publication of case studies based on on-the-ground experience in local development through local governments.

Article III Consultation and Exchange of Information

3.1 The Parties shall, on a regular basis, keep each other informed of and consult on matters of common interest, which in their opinion are likely to lead to mutual collaboration.

3.2 Consultation and exchange of information and documents under this Article shall be without prejudice to arrangements, which may be required to safeguard the confidential and restricted character of certain information and documents. Such arrangements will survive the termination of this MOU and of any agreements signed by the parties within the scope of this collaboration.

3.3 The Parties shall, at such intervals as deemed appropriate, convene meetings to review the progress of activities being carried out under the present MOU and to plan future activities.

3.4 The Parties may invite each other to send observers to meetings or conferences convened by them or under their auspices in which, in the opinion of either party, the other may have an interest. Invitations shall be subject to the procedures applicable to such meetings or conferences.

Article IV Implementation of the MOU

4.1 In order to implement the specific activities envisioned hereunder, the Parties shall conclude cost-sharing agreements in accordance with the applicable UNCDF regulations, rules and procedures, which shall specify the costs or expenses relating to the activity and how they are to be borne by the Parties. The cost-sharing agreements shall also include a provision incorporating by reference the MOU, which is applicable to the cost-sharing agreements and the projects/programmes financed there from.

4.2 It is understood that all country-level development programme activities will be carried out on the basis of project documents agreed between UNCDF and the concerned governments, and in accordance with the applicable UNCDF regulations, rules and directives.

4.3 The costs of public relations activities relating to the partnership, that are not otherwise addressed by a specific cost-sharing agreement concluded hereunder, will be the responsibility of both Parties.

4.4 Neither Party shall be an agent, representative or joint partner of the other Party. Neither Party shall enter into any contract or commitment on behalf of the other Party and shall be solely responsible for making all payments to and on behalf of its own account, as provided under this MOU and under cost-sharing agreements concluded hereunder.

4.5 Each Party shall be responsible for its acts and omissions in connection with this MOU and its implementation.

Article V Use of Name and Emblem

5.1 Neither Party shall use the name, emblem or trademarks of the other party, or any of its subsidiaries, and/or affiliates, or any abbreviation thereof, without the express prior written approval of the other Party in each case. In no event will authorization to use the UNCDF name or emblem, or any abbreviation thereof, be granted for commercial purposes, or for use in any manner that suggests an endorsement by UNCDF of Partner services.

5.2 ICLD acknowledges that it is familiar with UNCDF's ideals and objectives and recognizes that its name and emblem may not be associated with any political or sectarian cause or otherwise used in a manner inconsistent with the status, reputation and neutrality of UNCDF.

5.3 Nothing in this MOU grants to ICLD the right to create a hyperlink to the UNCDF website. Such link may be created only with UNCDF's written authorization.

5.4 The Parties agree to recognize and acknowledge this partnership, as appropriate. To this end, the Parties shall consult with each other concerning the manner and form of such recognition and acknowledgement.

Article VI Term, Termination, Amendment

6.1 The proposed cooperation under this MOU is non-exclusive and shall have an initial term of two years from the Effective Date, as defined in Article XII [or commencing on 1 September 2010 and ending on 31 August 2012, unless terminated earlier by either party upon two months notice in writing to the other party. The Parties may agree to extend this MOU in writing for subsequent periods of two years.

6.2 In the event of termination of the MOU, any cost-sharing or project cooperation agreements, and any project documents concluded pursuant to this MOU, may also be terminated in accordance with the termination provision contained in such agreements. In such case, the Parties shall take the necessary steps to ensure that the activities carried out under the MOU, the cost-sharing agreements, and project documents are brought to a prompt and orderly conclusion.

6.3 This MOU may be amended only by mutual written agreement of the Parties.

Article VII Notices and Addresses

7.1 Any notice or request required or permitted to be given or made under this MOU shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall have been delivered by hand, certified mail, overnight courier, telex, or cable to the party to which it is required to be given or made at the address specified below or such other address as shall be hereafter notified.

For UNCDF: Kadmiel Wekwete
Director, Local Development Practice Area
2 United Nations Plaza, 26th floor
New, York, NY 10017 U.S.A.

For ICLD: Anki Dellnäs
Director, Centre of Knowledge
Box 1125
621 22 Visby, Sweden

Article VIII Representations

8.1 ICLD represents that it is an organization in good standing duly organized under the laws of Sweden. ICLD shall promptly notify UNCDF of any legal investigation or fiscal audit that it may be subject to from time to time.

Article IX Settlement of Disputes

9.1 The Parties shall use good faith efforts to settle amicably any dispute, controversy or claim arising out of this MOU. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the Parties.

9.2 Any dispute, controversy or claim between the Parties arising out of this MOU which is not settled amicably in accordance with the foregoing paragraph shall be referred to arbitration under the UNCITRAL Arbitration Rules then in force. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

**Article X
Privileges and Immunities**

10.1 Nothing in or relating to this MOU shall be deemed a waiver, express, or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

**Article XI
Miscellaneous**

11.1 This MOU and any related co-financing agreements and project documents comprise the complete understanding of the Parties in respect of the subject matter in this MOU and supersede all prior agreements relating to the same subject matter. Failure by either Party to enforce a provision of this MOU shall not constitute a waiver of that or any other provision of this MOU. The invalidity or unenforceability of any provision of this MOU shall not affect the validity or enforceability of any other provision of the MOU.

**Article XII
Entry into Force**

12.1 This MOU may be signed in counterparts, each of which shall be deemed an original and both of which duly executed shall constitute one entire document, and shall enter into force and effect on the date ("Effective Date") in which it is duly signed by both parties.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties affix their signatures below.

FOR UNCDF:

David Morrison
Name

Executive Secretary
Title

25 Oct 2016
Date

FOR ICLD:

Birgitta Svensk
Name

Secretary General
Title

10-08-31
Date

ANNEX II: Work Plan and Budget