

The United Nations Capital Development Fund (UNCDF) in West Africa:

Ten reports



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Ten reports

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Foreword

In 2005, UNCDF launched a major managerial reform to decentralize its organisational arrangements and establish three regional offices in West Africa, Southern Africa and Asia. In addition to its institutional content, the reform also reflected a determination to take a regional, inter-State approach to its work. Operations in Mali, Burkina Faso or Senegal are valuable in terms of nation-building but can also be viewed from a regional standpoint: many agricultural areas, rivers and population groups straddle borders. Crises, like change, can transcend national frontiers; inclusive finance activities foster the circulation of goods throughout whole regions.

The purpose of this set of reports and charts is to analyse how UNCDF, through the support it delivers, promotes not only local development and institution-building in individual countries but also regional integration. Most projects are devised as part of a national policy dialogue, and do not take account of developments over the border or in West Africa as a whole. This report looks at the bigger picture and analyses the presence of UNCDF from a regional perspective to detect consistencies or inconsistencies in the spatial dimension of our work.

This joint exercise with UNCDF should serve as a pilot project for a geographical study of aid effectiveness and help to answer the following questions:

- Can programme location help to improve aid effectiveness?
- Is aid located where the problems are?
- Is the spatial continuity of development challenges matched by the spatial continuity of aid?
- Is there such a thing as “no-aid land”?

This project can provide only some of the answers, focusing as it does on the work of a relatively small development co-operation agency. We hope, nonetheless, that it will give rise to a broader, more ambitious exercise. It accordingly reflects the Paris Declaration on Aid Effectiveness in proposing a territorial method of analysing the consistency of development aid.

This is a set of ten reports, together with charts, to illustrate the work of UNCDF in West Africa.

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UNCDF

UNCDF is the UN's capital investment agency for the world's 49 least developed countries. It creates new opportunities for poor people and their communities by increasing access to microfinance and investment capital. UNCDF focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help microfinance institutions reach more poor households and small businesses, and local governments finance the capital investment – water systems, feeder roads, schools, irrigation schemes – that will improve poor peoples' lives. UNCDF programmes help to empower women, and are designed to catalyze larger capital flows from the private sector, national governments and development partners, for maximum impact toward the Millennium Development Goals.

⇒ For further information: <http://www.uncdf.org>

SWAC / OECD

SWAC was originally founded as "Club du Sahel" in 1976 by countries in the Organisation for Economic Co-operation and Development (OECD) in response to the drought crisis in the Sahel. In 2001, the Governing Board extended its coverage to encompass all fifteen Member States of the Economic Community of West African States (ECOWAS) along with Cameroon, Mauritania and Chad.

Attached to the OECD for administrative purposes, the Sahel and West Africa Club (SWAC/OECD) is led by a Secretariat which is based in Paris (France) and works with a network of partners and experts from West Africa and OECD Member countries. SWAC's mandate is to promote the regional dimension of development and aid. It promotes a *regional* analysis of the challenges involved (in particular the Atlas on Regional Integration in West Africa) and holds debates on *regional* responses to those challenges, for instance how a regional approach to development co-operation could make aid more effective.

⇒ For further information: <http://www.oecd.org/csao>

Preface

It is with great pleasure that I present this executive summary of UNCDF's intervention in West Africa. It consists of ten reports showing where we are, what we are doing, with whom and how. We hope it proves a useful summary for all those who wish to understand the ins and outs of our intervention in the sub-region and the challenges involved.

UNCDF is the UN's capital investment agency for the world's least developed countries. It works to advance the Millennium Development Goals and to create new opportunities for the poor by improving their access to microfinance and basic services in ways that are sustainable, and that can be taken to scale by the private sector, development partners and national governments.

At the global level, UNCDF is now working in over 40 countries. We have undergone significant growth, almost doubling our presence in the world – going from 23 programme countries in 2004 to 40 countries in 2008. This spreading of UNCDF's presence has led to its geographical reorganization, with the establishment of three regional offices in West Africa, Southern Africa and Asia.

The aim of this decentralization is to strengthen the effectiveness of UNCDF and to get closer to its work on the ground. The setting up of regional offices has also brought a new dimension to the organization and paved the way for dialogue with other actors, the regional bodies who, in the space of a few years, have become key development players. In West Africa, the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (UEMOA), the New Partnership for Africa's Development (NEPAD) and the African Development Bank (AfDB) are now taking charge of aspects and issues that States alone are unable to manage effectively. Indeed, climate change, food security, conflict prevention, economic development and so many other subjects transcend national frontiers.

With interventions in a dozen countries, UNCDF has a strong presence in the West Africa sub-region. That presence, which is always negotiated and implemented within a national framework, nevertheless has a regional dimension. Projects are implemented in related fields within each country, including decentralization, food security, local economic development. This thematic similarity, as well as the fact that the areas in which UNCDF is present share similar realities, make action at the regional level possible.

The charts presented in this document speak for themselves. They show UNCDF's intervention in the fields of microfinance and local development over a relatively long period (2000-2013) and therefore make it possible for our presence to be assessed in terms of time and space. The charts also aid analysis of our interventions from a geographical perspective, which in itself may open up new opportunities.

Overall, this study shows that the decentralization of UNCDF to Regional offices has transcended merely the operational aspects, and is now giving way to analysis and strategic positioning that will gradually enable the regional units to enhance the organization's effectiveness and overall impact throughout the sub-region.

David Morrison, Executive Secretary, UNCDF

1. UNCDF IN WEST AFRICA

In line with a broad trend, development aid for West Africa rose from US\$ 5.4 to 11.8 billion over the period 1996-2007. Unlike other parts of the world, this region receives more in development aid than other sources of external funding. From 2000 to 2005, average aid was nearly double the amount of Foreign Direct Investment (FDI) and triple that of registered remittances from the diaspora. In post-conflict countries such as Sierra Leone, Liberia and Guinea Bissau, development aid exceeds one-quarter of GDP. Of the remainder, it is the Sahel countries that receive the largest share in relation to GDP (10 to 20%) (Figure 1). UNCDF accounts for a minute share of that aid, which is why it pays particular attention to the replication of its work by other technical and financial partners (TFP) and/or Governments.

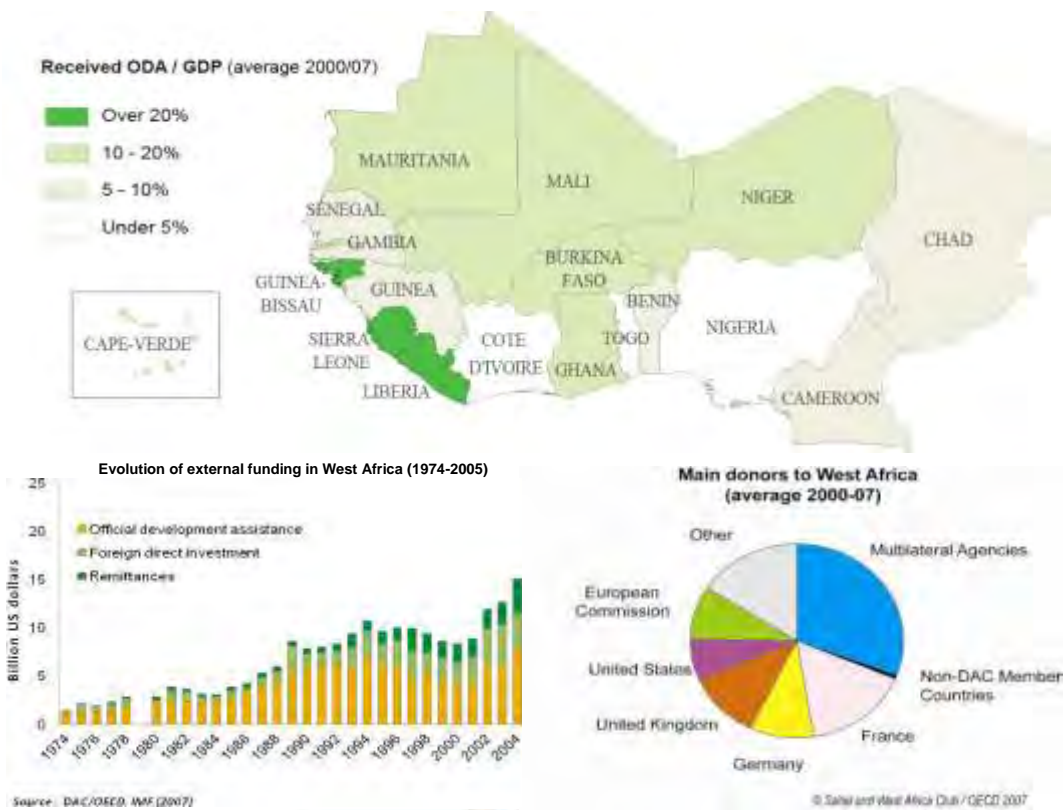
The United Nations Capital Development Fund (UNCDF) is present in 38 of the Least Developed Countries (LDCs), 24 of them in sub-Saharan Africa and 16 in West Africa (in the broader sense). Beyond the 10 LDCs in West Africa, UNCDF, through its microfinance programme *MicroStart*, works in partnership with UNDP in Côte d'Ivoire, Ghana and Nigeria. It has also worked in Cape Verde (which left the LDC category in 2007). In 2008, West Africa accounted for some 37% of UNCDF investment, or US\$ 4.3 million (compared with 50% for Southern Africa and 13% for Asia that year).

The growth in UNCDF operations was made possible in part thanks to a substantial increase in contributions to resources. Total resources increased from US\$ 28.5 million in 2007 to US\$ 50.1 million in 2008 – a 76% increase. Its Local Development practice area accounted for over 70% of its budget and Inclusive Finance for just under 30%. Local authorities receive the bulk of this funding, namely 75% in 2008 (up 13% on 2007). UNCDF has set a target to work with 45 LDCs in 2011 (up from 31 in 2007).

UNCDF's recent growth has seen its presence spread worldwide and led to geographical reorganization. With the opening in 2005 of regional offices in West Africa (Dakar), Southern Africa (Johannesburg) and Asia (Bangkok), UNCDF launched new decentralized arrangements for decision-making and co-ordination to get closer to its work on the ground and to its partners. This prompted a 48% cut in staffing levels in New York and a sharp increase in the number of UNCDF staff at the regional level.

West Africa: Official Development Assistance (ODA) indicators

Figure 1 ►



Map 1. ►
UNCDF operations in Africa

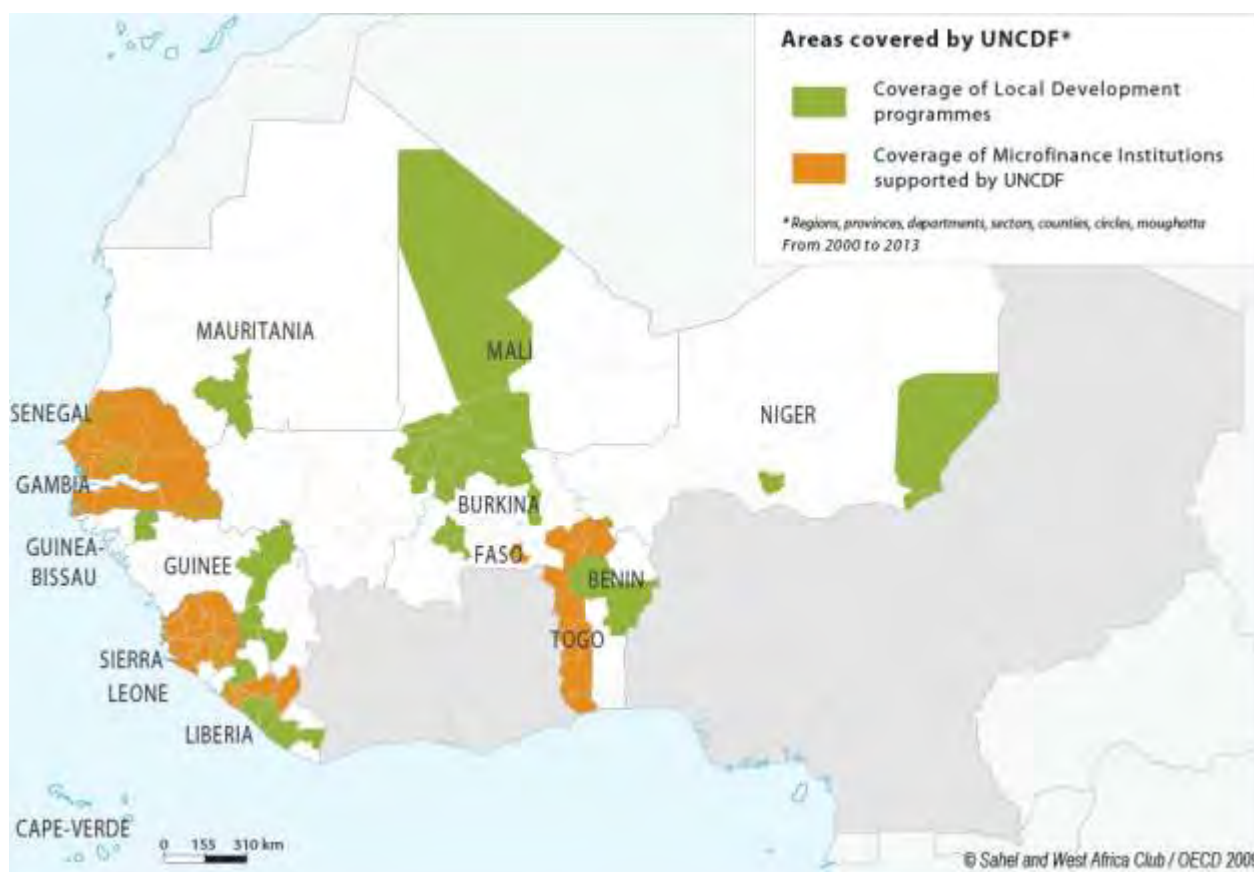


2. LOCAL DEVELOPMENT AND INCLUSIVE FINANCE: UNCDF'S TWO PRACTICE AREAS

UNCDF has two practice areas, Local Development and Inclusive Finance, each with its own programmes. The two may be combined in some countries, as is currently the case in Burkina Faso, Liberia, Senegal and Sierra Leone, but in the remainder the focus is on either Local Development or Inclusive Finance.

UNCDF runs Inclusive Finance programmes in six countries: Burkina Faso, the Central African Republic, Liberia, Senegal, Sierra Leone and Togo. It acts as a facilitator in drawing up national Inclusive Finance strategies and helps to finance the approved action plans. These include measures at the macro level (policies, legal and regulatory framework), meso level (financial infrastructure) and micro level (financial service providers). The aim is to give poor and low-income households as well as small enterprises better access to financial services. Apart from the countries with Inclusive Finance programmes, UNCDF provides technical support or institutional investment in Guinea, Guinea Bissau, Cape Verde, Benin, Ghana, Mauritania, Nigeria, Niger, Gabon and Chad.

▼ Map 2. Location of UNCDF projects in West Africa



(1) Projects under way from 2000 to 2013.

(2) In each country, specific area operations are combined with work at the national level within the framework of policy dialogue with governments.

In terms of local development, UNCDF has programmes under way or scheduled in 12 countries: Benin, Burkina Faso, Central African Republic, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Senegal, Sierra Leone and Togo. All of the projects support the decentralization process and hence local authorities and grassroots organisations. They cover a large number of municipalities, ranging from seven *communes* in Benin to 23 Rural Development Communities (RDCs) in Guinea and as many as 134 *communes* in Mali.

The Local Development practice area focuses on municipalities, villages and rural communities. The local approach has evolved over time. After systematically confining its work to single municipalities, UNCDF has gradually broadened its scope to groups of municipalities and the regional scale. This stems from a determination to reflect the reality on the ground and encourage local authorities to join forces and provide services more closely geared to the community.

This trend reflects the social, economic and political situation. It is based on local capacity-building in the environmental sector, more specifically the legal/regulatory framework, institutions, funding mechanisms, support services such as legal, accounting and auditing structures, central credit registers, opportunities for training/institution-building, and skill patterns in the sector.

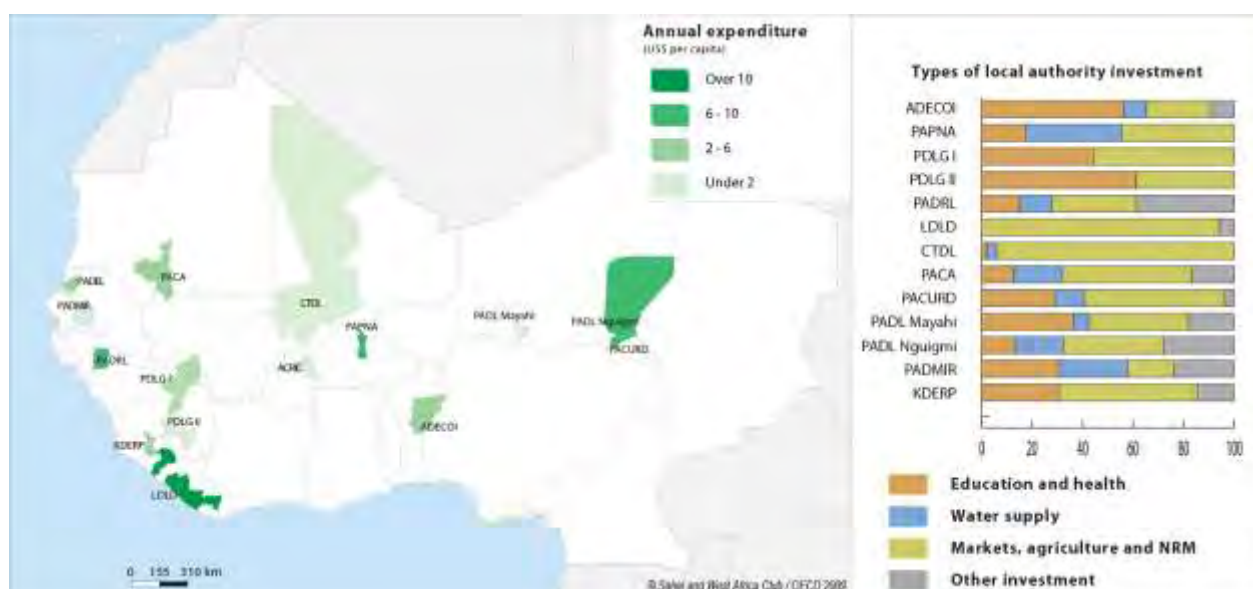
3. UNCDF INVESTMENTS

The scale of UNCDF investment projects can be viewed from several angles. In macro terms, the financial commitments are relatively low, from 0.5% to 1.5% of all Official Development Assistance allocated to countries. In terms of the target population, its expenditure amounts to an average of US\$ 7 per annum, or 1% of the average annual per capita income.

However, these projects are of direct and indirect benefit to a larger share of the population (on average 6%, ranging from 1% in Burkina Faso to 15% in Mali). Locally, the impact is substantial. Project investment accounts for 10% of the per capita revenue of local authorities in Senegal, some 50% in Mali and over 80% in Benin, Burkina Faso or Niger (F. Yatta, 2006). The fact that UNCDF targets the poorest areas, overlooked by national projects, is a unique feature and the rationale on which this agency operates, in complementarity with other development partners.

UNCDF expenditure in West Africa is given over mainly (three-fourths) to investment, through its Local Development Fund (LDF) for local authorities, along with additional expenditure on technical support. Once local authorities have reached agreement on their investment decisions, half of the investment funding is allocated to Food Security and Natural Resource Management. This is the case in the Sahel countries (Mali, Mauritania, Niger) and coastal countries (Liberia, Sierra Leone). The second item of expenditure is Education and Health, especially in Benin and Guinea and to a lesser extent in Niger.

▼ Map 3. Contribution to the MDGs: Expenditure and types of investment



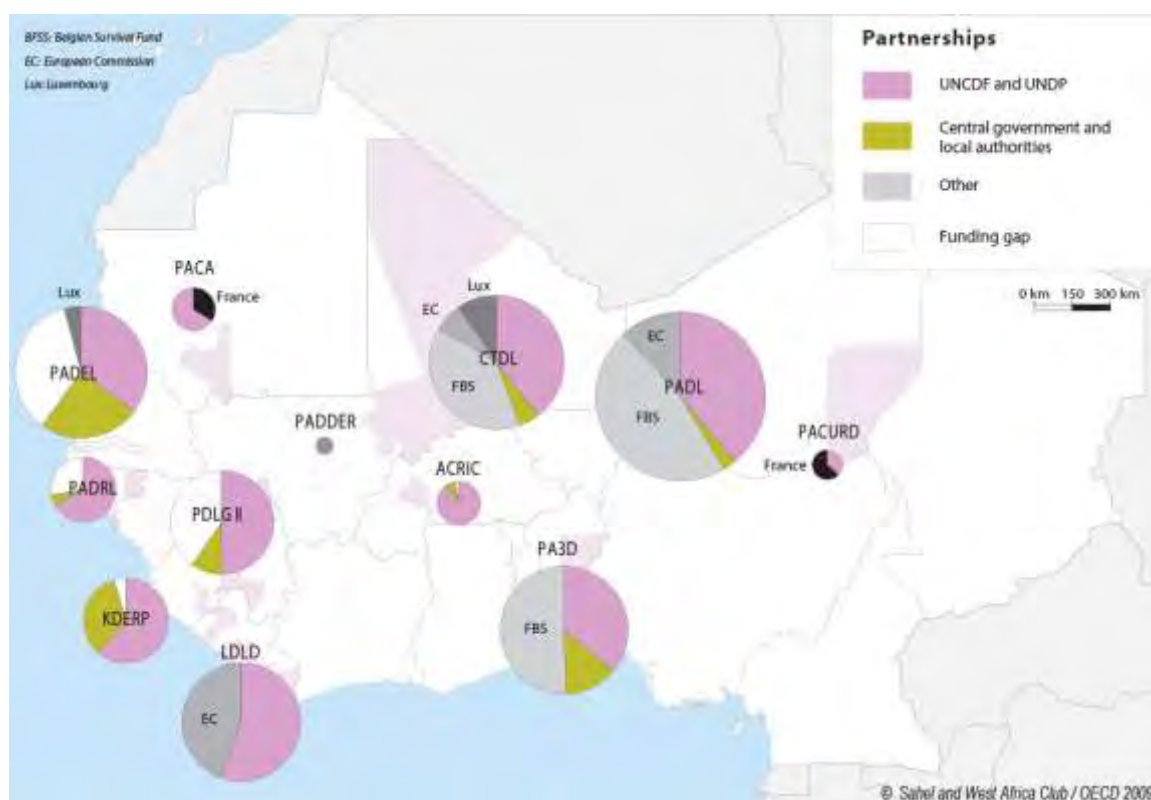
4. PARTNERSHIPS AS A FEATURE OF REGIONAL DYNAMICS

Recent growth in the UNCDF portfolio has gone hand in hand with the launch of regional programmes. This shift in scale means new opportunities for partnerships, particularly with regional fora in both North and South.

UNCDF has signed partnerships with a total of 24 donors. Some are virtually automatic (United Nations Development Programme, or UNDP) or involve well-established partners in co-operation programmes that are bilateral (France, Belgium, Luxembourg, Denmark, Belgian Survival Fund) or multilateral (UNDP, World Bank, European Union). Others are more recent and indicate that UNCDF is moving towards new concerns: the gender variable in local development (partnership with UNIFEM), local economic development (partnership with Austria) and regional development (African Development Bank, African Union). In Guinea, an original partnership has been set up with private mining companies and non-governmental organisations (NGOs) as part of a local planning cycle based on principles already promoted by UNCDF.

At a more regional level, UNCDF is promoting Inclusive Finance Sectors in the West African Economic and Monetary Union (UEMOA/WAEMU) area: (i) a regional programme “Building Inclusive Financial Sectors in Africa” (BIFSA) funding technical infrastructure with grants from the Luxembourg Government, the International Fund for Agricultural Development (IFAD), UNDP and UNCDF and (ii) PRAFIDE, co-financed by the Consultative Group to Assist the Poor (CGAP), the Swedish International Development Co-operation Agency (SIDA), UNCDF and the Central Bank of West African States (BCEAO), the aim being to support the BCEAO in strengthening the regulatory and auditing framework in its member States. These programmes are helping to remove some of the barriers to expansion of the Microfinance sector in this sub-region.

▼ Map 4. Partnerships on completed and ongoing projects



In the Local Development practice area, a co-operation agreement being drawn up with UEMOA/WAEMU is expected to strengthen the legal framework of decentralization and launch a cross-border investment programme. This should also foster more dialogue between the regional and local levels and thus further consolidate regional integration.

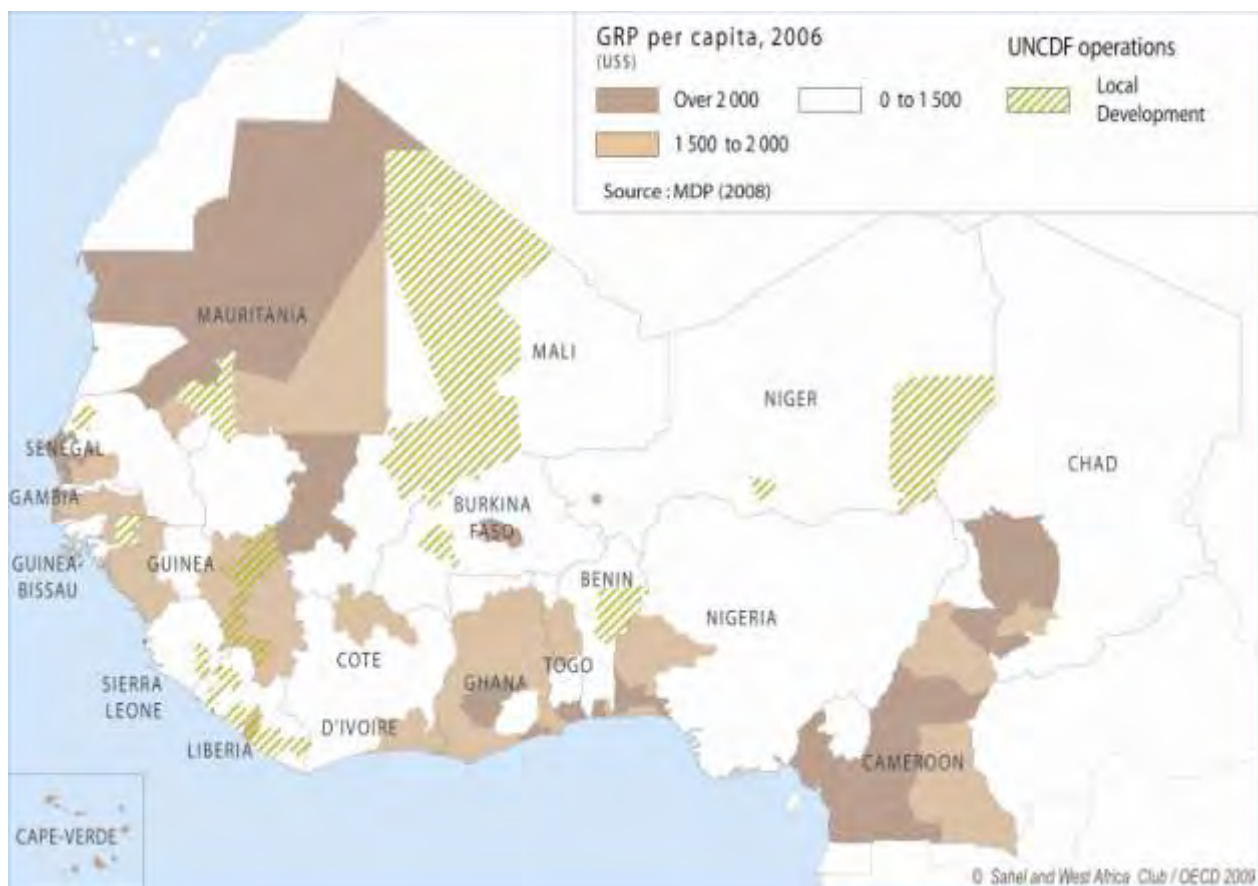
Thanks to these partnerships, UNCDF and its projects are being highly influential in strengthening the decentralization process. The leverage ratio is 1 for 10 (US\$1 committed by UNCDF mobilised US\$10 in 2008 and US\$15 over the period 2008-2011). These ratios reflect the efforts deployed by UNCDF over the past three years to implement its new strategic partnership and enhance its achievements in Local Development and Inclusive Finance.

One of UNCDF's primary aims in West Africa over the next few years is to develop joint regional approaches with these other partners, for whom the regional approach is a priority. They include several United Nations agencies or initiatives (UNIFEM, and the United Nations Office for West Africa, or UNOWA), as well as bilateral and multilateral co-operation partners. Canada, for instance, working from a base in Dakar, is conducting sector-specific initiatives in education, economic development, institutional support and healthcare, where there is scope for regional policy platforms in line with the Paris Declaration.

5. GEOGRAPHICAL TARGETING BY UNCDF: THE POOREST AREAS

UNCDF seeks to combat poverty and improve access to basic services in the poorest, most vulnerable areas. It focuses on places with the lowest social and economic indicators, such as wealth as measured in terms of Gross Regional Product, or GRP (Map 5). Developed as part of work by the Partnership for Municipal Development (MDP, 2008), this indicator is unique to Africa and provides consistent insight into the social and economic status of selected medium-sized towns (and their hinterland) in West Africa. Apart from a few areas in Senegal and Guinea, per capita GRP in the areas targeted by UNCDF is below the West African average, estimated in 2006 at US\$1 500 per person per annum.

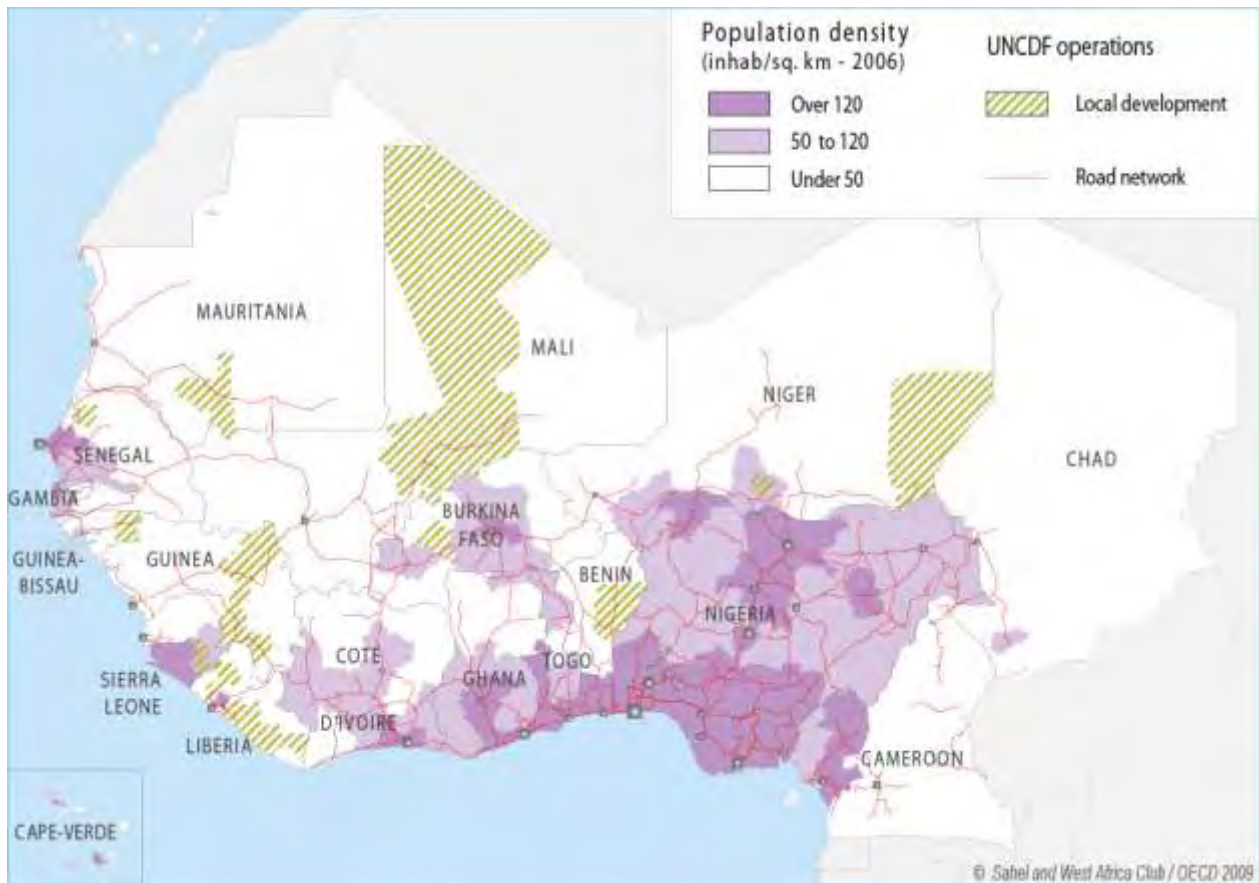
▼ Map 5. Location of UNCDF projects in West Africa and per capita GRP in targeted areas



By and large, UNCDF also works in areas that are sparsely populated (fewer than 50 persons per square km) and far from the major urban centres (with populations of over 100 000) (Map 6). Again, Senegal is the exception.

The geographical targeting of UNCDF projects is the subject of in-depth discussion. For instance, some areas targeted for support by UNCDF may in fact include sub-areas with huge variations in wealth and population density. It is therefore important to ensure that UNCDF projects are not confined to more affluent pockets on the pretext that this will improve accessibility, and that they do not widen the inequality gap in an area. On the other hand, UNCDF initiatives in apparently more densely populated areas, closer to major centres and with a higher GRP – as in Senegal – may be warranted if they target sub-areas that might be deprived, either because they do not receive remittances from the diaspora or because they are isolated.

▼ **Map 6. Location of UNCDF operations and settlement patterns**

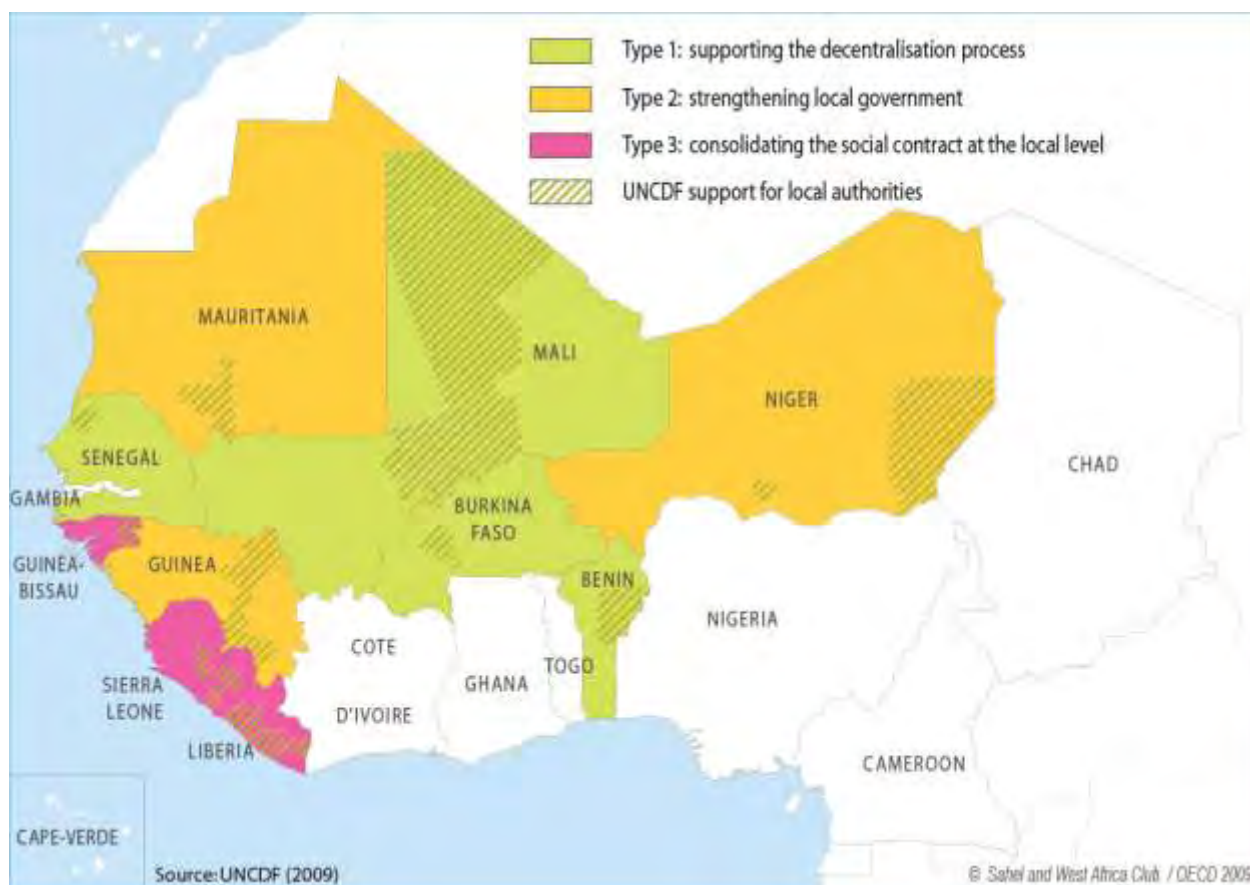


6. ACTION IN SUPPORT OF DECENTRALIZATION

Most developing countries launched a decentralization process in the 1990s. This reform, a milestone in their institutional history, prompted UNCDF to focus its work on sub-national tiers and base its investment decisions on established institutions, accountable to the people but also to their government. This crucial aspect of UNCDF strategy has enabled it to develop investment instruments that interact with the principles of good governance. The challenge lies in empowering local players to identify needs and manage projects while at the same time improving living standards and protecting the environment. But it also involves launching income-generating activities for the most vulnerable groups (UNCDF, 2006).

In the majority of West African countries, the decentralization process began in the mid-1990s and varied in pace depending on specific political parameters and the degree of ownership. The basic assumption underpinning UNCDF investment is that, if institutions are to gain legitimacy and build capacity, there is a need to restore the social contract between people, elected representatives and institutions from the bottom up. The “local” level is the appropriate scale for rebuilding trust, for giving people the opportunity to plan together, for making collective choices and for managing public services and infrastructure. One problem with decentralization is that there is often a wide gap between legislation, instruments and reality on the ground. On that basis, there are three possible scenarios (Map 7).

▼ Map 7. UNCDF: types of Local Development practice



In Benin, Burkina Faso, Mali and Senegal, decentralization is well under way: there is a policy and regulatory framework, reliant on stable institutions. There is also policy dialogue involving all of the players. In these countries, UNCDF is promoting a stronger national framework, the introduction of and/or support for national budgetary procedures, and the setting up of local, government-run investment funds. Pilot tests should provide scope to experiment with new fields of jurisdiction and intervention for local authorities (in particular local economic development, climate change or food security).

There is a second group of countries in which the relative efficiency of local authorities needs to be stepped up and more clearly demonstrated. In Guinea, Mauritania and Niger, pilot tests are serving as a basis for national policy dialogue and the strengthening of the decentralization process by introducing new fiscal burden-sharing mechanisms and national instruments to support the process. It is all the more necessary to reinforce decentralization in that change may be rapidly reversed.

One last group of countries is marked by high institutional instability: these are the post-conflict or vulnerable States. Here too, decentralization is under way. Peace-building and policy-building both involve support for local structures (UNCDF, 2009). Pilot tests should help to strengthen the social contract, undermined by years of conflict, and help local communities do more to meet the challenges of a return to peace.

The role of UNCDF is therefore to act as a facilitator and support countries in moving from Groups 2 and 3 into Group 1. But the question remains as to what happens once these national mechanisms are in place. A more detailed analysis of Mali, a Group 1 country, may give some insight into the problem (see Section 7).

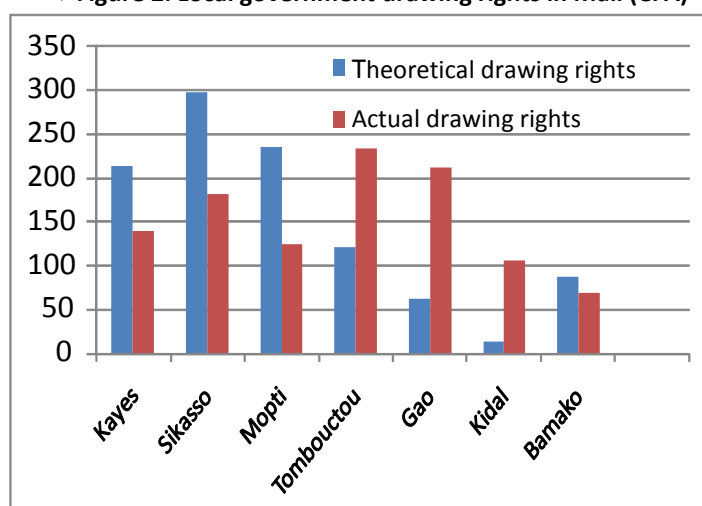
7. FROM LOCAL EXPERIMENTS TO A NATIONAL EQUALIZATION SCHEME: WHAT SUPPORT DOES UNCDF OFFER?

Mali is a good illustration of the questions raised about continued local intervention once national equalization schemes have been set up. In Mali, the National Local Government Investment Agency (ANICT) is the tool used to fund public investment in local government (municipalities, “circles” and regions). The agency also handles a large share of the external funding allocated to local government, not only in sectoral budgetary aid and decentralization projects but also other sector-specific investment programmes (e.g. health and education). In 2008, ANICT’s National Local Government Fund (FNACT) amounted to CFA30 billion, 95% of which came from development partners (or 4% of total aid to Mali). Only ANICT’s leading donor, the European Commission, channelled all of its aid through this Fund. FNACT comprises a general fund (CFA 5.3 billion, or 18%) and an area- and sector-specific fund (CFA 24.8 billion, or 82%).

These funding arrangements are based on an equalization scheme that uses four weighting criteria to give authorities their drawing rights: population, rate of collection of the Regional and Local Development Tax (RLDT), remoteness and poverty.

Of the dozen development co-operation agencies focusing on decentralization in Mali, the great majority work in specific parts of the country, in many cases following on from previous work. The coverage across the country therefore varies in terms of the areas and sectors targeted, with more or less co-ordination at the national level (Map 8). There are disparities, for instance, between the full drawing rights actually enjoyed by local authorities and the drawing rights to which they are theoretically entitled.

▼ Figure 2. Local government drawing rights in Mali (CFA)

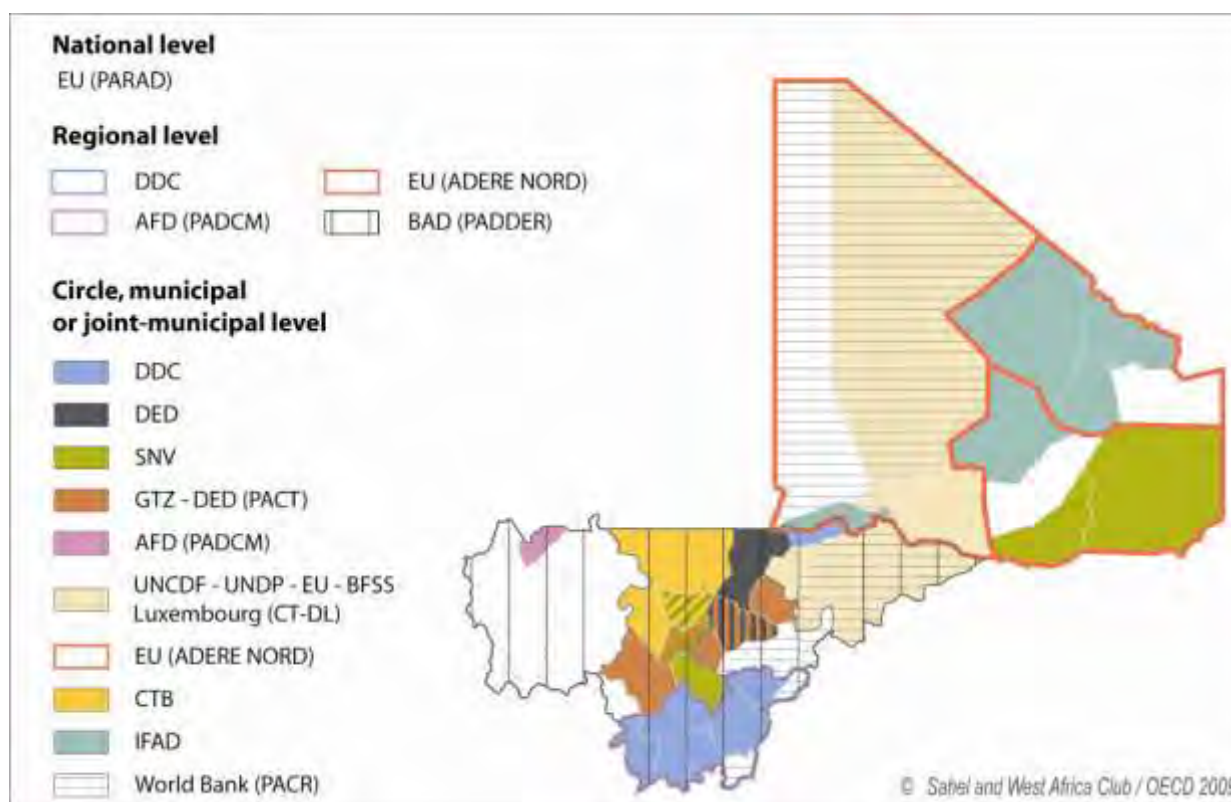


Because they have access to these area- and sector-specific funds, the regional authorities of Timbuktu, Gao and Kidal have received 2 to 7 times more than planned under the equalization scheme, whereas the regional authorities of Kayes, Sikasso and Mopti have received less than 2/3 of their theoretical drawing rights. All of the circles in the more “affluent” regions have received 4 to 6 times more than planned under the equalization scheme. As for municipalities, which receive the majority of ANICT funds, distortions here too are very marked.

In fact the proportion of area- and sector-specific funds in the FNACT mix calls into question the equalization scheme governing resource allocation for local authorities and, crucially, raises the issue of aid fungibility. ANICT is currently reviewing FNACT funding arrangements with a view to restoring an effective equalization scheme for local authorities.

While criticism may be levelled at the calculation and weighting methods, thought needs to be given to the arrangements for supporting local authorities, which are still based on geographical areas. UNCDF, in partnership with UNDP, BFSS, Luxembourg and the European Union, is working with three circles in Timbuktu and eight circles in Mopti. These arrangements offer the advantage of acting as pilot tests, but they do undermine the equitable allocation of resources countrywide. UNCDF, attached to the principles of the Paris Declaration, is now planning to foster dialogue on the consistency of development-partner initiatives across the country, with the support of other major partners in this field. As decentralization is more of a process than a state, UNCDF is now developing new tools for local authorities, designed to help them improve efficiency and be more active in innovative areas such as climate change, food security and the Millennium Development Goals. In other regions, UNCDF is also supporting local authorities to improve their ability to tap into the sector-specific budgetary support available to them.

▼ Map 8. Mali: areas covered by main external partners



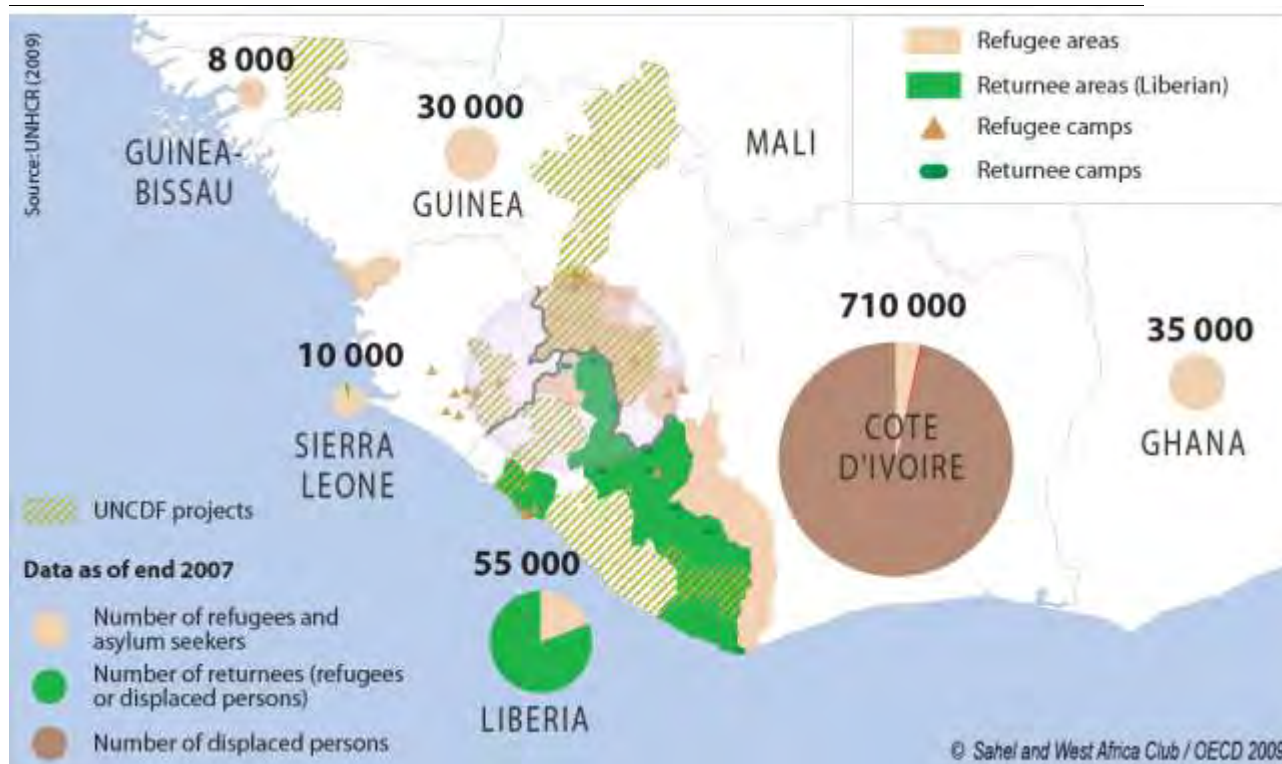
8. UNCDF: SHIFTING TOWARDS CROSS-BORDER OPERATIONS

Cross-border areas require special attention. Hubs of intense economic and social activity, they are also places where conflict may break out and spread.

Maps pinpointing UNCDF initiatives show that they are to be found on both sides of the border between Sierra Leone, Guinea and Liberia. This cross-border area symbolizes conflict- and security-related issues in West Africa. As it emerges from crisis, the region merits close attention if stability is to be maintained. Beyond its implications for security, “micro-regional” policy can thus have a very tangible impact on a much broader area.

UNCDF accordingly needs to shift to cross-border work. This is warranted in that countries on the border are affected more by one another than by events on their own soil (Map 9). Conflict in the countries along the Mano River has brought about major demographic change in the area. During the 1990s, Guinea took in refugees fleeing from neighbouring Liberia and Sierra Leone (around one million refugees). The refugees are giving rise to long-term change in local dynamics, in particular because of the agencies coming to their aid and spending considerable amounts in the area. The longer the refugees remain in exile, the more they become economically active, form ties and settle in the host area/country.

▼ Map 9. Location of UNCDF operations and of refugees/ displaced persons in the Mano River Union



Settlement in the host country has been a solution for the refugees to Guinea (80% of them from Liberia and 20% from Sierra Leone) or to Côte d'Ivoire who cannot or will not return home. The great majority of those refugees have in fact opted to settle locally. The end of both conflicts is also marking the return of large groups of displaced people to their home regions: from 2003 to 2006, over 500 000 displaced Liberians returned home. With the current crisis in Guinea, population flows will be reversed, thus increasing interdependence in the cross-border area.

Cross-border initiatives will primarily target the young. Over half of those concerned are under 25. The "unemployment rate" stands at almost 90% in Liberia and 60-70% in Sierra Leone. The marginalised, vulnerable young people include former child soldiers whose harrowing past is a serious threat for the future. Social and labour market integration requires a substantial effort on the part of local communities and local government. Agriculture and mining are particularly relevant here, in these predominantly rural areas. A very small proportion of refugees may succeed, but the majority never become integrated.

UNCDF is helping local authorities in this area to take more account of local resources, especially as these can be a considerable source of funding. In Guinea, the mining companies SEMAFO, SAG and SND are promoting development by contributing to the budget of CRDs (rural development municipalities) via the development tax for investment in social infrastructure.

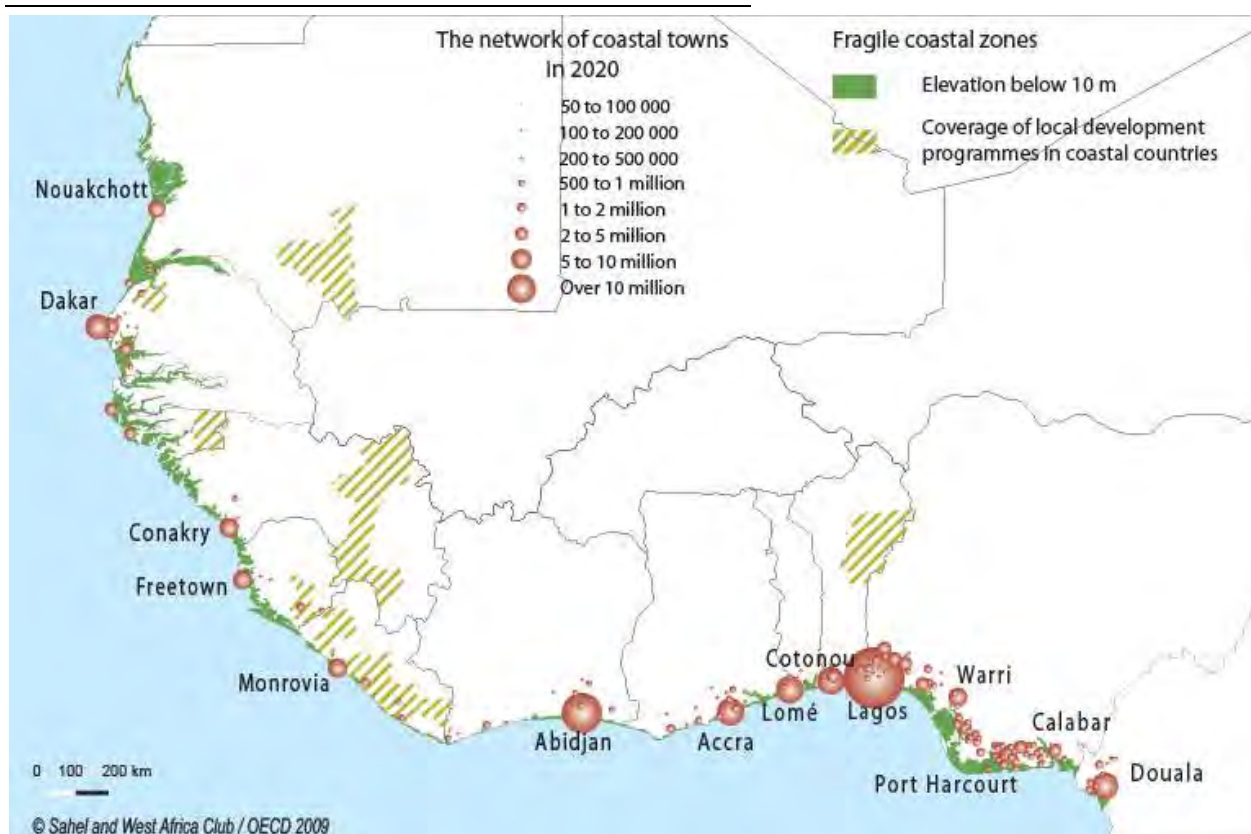
9. FACTORING IN CLIMATE CHANGE AT THE LOCAL LEVEL

Climate change is a major challenge for the 21st century. In Africa, two large areas are more closely concerned by this issue, namely coastal zones and the Sudan/Sahel area. Both the heart of Africa and its links with the outside world via ports and major cities could be hit by future developments. This area stretching from Lagos to Abidjan accounts for 40% of the population and 70% of the economic trade in West Africa.

A geographical study of UNCDF projects shows that most are located in these two large areas. UNCDF is working to strengthen local government in this regard by supporting the introduction of planning, regulation and climate-change tools.

In West Africa, the areas most likely to be affected by rising sea levels or extreme ocean events (extreme tides) are the most densely populated and in some cases the most urbanized (with the exception of the Mauritanian coast). From Douala to Dakar, 12 cities along the coast have over one million inhabitants. These major cities, like the entire urban network on the coast from Abidjan to Douala, are particularly vulnerable (Map 10).

▼ Map 10. Location of UNCDF operations and fragile coastal zones



According to the United Nations Office for the Co-ordination of Humanitarian Affairs (OCHA), five of the first 20 cities to be affected by rising sea levels and storms are in West Africa: Lagos, Monrovia, Abidjan, Cotonou and Dakar. Any breaks in this network will threaten the whole of West Africa's urban system. In 2009 the West African sub-region saw loss of life (over 25 deaths) as well as damage to property estimated at several billion CFA. The extension of flood-prone areas and increased salinity of estuaries and groundwater may also have major implications for agricultural output and human settlement options.

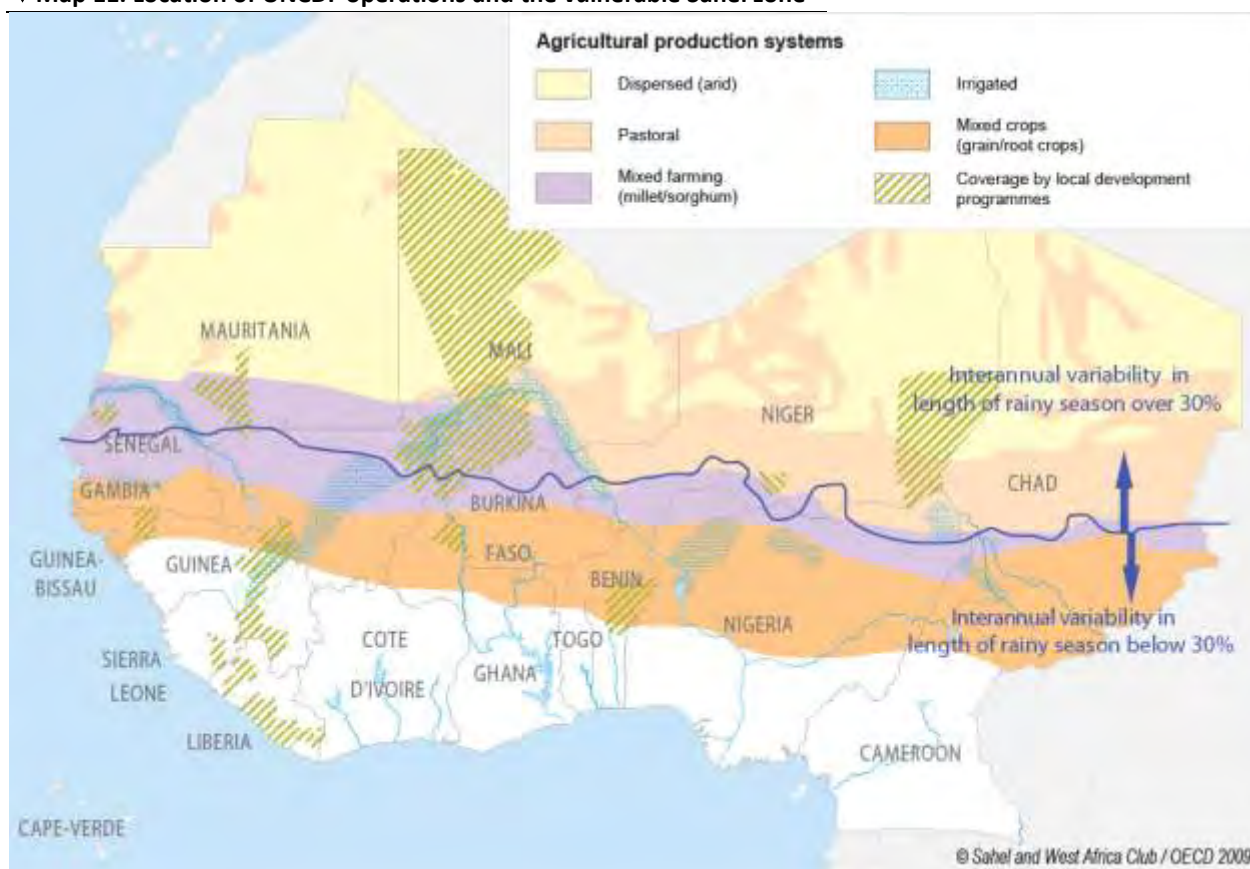
Although UNCDF does not work directly in the capitals and major cities along the coast, any weakening of the major markets which these centres represent will have an economic and social impact on the communities inland.

10. UNCDF FOOD-SECURITY OPERATIONS IN THE SAHEL REGION

The adverse effects of soaring international food prices in 2007-2008 demonstrated that West Africa is not immune to food crises. In the Sahel region, market fluctuations are now compounding natural hazards (e.g. crickets and inadequate rainfall). Over the past 50 years, the reduction in rainfall has caused a 200-kilometer downward slide in isohyets towards the South and an historic aridification process in the area's climate (Map 11). The geo-climatic status of several UNCDF projects may be affected by this shift. Half of all UNCDF target areas are located within this "vulnerable zone".

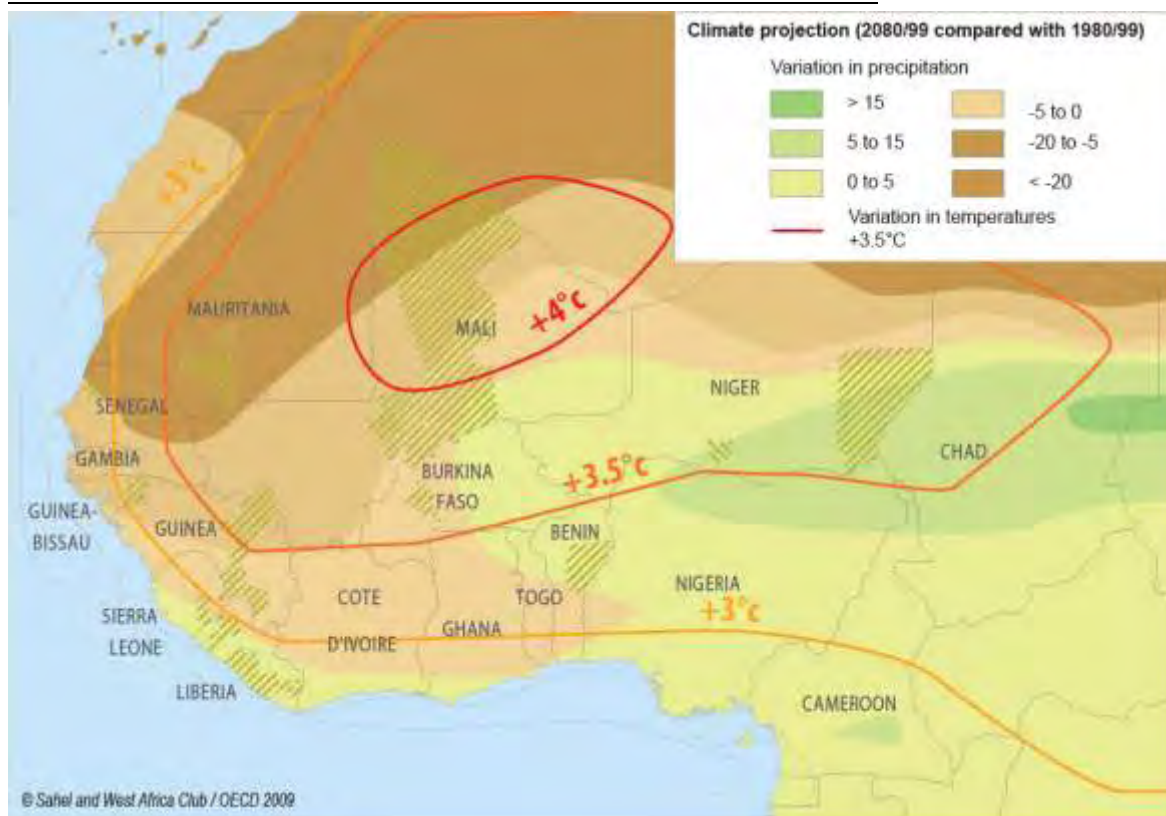
The future of West Africa remains uncertain where food is concerned. Since the mid-1990s, a return to better rainfall conditions has been noted, particularly in continental Sahel. However, the latest report by the Intergovernmental Panel on Climate Change (IPCC) states that from 1980/99 to 2080/2099 the average temperature increase could be 3 - 4°C across the continent, or 1.5 times the increase worldwide. Conversely, major doubts persist as to rainfall projections and the localised impact of these changes. Variations around the mean may be substantial. Consequently, UNCDF interventions may be subject to significant and random environmental developments stemming from climate change.

▼ Map 11. Location of UNCDF operations and the vulnerable Sahel zone



What can be done to make local players and local authorities become stakeholders in the changes that may hit them so hard? What can be done to ensure they have the necessary capacity and resources? These authorities are already allocating 43% of their budgets to natural resource management through policies to combat erosion, promote more intensive farming and manage river basins and water resources in general (UNCDF, 1997; UNCDF, 2004 and UNCDF, 2007).

▼ **Map 12. Location of UNCDF interventions and climate change projections**



Conclusion

This set of reports shows how UNCDF is taking steps to foster dialogue between the three tiers – regional, national and local – so crucial to development in West Africa, and thus enhance the impact of its activities there. By working with local authorities, the agency's aim is to promote decentralization in individual countries but also to tackle major cross-border challenges, namely conflict prevention and adjustment to climate change. To meet those challenges and launch new tools, regional institutions have a vital role to play. Several regional projects are already under way and will tend to expand in years to come, in support of the institutions dealing with those issues.

UNCDF's enhanced institutional presence at the regional level, with its three new regional offices (West Africa, Southern Africa and Asia), will also put national projects into perspective and create opportunities to pool experience and give vision to cross-cutting themes. The aim is to lend regional impetus to pro-poor community policies and programmes by promoting decentralization and local development and building inclusive financial sectors.

ANNEX I. LIST OF UNCDF PROJECTS SUPPORTING LOCAL DEVELOPMENT IN WEST AFRICA

	Project name	Duration	Phase	Funding US\$ (million)	Beneficiaries
Benin	ADECOI	2003-2008	Activities in 2008 and 2009	7.6	575 000
	PA3D	2008-2013	Launch mid-2009	9.7	575 000
Burkina Faso	PAPNA	2000-2008	Completed	6.3	110 000
	ACRIC	2008-2012	Launch mid-2009	3.9	573 000
Guinea	PDLG	2001-2007	Completed	4.8	314 000
	PDLG II	2008-2012	Ongoing	7.9	885 000
Guinea Bissau	PADRL	2006-2009	Extended	4.7	185 000
Liberia	LDLD	2007-2011	Ongoing	9.0	120 000
Mali	CTDL	2006-2010	Ongoing (Extended)	10.2	2 146 000
	PADDER	2008-2010	Ongoing	1.5	8 746 000
Mauritania	PACA	2005-2009	Completed	3.4	180 000
Niger	PACURD	2005-2008	Completed (mid-2009)	2.4	100 000
	PADL/M	2000-2008	Completed	7.9	479 000
	PADL/N	2000-2007	Completed	7.0	128 000
Senegal	PADMIR	2000-2007	Completed	6.9	600 000
	PADEL/PNDL	2008-2013	Ongoing	10.0	780 000
Sierra Leone	KDERP	2007-2011	Ongoing	6.9	488 000

ANNEX II. ACRONYMS

ACRIC	Support for rural municipalities and joint municipal initiatives
ADECOI	Project in support of communal development and local initiative in Bourgou
ANICT	National investment agency for local authorities
BCEAO	Central Bank of West African States
BFSS	Belgian Survival Fund
CAF	Central African Republic
CILSS	Permanent Inter-State Committee for Drought Control in the Sahel
CRD	Rural development municipality
CTDL	Local authorities and local development
DAC	Development Assistance Committee
DRC	Democratic Republic of the Congo
EC	European Commission
ECOWAS	Economic Community of West African States
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FNACT	National local government support fund
GDP	Gross Domestic Product

GRP	Gross Regional Product
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
KDERP	Kenema District Economic Recovery Programme
LDC	Least Developed Countries
LDF	Local Development Fund
LDLD	Liberia Decentralization and Local Development Programme
MDP	Municipal Development Partnership
MFI	Microfinance institutions
MG	Millennium Development Goals
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PA3D	Support project for decentralization, devolution and local development
PACA	Support programme for Assaba municipalities
PACURD	Support project for Difa Urban Community
PADDER	Support project for decentralization and economic development
PADEL/PNDL	Local Economic Development Support Project, part of the National Local Development Programme
PADL/M	Support project for local development in the Mayahi Region
PADL/N	Support project for local development in the Nguigmi Region
PADMIR	Support programme for rural decentralization
PADRL	Local and Regional Development Support Project in the Gabu Region
PAPNA	Namentenga Province mixed farming development Project
PDLG	Local development programme for the natural regions of Upper and Central Guinea
SAFIC	System of financial and institutional analysis for municipalities
SRF	Strategic Results Framework
SWAC	Sahel and West Africa Club
TDR	Regional and Local Development Tax
UEMOA	West African Economic and Monetary Union
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNIFEM	United Nations Development Fund for Women
US\$	US dollar
USGS	US Geological Survey

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