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**Mid-Term Evaluation
Anseba Local Development Project (in Eritrea)**
Project Number: UNCDF: ERI/01/C01, UNDP: ERI/01/013/A/01/99

Final Report

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ABBREVIATIONS AND ACRONYMS

ALDF	Anseba Local Development Fund
ALDP	Anseba Local Development Project
ARR	Assistant Resident Representative
Baito	The Regional Assembly Elected by the People (Regional Council)
BSF	Belgian Survival Fund
BTOR	Back to Office Report
CNA	Capacity Needs Assessment
CO	Country Office (of UNDP)
CSOs	Civil Society Organisations
DRR	Deputy Resident Representative
GoSE	Government of State of Eritrea
ICT	Information Communication Technologies
IDPs	Internally Displaced Persons
IPF	Indicative Planning Figures
ITU	International Telecommunication Union
Kebabi	Collection of villages (administrative division of a sub-zoba)
LDCs	Least Developed Countries
LDF	Local Development Fund
LWF	Lutheran World Federation
MCs	Minimum Conditions
MDGs	Millennium Development Goals
MIS	Management Information System
MND	Ministry of National Development
MoF	Ministry of Finance
MoLG	Ministry of Local Government
MoPW	Ministry of Public Works
MTE	Mid-Term Evaluation
NGOs	Non-Governmental Organisations
NSC	National Steering Committee
O&M	Operation and Maintenance
PCP	Project Concept Paper
PEM	Public Expenditure Management
PERA	Proclamation for the Establishment of Regional Administrations
PIM	Project Identification Mission
PMs	Performance Measures
PO	Programme Officer (of UNCDF)
POP	Project Operation Plan
PST	Project Support Team
RAOM	Regional Administration Operational Manual
RCBP	Regional Capacity Building Plan
RDPs	Regional Development Plans
STA	Senior Technical Advisor
Sub-Zoba	Sub-region (Administrative Division) of Zoba
TOR	Terms of Reference
TOT	Training of Trainers (Trainers of Trainers)
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Education Fund
UNV	United Nations Volunteers
Zoba	Regional Administrative Unit of Eritrea

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1.0 EXECUTIVE SUMMARY

The Anseba Local Development Project (ALDP) is a five-year programme approved in October 2001, and whose implementation commenced in April 2002. The programme is co-funded by United Nations Development Programme (UNDP), United Nations Capital Development Fund (UNCDF), Belgium Survival Fund (BSF), and the Government of State of Eritrea (GoSE). The <u>purpose</u> of the Mid-term Evaluation (MTE) of the programme, conducted in September and October 2005 was to:

a) Review effectiveness and efficiency of progress towards the attainment of project outputs, immediate and development objectives, and the factors affecting results achievement;
b) Examine ongoing relevance of project given policy environment and development priorities;
c) Assess relevance and effectiveness of UNCDF strategic positioning and partnerships;
d) Assess the likely sustainability of programme results;
e) Comment on post-project planning/exit strategy; and
f) Extract lessons and make recommendations for improvement of the project design, implementation and results achievement.

The MTE identified the **achievements** of the project as outlined below:

a) Piloting a bottom-up participatory development planning process involving stakeholders at the kebabi (collection of villages), sub-zoba (sub-regional level), and Zoba (regional) levels. The Ministry of National Development (MND) has participated, and expressed keen interest in learning from the process for policy impact;
b) The ALDP has provided a discretionary Local Development Fund (LDF) to Zoba Anseba for three years, an initiative that is novel to Eritrea;
c) Using the LDF, the project has approved the implementation of 31 community projects in the water, education, roads and health sectors;
d) The project is using institutional arrangements housed within the national systems. At the national level, there is the National Steering Committee (NSC) and MND as the executing agency. In addition, the local government structures in Zoba Anseba are active partners in the implementation and management of the programme, which may contribute to the sustainability of both the process and outputs;
e) The community members are active participants in project planning, implementation, monitoring and management (including operation and maintenance of investments);
f) The programme has commissioned studies to establish the situation and recommend strategies for addressing food insecurity and enhancing local revenue mobilisation; and
g) ALDP has provided the opportunity for a wide range of capacity building activities including delivery of training (and development of training materials), providing equipment, and supporting study tours to Uganda and Tanzania

The above achievements notwithstanding, the project has also encountered some **challenges**[1] as outlined below:

a) The participatory planning process at the kebabi level is not deepened because the Kebabi level is limited to 'raw project ideas identification'. Though it is the project's intention, the linkages between the bottom-up and regional development planning processes are not explicit;
b) The allocation of LDF across sub-zobas is based on population and poverty, but the project lacks concrete and reliable data on poverty, which makes the horizontal allocation formula prone to subjectivity;
c) There is gross under spending of LDF (at approximately 38% of the budgeted expenditure) because of the suspension of project activities in 2004, and delays in implementation due to difficulties in attracting contractors, as well as contractors hiking fees, and the unavailability of construction materials;
d) The LDF is not transferred to and managed by sub-zobas as intended, and the incentive-based allocation system is not operational (for example, the minimum conditions are not formally assessed, and rewards and sanctions not applied);
e) The project has not been able to implement priorities and investments directly in the productive sector, despite the food insecurity in the region[2]; and
f) Some stakeholders do not see (or are not aware of) the ALDP as a 'policy experiment' and UNCDF has a limited profile within the donor community and higher levels of government.

To be able to attain the immediate and development objectives of the project, it is **recommended** that the project life span is extended by one year, but maintained within the same budget ceilings[3]. This implies that the end date will be 2008 instead of 2007. This will allow the absorption of the LDF under expenditure and the systematic development and testing of systems for both policy impact and replication.

Given the above general recommendation, it is proposed that the activities be conducted in a specific sequence as outlined below. The activities and sequence are, however, indicative and the PST will need to liaise with Zoba Anseba to further discuss and improve the sequence given the changes in the institutional and policy context[4]. Zoba Anseba and PST should also identify aspects of the recommendations where they need technical assistance from people who have had previous practical experience, especially with regard to the design, implementation and review of incentive-based allocation systems.

The first phase is November and December 2005, where it is proposed that:

a) The Project Support Team (PST) with support from the UNCDF Senior Technical Advisor (STA) should discuss and comprehend the MTE recommendations, the proposed follow-up and time lines, and present them to Zoba Anseba and the NSC for consideration and approval;
b) Zoba Anseba with support from the PST should start the process of revising the Regional Administration Operations Manual (RAOM). This will not only involve

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[1] The challenges are not presented in order of magnitude.
[2] This is not to overlook the fact that even investments in other sectors may have impact on food security.
[3] This is to reinforce the recommendation made by the 2004 TPR.
[4] It must be ensured, however, that the zeal to deliver investments does not overshadow the need to develop and test systems for policy impact and replication. The two objectives should mutually reinforce each other.

amending the existing manual, but also the preparation of inclusive stand-alone guidelines. The issues to consider in the revision of the RAOM include;

i. Defining the nature of projects that are a responsibility of the different levels i.e. kebabi, sub-zoba, and zoba,
ii. Elaboration of modalities to allocate budget ceilings for the different levels (including for kebabis) i.e. definition of the vertical allocation formula,
iii. Revising the criteria for allocation of funds across the sub-zobas (horizontal allocation formula),
iv. Detailing effective mechanisms for communication, transparency, accountability and provision of feedback,
v. Agreeing on incentives for kebabis and sub-zobas that actively participate in planning (as part of the incentive-based allocation system),
vi. Showing explicit and practical linkages between community-based planning and the regional development planning process,
vii. Preparing a manual to guide the assessment of minimum conditions and performance measures, including review and updating of the minimum conditions, and elaboration of the performance measures (with scores),
viii. Providing arrangements for systematic discerning and documentation of lessons and experiences for policy impact and replication,
ix. Incorporating guidelines for the production sector investments to incorporate and ensure the implementation of the food security dimension, and
x. Incorporating guidelines and ceilings for the LDF to be spent on investment servicing and technical supervision.

c) Zoba Anseba with support from PST should finalise the Regional Development Plan and document lessons;
d) PST should support Zoba Anseba to finalise the entry and analysis of baseline data;
e) UNDP and UNCDF should agree on the most plausible arrangement for performing the functions of a Country Programme Officer related to liaising with donors and higher levels of government; and
f) UNCDF/PST should release the LDF for the approved 2005 projects/investments.

From January to March 2006, it is proposed that:

a) UNCDF/PST will continue to release the LDF for the 2005 projects[5]. The 2005 projects will be implemented using the existing modalities in preparation for the sub-zobas to take over and use the revised modalities;
b) Zoba Anseba with support from PST will finalise the revision of the RAOM and submit it for discussion by the NSC. This may demand an extra-ordinary NSC meeting because it will have implications on a number of systemic (design) and project implementation issues of a policy nature[6];
c) The NSC meeting should be followed with the formal launch of the RDP during which a brief presentation on the experimenting nature of the project should be made;

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[5] This implies that the project will not approve new investments for 2006. This is because the balance up to 2005 is approximately US $ 1,350,000, and given the previous expenditure levels will suffice the expenditure needs of 2006. Secondly, there is need to establish systems for the operation of the incentive-based allocation system. The LDF for 2006 will, therefore, be used to implement investments in 2007, and the LDF for 2007 to implement projects in 2008.

[6] The ALDP should resist the temptation of having the RAOM issues being restricted in Zoba Anseba. This is because Zoba Anseba is a 'testing ground', but the lessons and experiences are intended for national wide policy impact and replication.

d) PST should prepare and disseminate bi-annually a brief '*key lessons learnt*' bulletin to GoSE for use in policy impact and also in influencing donors/NGOs for replication; and

e) PST should start supporting the Zoba to lobby for, mobilize and access funding to implement the recommendations of the food security study.

During the period April to June 2006, it is proposed that:

a) PST conducts a ToT for the Zoba training team, to prepare them for the orientation of the sub-zobas on the revised RAOM modalities;

b) PST should continue to develop, progressively improve and distribute training materials anticipated to contribute to replication of project activities;

c) The Zoba Anseba training team (including PST) should orient the sub-zobas and kebabis on their new roles and how to execute them, including the requirement to meet minimum conditions before accessing the LDF, as well as performance measures and the implications;

d) Zoba Anseba with support from PST should start the planning process for 2007 projects. The budget ceilings (IPFs) for all levels will be provided using the horizontal and vertical allocation formula in the revised RAOM; and

e) Zoba Anseba with support from PST should prepare the sub-zobas to meet the requirements of the assessment system.

From July to December 2006, it is proposed that:

a) Zoba Anseba with support from PST organizes the inaugural formal assessment of minimum conditions that will trigger the 2007 LDF releases and widely publicize results[7];

b) Zoba Anseba with support from PST should identify capacity building gaps based on identified capacity needs, and prepare a three-year Regional Capacity Building Plan for 2007 – 2009 (but with specific activities for 2007); and

c) UNCDF/PST should use the results to determine the LDF releases for 2007.

From January to December 2007, it is proposed that:

a) UNCDF/PST transfers the LDF to sub-zobas that meet the minimum conditions (for 2007 investments);

b) Zoba Anseba with support from PST provides capacity building activities guided by the RCBP;

c) Zoba Anseba with support from PST organizes the assessment of minimum conditions and performance measures to trigger LDF releases for 2008;

d) PST and Zoba Anseba identify more capacity building gaps (now informed not only by the assessment results, but also by other more comprehensive methods), and also capacity building activities to address the private sector and CSOs (roll-over the RCBP); and

e) PST organizes the annual national stakeholders' reviews to discuss and publicize lessons learnt.

From January to December 2008, it is proposed that:

a) UNCDF/PST transfers the LDF to sub-zobas that meet the minimum conditions (for 2008 investments), and provide incentives and sanctions to the sub-zobas that have performed well and poorly, respectively;

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[7] It will be prudent to constitute an assessment team composed of members from the national level and other Zobas. This will not only enhance objectivity, but will also make the other players start appreciating the process.

b) PST and Zoba Anseba to provide capacity building guided by the RCBP;
c) PST to organize the second annual national stakeholders' reviews to discuss and publicize lessons learnt; and
d) UNCDF/UNDP commissions activities for formulation of the follow-up project. The follow-up project should be accommodated within the United Nations Development Assistance Framework (UNDAF) for Eritrea for 2007 – 2011, now being prepared.

The MTE team is optimistic that the project will attain its immediate of LG in Anseba region delivers public infrastructure and services based on responsive, transparent and pro-poor planning procedures and development objective of reducing poverty in Anseba region as a basis for sustained self development especially if the MTE recommendations are implemented and the institutional and policy environment remains conducive.

2.0   PURPOSE OF THE EVALUATION

The Anseba Local Development Project (ALDP) is a five-year programme that was approved in October 2001, and its implementation commenced in April 2002. The ALDP with a total cost of US$ 5,949,892, financed by UNCDF (US$2,023,642), UNDP (US$719,250), Belgian Survival Fund (US$3,000,000) and GoSE (US$207,000 – in kind) is being executed by the Eritrea Ministry of National Development.[8]

The project document proposes to track day-to-day project performance through project performance monitoring, and to have two project evaluations; the Mid-Term Evaluation (MTE), and the final evaluation. In particular, the MTE, the subject of this report, was intended to[9]:

a) Review project progress and examine the extent to which expected project outputs are on their way to being delivered;
b) Examine the extent to which the expected outputs are genuinely contributing towards achieving the project's immediate objectives;
c) Examine the degree to which critical assumptions are holding; and
d) Examine the extent to which the broader policy environment remains conducive to replication of the lessons being learnt from ALDP implementation.

In the Terms of Reference (ToR), the general objectives of a UNCDF MTE are stated as, to:

a) Assist the recipient Government of State of Eritrea (GoSE), beneficiaries, UNCDF, UNDP and as appropriate, the concerned co-financing partners (Belgian Survival Fund), in order to improve the relevance, efficiency, effectiveness and impact of the project;
b) Provide feedback to all parties in order to improve the policy, planning, project formulation, appraisal and implementation phases; and
c) Ensure accountability for results to the project's financiers, stakeholders and beneficiaries.

It was further stated that the expected outcome of this MTE is a strategic review of project performance to date, in order to:

a) Help project management and stakeholders identify and understand:
   (i)   successes to date, and
   (ii)   problems that need to be addressed, and provide stakeholders with an external, objective view on the project status, its relevance, how effectively it is being managed and implemented, or whether the project is likely to achieve its development and immediate objectives, or whether UNCDF is effectively positioned and partnered to achieve maximum impact;

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[8] By the time of project approval, the executing agency was Ministry of Local Government.
[9] Please note that in the project cycle, under the project evaluations in the Project Document, it was stated that ALDP's mid-term review (this MTE) will take place towards the end of the project's third year.

b) Provide project management and stakeholders with recommendations:
    (i)   capturing additional opportunities[10], as well as
    (ii)   for corrective actions to resolve outstanding issues and improve project performance for the remainder of the project duration;

c) Help project management and stakeholders assess the extent to which the broader policy environment remains conducive to replication of the lessons being learnt from project implementation, and/or identify exit strategies;
d) Help project management and stakeholders set the course for the remaining duration of the project;
e) Help project management and stakeholders to draw initial lessons about project design, implementation and management; and
f) Comply with the requirement of the Project Document/Funding Agreement as well as UNCDF evaluation policy, in particular, the agreements under UNCDF's partnership with the BSF, and in anticipation of the upcoming BSF mid-term review.

From the foregoing description, the key purposes of the MTE, which informed the methodology and approach to the MTE, are discerned:

a) Review effectiveness and efficiency of progress towards the attainment of project outputs, immediate and development objectives, and the factors affecting results achievement;
b) Examine ongoing relevance of project given policy environment and development priorities;
c) Assess relevance and effectiveness of UNCDF strategic positioning and partnerships;
d) Assess the likely sustainability of programme results;
e) Comment on post-project planning/exit strategy; and
f) Extract lessons and make recommendations for improvement of the project design, implementation and results achievement.

3.0   MTE METHODOLOGY AND APPROACH

In view of its purpose, the MTE was conducted in a highly consultative and interactive manner. It involved a preparatory phase where secondary data was reviewed (see **Annex 3**), and telephone and in-country briefings were held for orientation purposes. Thereafter, the MTE team discussed the scope of work to ensure a common understanding, and finalized the methodology and work plan.

After the preparatory phase, the MTE team, with full participation of Zoba Anseba staff (Fitsum), held a number of consultative meetings and key informant interviews with stakeholders at the national, zoba, sub-zoba/'desk'[11] as well as kebabi levels (see **Annex 2**). In addition, the MTE team visited a number of projects implemented with support from the Anseba Local Development Fund (ALDF) and held in-depth discussions with the beneficiaries, project implementation and management committees. The sampling criteria sought to capture:
- A mix of completed and ongoing projects;
- Projects from different sectors; and

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[10] For example, the recent information, communications and technology (ICT) for development initiatives
[11] The ALDP had coverage of 10 rural sub-zobas in the Anseba region. Six of these sub-zobas were grouped into three 'desks'. For the purpose of this MTE, the sub-zobas and 'desks' will be mainly referred to as sub-zobas, apart from those cases where the peculiarities of the 'desk' arrangement will be highlighted.

- Projects contracted out and those directly implemented by the sub-zoba and/or kebabi.

Table 1 below summarizes the sub-zobas, kebabis and projects sampled for the MTE and the sampling criteria.

Table 1:   Sub-zobas, Kebabis and ALDF Projects Sampled for the MTE

Sub-zoba	Kebabi	Project	Sampling Criteria
Hagaz	Fana	Fana School	o 2003 project o Completed project
		Fana Well	o 2005 project o Ongoing project
Hamelmalo	Genfelom	Genfelom School	o 2004 project o Ongoing project
Ilaberid	Eira Tahtay	Balwa – Eira Tahtay Road	o 2004 project o Direct implementation o Completed project

The information collected from the discussions was progressively compiled, analyzed and used to prepare the MTE outputs, including this MTE report, follow-up matrix (**Annex 1**), evaluation summary and the Aide Mémoire. In particular, the Aide Mémoire was discussed by the stakeholders in the in-country evaluation wrap-up meeting, and informed the production of the draft Evaluation Report. An evaluation debriefing was also held at UNCDF headquarters in New York to discuss the draft evaluation report in order to produce the Final Evaluation Report. **Annex 4** summarizes the MTE work plan.

The MTE team members listed in **Table 2** below wish to extend their sincere appreciation and gratitude to all those persons who contributed towards the success of this MTE (refer to **Annex 2**). However, the specific analysis, conclusions, inferences and recommendations in this report are those of the team, and are not necessarily shared by GoSE, UNDP, UNCDF, BSF, PST and other development partners.

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4.0   BACKGROUND

4.1   Country Context

4.1.1   The National and Policy Context

Eritrea covers an area of approximately 124,000 square kilometers and has a population of 3.6 million. It achieved independence in 1991 after a 30 year armed struggle with Ethiopia. On May 24 1993, Eritrea became formally independent after conducting a successful and internationally supervised referendum.

On May 23 1997, the Constituent Assembly ratified the Constitution of Eritrea. The Constitution under a number of articles emphasizes the participation and active involvement of the citizens. The Constitution also incorporated the principles of decentralization. For example, Article 7(3) states that, '*There shall be established appropriate institutions to encourage and develop people's initiatives and participation in their communities*'. Article 1(5) further states that, '*Eritrea is a unitary State divided into units of local government. The powers and duties of these units shall be determined by law*'.

The law, which elaborates the powers and duties of local governments, is the Proclamation for the Establishment of Regional Administration (PERA), and it was declared and effected in 1996. The PERA is the institutional definition of both the local government structure and its responsibilities for local planning and decision-making.

The Constitution also incorporates issues of gender. For example, Article 7(2) states that, '*Any act that violates the human rights of women or limits or otherwise thwarts their role and participation is prohibited*'. As an example, despite the fact that 30% of the seats in the regional 'Baito' are reserved for women, the women are also eligible to compete with the men for the remaining 70% of the seats. In addition, women's employment is encouraged in both the private and public sector.

Despite the propitious environment in the mid-nineties as described above, there was a border conflict with Ethiopia and the eventual outbreak of war in 1998. The war disrupted Eritrea's initial promising growth, resulted in the destruction of economic and social infrastructure, and reduced the pace of a number of policy objectives, especially those linked to decentralization and local development. For example, the mobilization of the Eritrean working force to fight at the war frontline disrupted the activities of the private and public sector. Also, the increase in national defense expenses and rehabilitation, including relocation and resettlement of Internally Displaced Persons (IDPs), resulted in minimal financial allocations to sustainable local development.

During the period after the war, Eritrea suffered the worst drought in many years. The reduction in agricultural output due to the direct and indirect effects of the war and the drought has exacerbated shortages of food to appalling levels, especially for the vulnerable people of the society.

Consequently, the GoSE formulated the Interim Poverty Reduction Strategy Paper where it is stated that the long-term objective of the Eritrean development framework, is to attain rapid and widely shared economic growth with macro economic stability, and a steady and sustainable reduction in poverty. The government in this respect

plans to mobilize all available resources and use them efficiently and effectively in the fight against poverty.

It is against the background of this critical recovery and rehabilitation period that the ALDP was formulated and implemented to strengthen the local government capacity to provide basic social and economic infrastructure, with a long-term development objective of poverty reduction. The project also addresses the wider institutional and systemic issues (planning, allocation, financing, implementation, as well as management arrangements), linked to the continued delivery of pro-poor infrastructure and services by the local government in Anseba.

4.1.2 Brief background to the institutional context

The government of Eritrea has four tiers of public administration hence the national, regional (zoba), sub-regional (sub-zoba) and kebabi (collection of villages).

At the **national level** there are ministries and specialist organisations. In particular the MND is among others responsible for decentralisation and local government affairs including facilitating better management and execution of the complex task of planning and co-ordination at all levels of government for a more effective use of scarce public resources, for the promotion of sustainable growth and the alleviation of poverty.

At the **regional level** there is the regional government of council (Baito) with councilors directly elected and supporting executive (administration). The region is responsible for preparation and implementation regional development plans (RDP).

At the **sub-region level** there are full time personnel but no elected councils. The sub-regions in some of the cases have full time staff in there locations but in others 'desks' have been created to substitute the role of the sub-zobas.

At the **kebabi level** there are kebabi administrators and deputy administrators locally elected and government salaried. In addition, in place is a community court of three elected judges; personnel, secretary and finance officers (all three to be appointed as full time staff); and committees for Land, Infrastructure, Economic Development, Social Affairs and National Service.

4.1.3 Background to Anseba Region

Zoba Anseba is one of the six administrative regions of Eritrea, located in the North West of the Country. The total area of the region is approximately 22,834.28Km^2, covering about one fifth of the country. Keren town, the Capital of Zoba Anseba, with a population of approximately 100,000 people, is located 91 km North West of Asmara, the Capital City of Eritrea.

Administratively, Zoba Anseba is divided into 11 sub-regions (sub-zobas) including the Capital, Keren town[12]. The sub-regions are sub-divided into 109 administrative kebabis (collection of villages) comprising approximately 441 villages.

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[12] Keren town is not a direct beneficiary of the ALDP leaving the 10 sub-regions (sub-zobas) as the eligible ones. Six of the sub-zobas are clustered under three 'desks'.

The total population of Zoba Anseba is estimated at around 490,000 people.[13] The population is composed of mainly four ethnic groups, including: Tigre, Tigrigna, Billen and Hidarb. The most widely spoken language is Tigre but some of the local people are not conversant with it, hence the need to translate most of the ALDP materials from English into three local languages (Arabic, Tigre and Tigrigna). The majority of the population (approximately 80%) depends on agriculture (crop farmers and pastoralists), and the remaining 20% are engaged in business and other activities.

The Anseba Region is characterized by three types of climates linked to the area's topography: Highland, intermediate, and lowland. The lowland, the hottest and driest part of the region with an altitude less than 1500m above sea level, covers 85% of the total area, and the intermediate and highland (>2000m above sea level) cover 12% and 3% respectively. The topography of the area is dominated by rugged terrain of hills, mountains and river valleys covering about 57.5 % of the total area. This terrain in particular makes accessibility difficult and the construction of infrastructure (especially roads), relatively more expensive. The total arable land is about 5.75% of which only half is currently cultivated. This exposes the region to a multitude of food security challenges.

The highest and lowest annual temperature and rainfall ranges are, 47-10 degrees Celsius, and 450-150mm respectively. The rainy period, effective for production, is from June 15 to September 15.

4.2   ALDP Rationale

Given the foregoing national policy and Zoba Anseba specific context, the formulation, approval and implementation of the ALDP was justified by a number of factors. First, there was high local demand as the GoSE needed support to implement its decentralization, democratization and local governance agenda within a challenging atmosphere of insecurity and drought. Whereas a number of projects were implemented in Eritrea prior to the ALDP, none of them was entirely and specifically designed to support the GoSE to implement the provisions of the PERA.

Moreover UNCDF had a comparative advantage in this area because it has a wealth of experience in the development, innovative piloting, testing, providing concrete field-based learning and informing national and donor policies and programmes related to decentralisation and local development. UNCDF's Business Plan 2005 – 2007 also foresees an expansion of investments and technical support to the Least Developed Countries (LDCs) in the area of local development to support the attainment of the Millennium Development Goals (MDGs).

Eritrea is one of the poorest countries in Africa. However, the selection of the Anseba region in particular provides the project with exceptional added value, as the region experiences relatively high levels of poverty exacerbated by drought and widespread food insecurity and has access to relatively fewer donor and NGO initiatives. Hence, UNCDF's presence in the region could greatly contribute to increased access to public services and hence the attainment of MDGs. This is especially because the project is providing LDFs to be used by the LGs to invest in public infrastructure development.

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[13] It was not possible to disaggregate this population by gender. This is because Zoba Anseba has no up to-date population data. The baseline data for the region was recently collected but has not been analyzed.

4.3 Project Status

4.3.1 Summary of project activities

The detailed description and analysis of the project status in terms of activities implemented, as well as external and internal factors affecting the project, are provided in **Section 5** (Evaluation) below. Under this section, we provide a synopsis of the key activities, executed since the project inception. The purpose of this is to provide a snapshot of the trend of activities providing a precursor to the detailed evaluation that follows.

Table 3:   Synopsis of Project Activities from Inception to-date

Timing	Phases/Activities
2001	Project Formulation • Initial Project Identification Mission (Feb-March 2001) and preparation of the Project Concept Paper (PCP); • Review of the PCP and preparation of terms of reference for the Project Formulation Mission; • Project Formulation Mission (May-June 2001); and • ALDP Project Approval (October 2001).
April – December 2002	Inception Phase • Recruitment of the PST; • Procurement of initial equipment; • Preparation of the Regional Administration Operational Manual; • Orientation of the sub-zobas to the ALDP modalities; • Collection of baseline data; • Establishment of Planning and Implementation Committees; • Establishment of the National Steering Committee; • Official launch of the project; and • Executive Director who was in charge of the project was transferred and the Regional Governor took over the responsibility.
2003	First Year of Project Cycle • USD 400,000 LDF released to implement 'quick win' projects; • Five elementary school projects identified and contracted at the zoba level; • Preparation of projects for 2004 – planning cycle started from the kebabi level; • Law strengthening the kebabis passed and kebabi elections held; • Six of the sub-zobas were grouped under three 'desks'; • Training on the PERA and orientation of elected kebabi officials on ALDP modalities; and • Revision of the Regional Administration Operational Manual.
2004	Second Year of Project Cycle • Project priorities to be implemented in the year identified, from kebabi through the sub-zoba (first full community based planning cycle); • Projects worth USD 900,000 of LDF approved by Zoba Anseba; • LDF of USD 450,000 released in July 2004; • Development of Project Implementation, Procurement, Operations and Maintenance Manual; • Formulations of the Financial Management and Audit Procedures Manual; and • Suspension of some of the project activities (mainly training) due to concerns raised by the Zoba on project implementation modalities.
2005	Third Year of Project Cycle • Project priorities to be implemented in the year identified, from kebabi through the sub-zoba (second full community-based planning cycle); • Projects worth USD 900,000 approved; • Re-election of kebabi leaders – (and another round of orientation); and • Mid-term Evaluation.

4.3.2 Summary of Financial Status

As per June 30, 2005, the project had spent $ 1,322,580 of which $ 707,993 and $ 614,587 was contributed by BSF and UNCDF respectively. The expenditure details by source and year are summarized in table 4 below. It should be noted however, that the contributions by UNDP and GoSE are not capture in **table 4**.

Table 4: **Project expenditures by year and funding source (in US$)**

Source of funding	2001	2002	2003	2004	2005*	Total
CDF	152,422	246,802	95,048	77,532	42,783	614,587
BSF	0	150,000	123,760	124,531	309,702	707,993
Total	152,422	396,802	218,808	202,063	352,485	1,322,580

* as of 30/06/2005
Source: UNCDF HQ New York

Whereas BSF has so far disbursed $ 1,191,893 to the project, only $ 707,993 has been delivered. This has been caused by the low absorption capacity at the project level caused by among others the suspension of activities in 2004, difficulties in procurement of materials and attracting of contractors especially in remote areas. **Table 5** summarizes the BSF funds disbursed and actual delivered to the project.

Table 5: **BSF funds disbursement and actual delivered**

BSF funds**, in US$						
	2001	2002	2003	2004	2005*	Total
Received from BSF	311,666	0	880,227	0	0	1,191,893
BSF Project exp.	0	150,000	123,760	124,531	309,702	707,993
Balance**	311,666	161,666	918,133	793,602	**483,900**	

* as of 30/06/2005
** not including interest payments
Source: UNCDF HQ New York

5.0 EVALUATION

5.1 Results Achievement[14]

5.1.1 Output 1: A Participatory and Transparent Planning System

Design targets
Output 1 of ALDP is: a participatory and transparent planning system is established that ensures the identification and design of locally prioritized pro-poor projects. Four activities were planned to attain the output, namely:
a) Establishing pro-poor planning procedures for local government units within Anseba, and providing training in their use;

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[14] This section should be cross referenced with annex 5 which is a matrix providing progress per output and activity on each of the indicators and milestones in the projects operation plan.

b) Strengthening the capacity of the Regional "Baito" – the only elected body in the system of local government – to play its role in accordance with the provisions of PERA;

c) Supporting the dissemination of information concerning the planning process and its outcomes; and

d) Strengthening the capacity of the regional and sub-regional administrations to backstop and to carry out planning exercises.

Analysis of Progress

A Regional Administration Operations Manual (RAOM) describing the community-based planning cycle in accordance with and within the framework of the provisions of the PERA, was prepared, approved and was used to guide the planning processes. The first edition of RAOM was produced in 2002. It was revised into a second edition in 2003, which is currently in use. The revision of the RAOM for 2004 was not conducted because some of the project activities were suspended due to concerns raised by Zoba Anseba regarding ALDP implementation modalities[15]. A third and comprehensive revision, which will also incorporate the recommendations of the MTE, is expected to start in November 2005.

Before the initiation of the annual planning processes, Trainers of Trainers (ToT) are trained to facilitate the planning process. The ToTs are also trained on aspects of project implementation and management. It is worth noting that the training and/or orientation of ToTs is an annual process because of the high turn-over of both elected and appointed officials. For example, the elected kebabi officials only serve for a period of two years. Therefore, despite the fact that a ToT was conducted for kebabi officials in 2003, it has to be repeated after the elections in 2005. In 2003, there were also drastic changes in the appointed officials at both the zoba and sub-zoba levels (including merging of six of the sub-zobas into three 'desks').

Communities at kebabi (collection of villages) level have been involved in the identification and prioritization of 'raw' project ideas for two project cycles[16]. Each kebabi has formed a planning and implementation committee headed by the respective kebabi administrators, with support from 'Baito' members (from the respective kebabis), and with representatives from residential sub-units, chairpersons of each of the village sector committees as well as co-opted members. The kebabi planning and implementation committee is responsible for village participation and 'raw' project definition using participatory approaches, to oversee subsequent project implementation, and to contribute to the annual performance review process. In particular, the RAOM stipulates that women are encouraged to be members of the planning and implementation committees.

The 'raw' project ideas are screened at the sub-zoba (sub-region) level and used to determine projects to benefit from the LDF. Like at the kebabi level, a sub-zoba planning and implementation committee composed of sub-zoba administrators and heads of departments, representatives of the main line ministries, Baito members, representatives of Civil Society Organisations (CSOs), and kebabi administrators, is formed. The sub-zoba planning and implementation committee is responsible among others for sub-regional confirmation and initial practical and budget screening of 'raw' project proposals from the kebabi. The screening of raw project proposals at the sub-

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[15] The PST argued that the concerns about ALDP implementation modalities might have arisen due to the insufficient hand-over by the Executive Director, who was transferred, to the Regional Governor who subsequently became responsible for the implementation of the project.

[16] The first project cycle was in 2003, when the kebabis prioritized projects to be implemented in 2004; and the second project cycle in 2004, when the kebabis prioritized projects to be implemented in 2005.

zoba level is guided by a set of agreed pro-poor and technical indicators. The criteria used include:

- Impact on food security (poverty criterion 1);
- Impact on access to primary education (poverty criterion 2);
- Impact on women (poverty criterion 3);
- Impact on access to water (poverty criterion 4);
- Impact on incomes (poverty criterion 5);
- Impact on access to basic health services (basic criterion 6); and
- Technical feasibility as well as low maintenance costs.

The sub-zobas are technically backstopped by the regional (zoba) level including sector staff.

The above progress in the planning process notwithstanding, and whereas the ALDP intended to move quickly to assist the regional administration to prepare a model Regional Development Plan (RDP), as the subsequent Chapter 4 of a region's Annual Report, Plan and Budget, the process of developing a RDP as stipulated by Article 13 of PERA, and as a means of integrating all sector plans and budgets into a regional plan, has encountered challenges. First, whereas the regional administration was seen as a practical vehicle for integrating sector planning into the context of a regional development plan, the capacity for such planning, both nationally and regionally was weak. Yet Zoba Anseba was not willing to release its officials for the first round of technical support through a participatory training workshop on regional planning and budgeting leading to postponement from February to November 2004[17].

Nevertheless, the training on regional development planning finally materialized in February 2005. The training involved staff from the regional administration (and sector staff) and staff from the Ministry of National Development (MND). The training aimed at ensuring that the regional planning is integrated into the mainstream national planning and budgeting process as well as integration of sector plans and budgets. Currently, all sectors have been requested to submit their long-term perspective for the future, and 78,000 household surveys have been completed, now in the process of data entry and analysis. The surveys will provide information for developing a general development picture and to identify the development challenges. The targets for the planned November 2005 mission of the UNCDF Senior Technical Adviser (STA) are to:
- Consolidate all analysis in order to verify the assumptions surrounding the imperatives, objectives and targets agreed upon in the February 2005 training;
- Preparation of an output-based, public expenditure management centered integrated regional strategy and budget; and
- An agreed format for the proposed RDP[18].

The MND is keen to see how the regional administration completes its full strategy and budget, anticipated in November 2005.

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[17] As already mentioned, the Zoba had some concerns on ALDP implementation modalities due to the insufficiency of information (the project seen as an NGO), and as a result of lack of a comprehensive hand-over from the transferred Executive Director. The concerns were later sorted out and the project is now on track.

[18] Ronald McGill, BTOR, 11-13 July 2005.

The challenges
The high levels of appreciation and commendable progress made under this output, notwithstanding, there remain two main challenges that need to be addressed[19]. These are:

a) Deepening and making the participatory planning process at the kebabi level more meaningful; and
b) Ensuring explicit and practical linkage between the community-based planning cycle and the RDP process.

These challenges are discussed in detail below:

a) *Deepening and making the participatory planning process at the kebabi level more meaningful:*

The first stage of the community-based planning cycle is community-based problem identification and subsequent identification of solutions through raw project definition at kebabi level. The RAOM states that, '*the important condition is that when this first stage of participation takes place in the context of ALDP, the budget ceiling within which micro-projects can be funded will be known and declared publicly*'[20]. It is further stated that *the consolidation of projects at the kebabi level ensures that the totality of the projects being submitted by the kebabi does not exceed the tentative budget ceiling declared for the year, whether from government sources or through ALDF*[21]. For the last two community-based planning cycles, however, the budget ceilings (indicative planning figures) for the kebabi levels were not publicized[22]. The argument advanced through discussions with the PST is that the LDF allocation is too small to make budget ceilings at the kebabi level. They asserted that if the funds are allocated to the kebabis, then the amounts will not be sufficient to complete the projects.

However, the lack of budget ceilings at the kebabi level implies that kebabis identify a number of 'raw' project concepts that are re-prioritized at the sub-zoba level, dropping many of them. This especially happens because the planning mandates and responsibilities of the kebabis are not defined, and hence, kebabis can identify any priority without considering for example, possibilities of implementation and management. Notwithstanding the fact that the kebabis are represented at the sub-zoba level, when 'raw' kebabi projects are re-prioritized within a framework of budget ceilings, failure to finance the forwarded kebabi priorities sets a bad precedence for participatory community-based planning at kebabi level[23]. This is often the case in the absence of an efficient and systematic communication, accountability and feedback mechanism[24]. **Table 6** below illustrates this argument as four of the six kebabis in Asmat sub-zoba did not receive any funding for two consecutive years.

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[19] Recommendations on how to address the challenges described here are elaborated in Section 5.6.1 (a).
[20] ALDP Community-Based Planning Cycle, Regional Administration Operations Manual (Second edition 2003) pages 17-18.
[21] ALDP Community-Based Planning Cycle, Regional Administration Operations Manual (Second edition 2003) page 31.
[22] The budget ceilings are however publicized at the sub-zoba level.
[23] This is not to assume that all kebabis should implement a project in a given year, but at least their entitlements should be communicated (see recommendations).
[24] Under ALDP, it is assumed that kebabi administrators, who are members of the sub-zoba planning and implementation committee, communicate back to the respective kebabis.

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Table 6: Kebabi Priorities in Asmat Sub-Zoba for 2004 and 2005

2003 planning cycle for 2004 investments			2004 planning cycle for 2005 investments		
Kebabi	Priority	Sub-zoba priority	Kebabi	Priority	Sub-zoba priority
Shegali	Water Supply		Shegali	Water Supply	
Erota	Water Supply		Erota	Water Supply	
Shaka	Water Supply		Shaka	Water Supply & Road	Road Construction
Asneda	Water Supply	Asnade Water Supply Project	Asneda	Water Supply	Additional funding for Asneda
Hurum	Health Station		Hurum	Health Station	
Era	Water Supply		Era	Water Supply	

Yet most of the Kebabis visited during the MTE manifested interest and the capacity to implement small infrastructure projects on their own, an initiative that needs to be reinforced. For example, in Fana, whereas the Kebabi constructed classrooms for an elementary school using the LDF, they were able to mobilize funds (from own contributions and NGOs) to construct a fence around the school, and have also mobilized materials to start the construction of the teachers' houses.

b) Ensuring practical and explicit linkage between the community-based planning cycle and the RDP process

The intention of the ALDP was to explicitly relate the local initiatives to the regional development imperatives/plans. However, close examination of the community based planning cycle in the RAOM, and the training on RDP, does not practically and explicitly show the linkages. For example, there is no mention of how to consider and integrate priorities from the kebabis and sub-zobas community-based planning process in the key issues learnt during the RDP training. This assertion is elaborated in **Text box 1** below:

Text Box 1: Lack of explicit linkage between community-based planning and RDP process

Summary of the community-based planning cycle
The planning cycle elaborated in the RAOM has six stages, namely:
i.   Raw project definition at kebabi level,
ii.   Initial technical screening at sub-zoba level,
iii. Preparation of technical documents through the region,
iv. Finalization of project documents,
v.   Consolidation of proposals and approval by the 'Baito', and
vi. Submission of the consolidated regional plan and budget to the Ministry of National Development (formerly MoLG), which in turn submits to the Ministry of Finance.
Overview of what the participants learnt from the RDP training [25]:
i.   The role of baseline data in yielding a general development picture, that generates a development challenge, which in turn is converted into a development goal;
ii.   The highlighting of development imperatives within that goal, from the data, each imperative being converted to a quantifiable objective, at the socio-economic level – increasing (a service) from X% to Y% within the plan period;
iii. Converting the "what" of the objective into the "how"; the things that will actually be done – the proposed interventions, as "targets", at the strategic (3-year) level, with capital and recurrent costs, thus, generating the medium-term expenditure demand in sequenced priority;

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[25] Please refer to Ronald McGill, BTOR, 3-11 February 2005, page 4.

iv.	Converting the 3-year targets to annual targets, testing the priorities and verifying the initial cost estimate through activity and input-cost analysis; and
v.	Consolidating all into a summary budget format.

It is not clear at what stage (or lesson as above), the process and outputs of the community-based planning cycle are integrated into the RDP process. There is, therefore, need to practically and explicitly show the linkages between the community-based planning cycle elaborated in RAOM and RDP training.

5.1.2 Output 2: Access to and Management of Financial Resources

<u>Design targets</u>
Output 2 of the ALDP is: access to and management of financial resources for funding development plans by local government units in Anseba is improved. The activities planned to achieve this output are:

a) Setting-up and managing the Anseba Local Development Fund, which will channel annual capital budget support to the sub-regional administrations, in order to finance locally-identified priorities and development plans;
b) Establishing sound financial management procedures (including auditing), and providing local government officials with training in financial management;
c) Strengthening the capacity of sub-regional and regional administrations to carry out financial management; and
d) Carrying out action-research into local revenue mobilisation, and piloting revenue mobilisation schemes in selected sub-regional administrations.

<u>Analysis of progress</u>

All the ten (10) rural sub-regions in Zoba Anseba are eligible and have accessed the LDF, which is in the third year of the annual cycles[26]. Currently, the LDF is the only discretionary development fund in the Anseba region. **Table 7** below summarizes the LDF releases per sub-zoba over the three-year annual cycles[27].

Table 7:   LDF Actual Expenditure as at September 2005

Sub-zoba	2003 (USD)	2004 (USD)	2005 (USD)	Total (USD)
Asmat	0	0	38,037	38,037
Selaa	0	13,247	34,786	48,033
Geleb	6,143	31,191	69,975	107,309
Habero	0	0	173,435	173,435
Halhal	0	0	22,177	22,177
Hagaz	53,791	14,904	33,684	102,379
Kerkebet	20,829	53,665	75,094	149,588
Hamelmalo	21,788	0	64,483	86,271
Elaberid	0	6,137	96,379	102,516
Adi-Tekelezan	0	0	0	0
Total	**102,552**	**119,144**	**608,049**	**829,745**

Source: *ALDP PST: 1USD: 13.55 Nakfa*

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[26] Whereas Keren Municipality is not included in the eligible sub-regions, through ALDP, efforts are being made to solicit support for it (from Italian Cooperation), to develop an urban development strategy that would be a basis for any donor contributions to Keren's development.
[27] It should be noted, however, that for 2003, the LDF was allocated by the Zoba to implement 'quick win' projects, and hence was not informed by a community-based planning cycle.

The challenges notwithstanding (see below), the ALDF mechanisms and allocations are made transparent to elicit local accountability and transparency. The allocation modalities were also discussed and agreed upon by the beneficiaries.

The sub-zobas are allowed discretion to plan and budget for capital investments to be financed by the LDF as per their needs. This is a novel opportunity as most of the other funding streams (from sector ministries or NGOs) are often earmarked to a limited set of activities.

Despite the problem of understaffing in the infrastructure department (for example having in place only two engineers and two surveyors), the Zoba, mainly from its resources, caters for investment servicing, including feasibility and technical studies, as well as technical supervision. Even though the PST in some cases provides for transport means or meets the cost of fuel, the Zoba taking on this responsibility is crucial for purposes of ownership and sustainability of the process.

The community members contribute at least 5% of the total value of the project in question, in cash or kind. The kebabis visited reported that they had contributed far beyond the required 5%. For example, Eira Tahtay and Kerecha communities mobilized about 300,000 Nakfa (approximately US$ 20,000) in cash, for the construction of Balwa – Eira Tahtay road. In addition, the community members have been providing labour during the implementation of the project. The project provided registers and encourages project implementation and monitoring committees to record all contributions made by the communities, as well as the progress made in project implementation, on a daily basis.

A local revenue mobilisation study was commissioned to support the region in designing strategies for improving local revenues. The draft report has been produced and the recommendations are yet to be implemented. However, the study put more emphasis on the urban areas of Keren, Hagaz, Eden and Adi-Tekelezan perhaps because they have a higher revenue potential.

ALDP formulated the Financial Management and Audit Procedures Manual. The manual elaborates the financial policy, general accounting, responsibility for and the basic accounting system in ALDP, and internal auditing. The sub-zobas were given an initial training in financial management to prepare them to start managing the LDF, which is still managed at the Zoba level. The entire sub-zobas have in place experienced staff in the finance section who have also received a wide range of on-the-job training. However, all the heads of finance and cashiers in sub-zobas and desks, have only attained 12th Grade education, which suggests the need for continuous backstopping and training.

Challenges[28]

The LDF is allocated horizontally across the sub-zobas basing on population (40%) and poverty levels (60%). **Table 8** below summarizes the LDF allocation per sub-zoba for 2004, as an example.

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[28] For the proposals to address these challenges refer to 5.6.1 (b).

Table 8:   LDF Allocation per Sub-Zoba for 2004

No.	Sub-zoba	Population Size	Poverty Index	Poverty Level	LDF Share (Nakfa)	LDF Share (%)	LDF per Capita (Nakfa)
1	Adi-Tekelezan	22878	2.0	Poorer	919,077	7.5	40.17
2	Elabered	35,967	2.0	Poorer	1,444,899	11.8	40.17
3	Hamelmalo	24,798	1.0	Poor	704,908	5.8	28.42
4	Geleb	31,146	1.0	Poor	885,356	7.3	28.42
5	Habero	34,692	3.0	Poorest	1,801,187	14.8	51.92
6	Hagaz	48,693	1.0	Poor	1,384,155	11.4	28.42
7	Halhal	26,426	2.0	Poorer	1,061,604	8.7	40.17
8	Asmat	28,914	4.0	Most Poorest	1,840,847	15.1	63.66
9	Kerkebet	27,780	3.0	Poorest	1,442,325	11.8	51.92
10.	Selaa	11,162	4.0	Most Poorest	710,643	5.8	63.66
	Total	292,456			12,195,000	100	

Source: *ALDP, PST; 1USD: 13.55 Nakfa (2004).*

Whereas it is important to in-build poverty considerations in the allocation formula, the manner in which poverty was applied in **Table 8** above is not replicable. This is because poverty level (poverty index) was not based on concrete and reliable data[29], but rather on qualitative discussions of poverty criteria and levels by the Zoba Planning and Implementation Committee. Definition of poverty in such a manner leaves room for subjectivity. This is especially because poverty is relative and is defined differently, by different groups at different times.

In the ALDP document, it was proposed that the LDF should flow using the GoSE approved channels i.e. funds flowing from a special ALDF account in the MoF in Asmara, to the region and then sub-regional administrations[30]. However, the LDF financed by BSF and UNCDF is practically channeled from UNDP to an LDF specific bank account in Zoba Anseba. Payments are made directly to the contractors/service providers, from the account on which the PST Team Leader and Zoba Head of Administration and Finance are signatories. This was intended to avoid the GoSE bureaucracies and as asserted by the Zoba administration, the likely financial mismanagement at the sub-zoba level. However, there are two concerns with the funds flow mechanism:

a) The LDF is not transferred and managed by the sub-zobas as indicated in the project document. The implication is that the incentive-based allocation system cannot be implemented since most of the indicators of minimum conditions are applicable when the sub-zobas are managing funds, and the process of building the capacity of sub-zobas, especially in the area of financial management will be curtailed and the system for development financing in a decentralized system is not being tested.
b) The funds do not flow through the Ministry of Finance as indicated in the project document[31].

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[29] Reliable data was not available because the baseline data collected in 2002 was reported not to be comprehensive.
[30] Please refer to the Project Agreement of ALDP, page 13.
[31] This, however, may not be achieved in the short-run given the political and institutional context in Eritrea where precedence is given to security and rehabilitation other than sustainable local development initiatives.

Whereas the budget for the LDF was US$ 400,000 for 2003, and US$ 900,000 for 2004 and 2005 respectively, making a total of USD 2,200,000 for the three years, by the end of September 2005, only US$ 850,000 had been released, and approximately US$ 829,745 actually spent, representing a gross LDF under expenditure by about 62%. The PST explained the cause of the gross under expenditure as being the numerous difficulties encountered by the contractors during the execution of projects. The gross under expenditure partly explains why there are concerns that LDF allocations are insufficient, despite a relatively higher per capita allocation of US$ 2-3[32].

It was anticipated that before accessing the LDF, a sub-zoba has to meet some basic requirements (minimum conditions). To-date, the minimum requirements have not been formally assessed. All the sub-zobas have as such been implementing projects using (though not managing) the LDF since its inception, without being assessed, consequently losing the rigor and compromising the integrity of the incentive system. Similarly, the incentives based on improvement in performance have never been implemented.

Despite the allowed discretion in planning in 2004 and 2005, and the appalling food security and natural environment problems in the region, none of the prioritized projects was directly involved with the productive sector, natural resource management and environment governance[33]. This was even after it was stated that, "*In all matters, the community-based planning process and resulting project implementation is to take the necessary measures to conserve and develop the natural environment. This is an underlying theme that simply cannot be avoided in Eritrea, let alone in Anseba region*"[34].

It was further agreed that within the planning cycle of 2005, communities would be encouraged to give greater emphasis to food security issues when proposing projects for implementation, subject to the condition that it was a genuinely felt need at the local level[35]. The failure to prioritize investments in the productive sector may have been caused by the difficulty to draw a line between public and private investments.

5.1.3 Output 3: Regional & Local Capacity to Deliver, Operate & Maintain Projects

Design targets

Output 3 of the ALDP is: regional and local capacity to deliver, operate and maintain projects efficiently is strengthened. The activities designed to achieve this output are:

a) Establishing procedures for procurement and implementation, for which training will be provided;
b) Supporting locally-based monitoring of implementation arrangements; and
c) Strengthening the capacity of local stakeholders to ensure operations and maintenance of infrastructure.

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[32] In other countries like Uganda and Malawi, the per capita allocation ranges between $ 1.5 and $ 2.5.
[33] It should be noted however that, investments in the productive sector should be restricted to appropriate use of public funds (i.e for open access investments).
[34] Please refer to Ronald McGill, BTOR, 12-16 November 2003, page 7.
[35] Please refer to Ronald McGill, BTOR, 3-7 February 2004, page 3.

Analysis of progress

The ALDP has been able to approve implementation of 31 (thirty one) community investments summarized in **Table 9**, below.

Table 9: **Number of Projects Approved to Benefit from ALDF by Sector & Year**

Sector (and nature of projects)	2003	2004	2005	Total	%Age
Education (elementary schools)	5	3	0	8	26
Water (wells, micro dams)	0	9	3	12	39
Health (health stations)	0	2	1	3	10
Roads (road construction & bridging)	0	3	5	8	26
Total	**5**	**17**	**9**	**31**	100
%age	16	55	29	100	

Table 9 above demonstrates that the majority of projects approved, 12 representing 39%, are in the water sector while only 3 representing 10%, are in the health sector. The majority of projects, 17 representing 55%, were commissioned in 2004. It should be noted, however, that whereas only 9 projects were newly commissioned in 2005, the total number of projects ongoing in 2005 is 15, with six being carried over from 2004[36]. Some of the six projects under budgeted for in 2004, were provided for from the 2005 LDF allocation.

All the projects commissioned in 2003 were given to private contractors. However, due to contract complications (especially failure to attract contractors to remote areas, and hiking of contract fees), the project implemented some of the projects through local contractors, and others through direct implementation arrangements. All the contractors were devoted to the completion of the contracts awarded to them, apart from Sebhatu Yohannes who suspended the construction of Wazntet and Gelet elementary schools. The two schools were later awarded to another firm and were successfully completed.

The responsibility for monitoring and supervision of projects is shared between the kebabi and sub-zoba planning and implementation committees, and the Zoba technical staff and PST. For example, before any payment is made for projects under direct implementation, the kebabi implementation committee has to endorse the work done by writing a letter serving as an interim and/or completion certificate that is forwarded through the sub-zoba to the Zoba level for scrutiny and subsequent payments. The Zoba technical staff and PST often visit project sites and have a complete understanding of all the projects being implemented.

Before an infrastructure investment is approved for funding, operation and maintenance arrangements, including the provisions for meeting recurrent costs and formation of the operation and maintenance committees, are discussed. The beneficiaries are also oriented in operation and maintenance, and made to appreciate their responsibilities. For example, whereas the construction of a water well in Fana, Hagaz sub-zoba is ongoing, the beneficiaries were able to articulate how they will operate and maintain the water well when it is completed, including hiring of a caretaker (proposed to be a person with disabilities), collection of user fees and banking of revenues collected. They also reported that they have made

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[36] The projects carried-over were either underestimated or the contractors delayed implementation due to the hiking costs of materials.

provisions to cater for the vulnerable categories in the community who cannot afford to pay for water, especially the female-headed households. The Fana School Project which is a completed project was handed over to the Ministry of Education, and through funding from UNICEF, the Ministry has been able to provide the school with furniture.

Challenges

Whereas procurement is a responsibility of sub-regional authorities through their planning and implementation committees as per RAOM, it is mainly done by the Zoba level. It was, however, observed by the Zoba administration that there are no trainable personnel available to perform such a challenging task. The MTE team also noted that the Ministry of Public Works procurement procedures are not wholly adhered to, especially during the award of relatively small contracts. For example, the engineer's estimates are not disclosed to the bidders just before bid opening as required by the procedures.

On a number of occasions, the ALDP find difficulties in attracting contractors who meet the minimum procurement requirements. For example, for the remote investments, the project often fails to attract the required three bids per project. There are also cases where the investment costs are being inflated as compared to the engineer's estimates, eroding the purchasing power of the LDF allocations.

Most of the contracts are not completed on time because of difficulties in procurement of building materials and other contractor difficulties. Out of the 31 projects approved, for example, only 13 have been completed, five are near completion (over 50% completed), eight are far from being completed (below 50%) completion, while the implementation of five has not started.

5.1.4 Output 4: The Anseba Experiences Informing National Policy

Design targets

Output 4 is: the Anseba planning process, styles of programming and project design, and policy issues arising from this experience, inform national policy. The activities planned to achieve this output are:

a) Setting-up and managing ALDP's monitoring and evaluation system;
b) Establishing a National Steering Committee for the project, within which national stakeholders would be represented;
c) Organizing annual stakeholder reviews of the project; and publishing and disseminating periodic lesson-learning bulletins; and
d) Developing a strategy of support to the Ministry of Local Government (now under Ministry of National Development), in order to strengthen its capacity to learn lessons and formulate policy.

Analysis of Progress

The National Steering Committee (NSC) for the project, within which national stakeholders are represented, was formed. The NSC, the highest organ of the ALDP, has representatives from the sector ministries, Zoba Anseba Administration, UNDP, UNCDF and PST as the Secretariat. The NSC meets bi-annually to discuss, review and approve both the work plans and progress reports.

The first lesson-learning bulletin, which was supposed to be published bi-annually, has been prepared and will soon be published.

In place is a Management Information System (MIS) that is used to analyze and store relevant data used to make management decisions at the Zoba level. The PST and Zoba Anseba produce and submit quarterly and annual project progress reports. These progress reports are discussed by the NSC and used to guide the operations of the project.

Challenges

Some of the key stakeholders had reservations and/or are less aware about ALDP being a 'policy experiment' intended to develop, test and replicate among others modalities for participatory development planning, resource allocation, project implementation and management, as well as monitoring and evaluation in a decentralized context. These stakeholders who are not aware of the experimenting nature of the project might not be keen to learn from the ALDP experiences for possible replication.

The above scenario is caused by among others the delays in implementing the training on regional development planning and hence production of the regional development plans. The ALDP has thus delayed to influence the Ministry of National Development thinking on regional development planning[37]. In addition, the lessons documented in the progress reports and the draft bulletin have not been widely disseminated. As a result, MND has not yet formally invited the Anseba project to present lessons learnt at national seminars/workshops. Similarly, the donor assisted projects (including NGOs) have not adopted Anseba planning systems.

The major challenge for Eritrea, that also affects policy impact and replication, however, is the issue of the unsettled boarder demarcation with Ethiopia. The focus of the GoSE as well as the majority of donors, therefore, is on security and rehabilitation (humanitarian services), not sustainable development.

5.1.5 New Output 5: Food Security (Natural Resource Management)

Design targets

Food Security is defined as the access by all people at all times to food of adequate quantity, quality and safety for a healthy and active life. This implies that food security has three dimensions: Availability, access and stability. Availability means that adequate food quantities must be present in a country, community or household to satisfy consumption demand. Access refers to the requirement that all people must have opportunity to have the food supply they need by either producing or buying so that no person remains hungry. Stability means eliminating or minimizing the possibility that food availability becomes less than the consumption needs at any time (World Food Summit, 1996).

Taking into consideration the interests of BSF and Zoba Anseba Administration, and in accordance with the decision taken by the National Steering Committee, the issue of food security gained its proper place in the ALDP since late 2004. To this effect, a fifth project output under the title of Natural Resource Management was included separately in the 2005 ALDP Annual Work plan, since it was not found appropriate to include the activities related to food security in either of the original ALDP outputs.

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[37] In fact the MND has already started supporting other Zobas to prepare RDPs.

Analysis of progress

There is wide acknowledgement of the existence of a food insecurity problem and a need to address it in Zoba Anseba. The Zoba officials, sub-zoba administrators, kebabi committees and community members with whom discussions were held, underlined the critical importance of food production improvement and food security.[38]

Food security is poverty impact indicator number one and the impact on poverty is considered during the prioritization of investments to be financed by the LDF. The issue of food security was explained during the regional development planning training of February 2005. It was felt strongly that the issue was inextricably intertwined with all aspects of the water supply and catchments challenge.[39]

A study focusing on the assessment of the state of food security in the region is ongoing and a draft report has been produced. The objectives of the study are to:

a) Understand the main constraints and potential of local livelihood in relation to food security;
b) Prepare a synthesis report of the livelihood of the household to identify poverty issues in relation to food insecurity, prioritized future research needs, develop indicators of the changes and develop plans of local livelihood and food security situation; and
c) Recommend project activities for 2006 and 2007.

Challenges

Neither a specific output nor activities were included in the project document aimed at combating the food insecurity problem in the region. This was so, even when one of the indicators of the development objective of the ALDP Logical Framework is food security increases (# of months per year, additionally covered by local market supply), and food security of vulnerable groups.

In the Annual Work Plan (AWP) of 2005, the assessment of potential possibilities for food security and environment management was prioritized as a major concern. However, neither a budget was allocated nor were clear indicators put in the AWP for this activity, which comprises two sub-activities[40]. Also, there was no budget allocated for these two sub-activities, the PST only managing to accomplish the second one i.e., liaising with consultants to carryout a food security study by re-allocating resources from a local revenue mobilisation budget. The first sub-activity (develop objectives, identify and select potential areas in the Zoba) has not been accomplished. It is reportedly to be implemented in 2006 and 2007, as per the food security study recommendations.

As discussed under the investment menu, despite being a widely acknowledged problem, food security is not directly prioritized during community-based planning. The anticipated support from UNCDF to guide the project on how to handle food

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[38] Discussions with Mr. Tesfay Tekle, Mr. Idris Guulay, community members in Fana and Era Tahtay kebabis
[39] Refer to Ronald McGill, BTOR, 3-11 February 2005, page 5.
[40] Activity 5.1.1: Develop objectives, identify and select potential areas in the Zoba; and Activity 5.1.2: Liaise consultant with all concerned in the Zoba & assist him.

security issues did not materialize[41]. Similarly, the planned recruitment of a water resources/catchments engineer (a UNV volunteer), did not happen because of budgetary constraints yet water resources is seen as an essential aspect of food security.

Hence, it is too early to make a comprehensive and objective judgment on the ALDP project activities related to the added output i.e., natural resources management, since very few activities have been carried out. What is certain, however, is that the issue of food security is not appropriately addressed in the project design, and hence, little (though of recent promising) progress has been made during project implementation. Moreover, the cost for implementing a comprehensive food security strategy cannot be accommodated within the existing ALDP budget.

5.1.6 Capacity Building

Design targets
Whereas capacity building is not a stand-alone output, it is one of the strategic options and hence an integral part of the ALDP[42]. The project intended to strengthen the capacities of existing staff and other actors to manage local development processes by providing them with regular and thorough training. It was planned to provide training to regional and sub-regional staff, Baito members and community representatives. In addition, it was planned to provide modest levels of funding for the purchase of basic equipment.

Analysis of progress
Since its inception, the ALDP has conducted training in a wide range of areas. For some of the trainings, the project has developed training materials. For example, manuals were completed for local financial management and local procurement procedures. Project notes were also prepared for planning and implementation committees, LDF allocation issues, and project identification and prioritization techniques, as well as community participation. The PST has also prepared simplified extracts of all the formal technical manuals that are user friendly and can easily be assimilated by the kebabi personnel and community groups. The materials were translated into three local languages used by the majority of the local population.

Some of the training materials have also been shared with other zobas as part of the process of influencing policy and learning. In addition, the key staff in the Zoba have been exposed, through study tours to Uganda and Tanzania, to learn lessons from projects using similar modalities. **Table 10** below summarizes the major trainings conducted, facilitators and participants disaggregated by gender.

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[41] UNCDF twice planned for a support mission (in April/May 2004 and August/September 2004), but the support missions were refused by the GoSE officials arguing that these were not the appropriate times for the exercises.
[42] The other strategic options are local planning process, financing, infrastructure and service delivery and policy impact and replication, addressed under outputs 1 to 4.

Table 10:   Major Trainings Events Conducted and Number of Participants

Training Subject	Facilitators	Number of Participants			%age Female
		Male	Female	Total	
Project Planning (RAOM)	PST, Zoba	1176	294	1470	20%
ToT Regional Devt Planning	PST, UNCDF	50	20	70	29%
Computer and Secretarial	Training centre	18	12	30	40%
Training on PERA	6 consultants	320	80	400	20%
ALDP modalities & census	PST, Zoba	330	115	445	26%
Financial Mgt & Audit	Consultants	60	28	88	32%
Implementation, procurement and O&M	Consultants	63	25	88	28%
Project Monitoring	Consultants	25	5	30	17%
MIS	UNCDF Cons	18	12	30	40%
Regional Development Strategies	UNCDF STA	40	8	48	17%
Water Management	PST, Zoba	40	12	52	23%
Kebabi Workshops	PST, Zoba	630	170	800	21%
Total		**2770**	**781**	**3551**	**22%**

Table 10 above shows that the training covered most of the areas specified in the project document, as being necessary for the implementation of project activities. These include training in: Planning, monitoring and evaluation; financial management; project implementation and delivery; and operations and maintenance. The only anticipated training that has not yet been delivered is in the area of gender sensitivity.

In addition to imparting knowledge, skills and attitudes through training, the ALDP has also provided some equipment to facilitate improvement of staff attitude, behavior and performance. The nature of equipment provided to the Zoba Administration is summarized in **Table 11**, below[43].

Table 11:   Nature of equipment provided to Zoba Administration

Nature of Equipment	Date Procured			
	2003	2004	2005*	Total
Photocopying machines	5	2	0	7
Personal Computers	2	6	0	8
Printers	2	5	0	7
Stabilizers	2	7	0	9
Manual Type Writers	6	0	0	6
Server	0	1	0	1
Annual budget in (USD)	*21000*	*21000*	*2005*	

Equipment ordered for in 2005 has not been delivered and is, therefore, not captured in here.
Source: *PST*

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[43] Whereas some equipment was ordered for in 2005, it has not yet been delivered to the project and hence, is not yet captured in the results table 9.

Challenges

The delivery of training is guided by the activities specified in the Project Document and Project Operation Plan (POP), but not on tailored and progressive capacity needs assessment. Capacity building activities are, therefore, provided without a capacity building plan (only a work plan with a list of activities exists).

Whereas it was the intention of the ALDP, there has been no systematic effort to develop the capacity of the private sector in the Anseba region; both the local contractors and local consultants.

Also, some basic equipment that would have facilitated the quality and timely delivery of infrastructure projects is still lacking. The head of the infrastructure department, for example, lamented the lack of advanced surveying equipment (Total Station) as one of the major constraints in performing their activities, which might cause incomplete designs, especially of roads.

5.1.7 Likelihood of Achieving the Immediate & Development Objectives

The immediate objective of the project is: local government in the Anseba Region delivers public infrastructure and services, based on responsive, transparent and pro-poor planning procedures. The development objective is to reduce poverty in the Anseba Region as a basis for sustained self-development.

To-date, the ALDP has approved the construction of 31 public infrastructure projects in water (39%), education (26%), roads (26%) and health (10%). The identification of, planning and implementation of these projects, involved the active participation of the primary stakeholders, including women[44]. The projects were also approved at both the sub-zoba level and by the regional 'Baito'. The regional 'Baito' is composed of directly elected councilors. These councilors are expected to participate in the planning processes of their respective kebabis and sub-zobas. The 'Baito' is in turn expected to discuss and approve the RDP after ensuring that it addresses the regional development challenges. However, the 'Baito' in Anseba was recently elected and need a lot of training to be able to perform the anticipated functions.

Similarly, the Zoba administration and sector branches were involved by making commitments to meet the recurrent costs of some projects before they were approved, in the feasibility studies and technical designs, as well as in technical supervision of the projects during implementation.

Following the analysis under output 3, the MTE is contented that the above projects will significantly contribute to increased accessibility to public infrastructure by all the people, including the underprivileged and disadvantaged. Similarly, whereas no projects are directly targeted to women, all the prioritized investments will significantly contribute to improving the living conditions of women. For example, the communities in Fana argued that investments in the water sector will reduce the distances traveled and time spent, especially by the women and children, when fetching water from distant quality water sources. The Fana community further argued that the construction of an elementary school in the village has particularly contributed to the increased enrollment of girls, currently at 150 as compared to 120 boys. In addition, the community members in Eira Tahtay Village reported that one of the reasons why they prioritized and actively participated in the construction of the

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[44] The women are represented on the project planning and implementation committees and also participate in planning meetings.

road, was to improve access to health services by especially pregnant mothers, who often die when being transported to Balwa Health Unit, which is over 15 kms away.

The ALDP in close liaison with the communities and the Zoba administration has made arrangements for the operation and maintenance of the investments. For example, the completed schools were taken over by the Ministry of Education, who provided teachers. The Ministry of Education with funding from UNICEF has purchased and distributed furniture to these schools. Water user committees have been formed to ensure the functionality and sustainability of water sources and supply systems. The community of Eira Tahtay has also expressed commitment to maintain the road, demonstrated by their provision of Nakfa 320,000 (approximately US$ 20,000) and labour during the construction of the road.

The above notwithstanding, the ALDP has not yet made significant contribution towards increasing local revenue and food security in the region. It has, as per the MTE, been able to conduct studies recommending specific strategies to address the challenges of local revenue mobilisation and food security, but the recommendations of these studies have not yet been implemented, as the studies are yet to be completed.

Similarly, whereas a lot of progress has been made in developing a regional development plan, the Anseba planning system has not been officially endorsed and adopted by the Ministry of National Development and, hence, the complete integration of the planning and budgeting processes into the national processes is yet to be achieved.

Overall, despite the not totally conducive and enabling environment as where as the operational bottlenecks discussed in the previous sections, which prevented the ALDP to achieve part of what was planned, significant achievements have been realised. Now that some of the operational bottlenecks have been addressed and assuming the recommendations of the MTE are implemented, the ALDP is likely to contribute to the reduction of poverty in Anseba region.

5.2 Variables affecting successful implementation and results achievement

5.2.1 External Factors

Conducive Factors

Though not entirely implemented, the policy in Eritrea supports the implementation of decentralisation. The principles of decentralisation are enshrined in the Constitution of Eritrea and elaborated in the PERA (refer to **Section 4.1.1** for a detailed policy context description).

There is a Ministry of National Development in place with the responsibility to oversee the coordination of national and regional development planning, among others. The MND has expressed keen interest in supporting and learning from the ALDP, and recognizes the role of the ALDP as a pilot for the different modalities to implement decentralization in Eritrea.

The staff of Zoba Anseba is very enthusiastic about participating in ALDP activities. They are active participants and facilitators of the bottom-up participatory planning process and have taken centre stage in the formulation of the RDP. The regional staff has also taken the responsibility for developing project technical designs, as well as participating in technical supervision. The main line ministry offices (Health,

Education and Agriculture), that have branches at sub-zoba and zoba levels give general guidance and policy overview to the ALDP, in line with the national policy guidelines, and monitor the day-to-day activities of their respective offices.

There are also institutional changes supporting the implementation of the project. For example, the recent move to strengthen the kebabi level will facilitate the process of deepening community-based planning. Coupled with Eritrea's long tradition of community participation, it is an important building block for facilitating community mobilization in the planning and implementation of ALDP projects (and promoting the wider adoption of the approach).

In addition, the GoSE has initiated the Warsay Yikealo Development Campaign, which aims to reduce poverty through, among others food production, construction of infrastructure and environment conservation. Each kebabi and village farmers engage themselves in this campaign twice a week. The activities conducted include soil and water conservation activities such as terracing, check dam construction, reforestation, farming and weeding of farmlands of the female-headed and disabled members of the community, as well as infrastructure development, including the construction and maintenance of roads, schools, health facilities, residences and other agricultural infrastructure. This is an opportunity that can be exploited by ALDP to construct additional infrastructure projects and maintain the existing ones.

Though uncoordinated, the freedom for local government institutions (sub-zoba and kebabi) to plan and implement projects in direct partnership with NGOs and other funding agencies, is an asset at the grassroots level. For example, Fana Kebabi with support from an NGO (Mercy Corps), managed to complete the school built with support from ALDP, by constructing a school fence, and is now planning to start construction of teachers' houses.

Overall, the current policy context and institutional environment is still relevant for implementation and replication of the ALDP

Challenges

The above notwithstanding, there are also external challenges beyond the control of the project.

The major challenge is that Eritrea has an unsettled border conflict with Ethiopia. Ronald McGill in his BTOR of November 2003, states that, '*Drought, recent war, and deportations, are hardly the elements of a conducive environment for a country to stabilize itself and move forward, with an explicit poverty reduction strategy. Yet this is the situation in Eritrea*"[45]. This situation is aggravated by uncertainties in the completion of the peace process, severity of the impact of recurrent drought, difficulty of restoring macroeconomic balances while meeting the competing resource needs for emergency and maintenance of development momentum, absence of basic construction material on the market, and a drastic increase of fuel and material prices within a short project life.

There is also a fluid administrative structure at the sub-zoba level. In 2003, 'Desks' were formed to replace some of the sub-zobas[46], and to-date, the future of either desks or sub-zobas is not clear. Yet this is the level which is supposed to implement

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[45] Refer to Ronald McGill, BTOR, 12-16 November, 2003.
[46] In Anseba, for example, six of the sub-zobas covered by the ALDP were put into three desks, yet the other four remained as sub-zobas.

most of the ALDP activities. The fluid nature and low capacity of this level is one of the factors leading to the reluctance of the Zoba to devolve the project activities (transfer of LDF, procurement etc.). This in essence has slowed the pace and attainment of the intended project objectives.

Furthermore, a high staff turnover in the local government structures (zoba, sub-zoba and Kebabi) has led to the loss of institutional memory, necessitating the project to re-train other personnel. For example, whereas the ALDP conducted several trainings on the provisions of the PERA in 2002, it had to repeat the same in 2003 and 2005, because new Kebabi leaders were elected. Similarly, the position of the Executive Director in Zoba Anseba has been vacant since the beginning of 2003, creating a heavy workload for an already overloaded Regional Governor.

5.2.2 Project-related Factors

Conducive Factors

Project design: The process and outputs of the project formulation were appropriate, comprehensive and have facilitated project implementation. During project formulation, the stakeholders at both national and zoba level were consulted and discussed the principles of the project design before its finalization and presentation to GoSE and UNCDF. The project beneficiaries especially at the zoba and sub-zoba levels now have a clear understanding of the design positions, and have positive perceptions, and as a result are very active in most of the project activities. The Project Operation Plan (POP) has been a key guiding tool to the PST during the annual work planning as well as implementation of activities. The MTE team has also found the project logical framework as a useful tool, making both vertical and horizontal logics. The development and immediate objectives, as well as outputs, remain valid, the need to formally include the food security output notwithstanding.

Integration with national strategies and UN planning frameworks: The project is further rooted and effectively integrated in the national strategies (interim poverty reduction strategy) and UN planning and results framework (UNDAF) at country level. Assisting in the implementation of decentralization is one of the potential priority activities for the UN system support in the governance area[47]. Under the cooperation strategies, it is further stated that, '*It will be ensured that the planned programme delivery mechanisms are based on a participatory decentralized development strategy of government that focuses on building the capacity of communities to identify their high priority needs and empower them to manage the implementation of development activities in their communities'*. The UNDAF also identified one of the areas where UNDP has a comparative advantage in the Eritrean context, as governance programmes, such as support to decentralization.

Project institutional arrangements: have also been largely conducive. At the national level, the ALDP National Steering Committee (NSC) has been meeting as scheduled and guiding the project through the discussion and approval of both work plans and progress reports. The regional level, with the primary responsibility for implementing the ALDP, has been performing its role, backstopped by the PST. For instance, the regional planning committee is actively involved in the formulation of the inaugural RDP, and the regional staff has been actively involved in backstopping the sub-zobas during planning and implementation of community projects. The regional level being in the driver's seat will, therefore, make the mainstreaming of project

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[47] Please refer to the UNDAF for Eritrea, 2002 – 2006, page 12,

activities, ownership and hence sustainability attainable. The fluidity of the sub-zoba level and the fact that the LDF is not yet transferred to the sub-zobas notwithstanding, the sub-zoba planning and implementation committees have been crucial in implementing the community-based planning system.

The kebabi planning and implementation committees have also been active in both 'raw' prioritization of community projects, as well as project implementation. The kebabis that have been allocated projects were very active in contributing to project implementation, and have either formed or made arrangements to form operation and maintenance committees.

Project management: The PST constituted of the Team Leader, Participation Specialist, Communication/ M&E Specialist and support staff has performed its duties, despite the challenges faced. It was particularly wise of them not to phase-out the Participation Specialist as originally planned because he has been and is still instrumental in deepening the community-based planning system, and in ensuring linkages to the regional planning process which is underway, as well as overseeing the whole process of community-based project implementation. The PST has also harmoniously worked with the regional administration to realize all the results analyzed in **Section 5.1** of this report. As previously discussed, the PST has established a MIS, produces the required progress and financial reports that have facilitated the implementation of the project. In sum, there is in place adequate human and financial resources as well as systems to manage the project.

Technical backstopping: Since its inception, the ALDP has received consistent and instrumental support from the Senior Technical Adviser (Ronald McGill). The amount of reference to his BTORs, symbolizes not only the volume but also the value of his technical input to the project. He has actually, on a number of occasions, performed functions that would have been otherwise performed by a Country Office Programme Officer (see below).

Project performance and financial management: The flow of <u>UNDP</u> funds, triggered by accountability for previous quarterly releases, and a work plan for the coming quarter, and channeled directly from UNDP to the ALDP account, was reported as efficient and facilitating the implementation of project activities. The fact that the quarterly accountabilities and work plans are approved by the Zoba, also enhances ownership and facilitates the mainstreaming process. Moreover, the PST Team Leader is co-signatory to the ALDP bank account, with the Regional Head of Department for Administration and Finance.

Challenges

Design: Some of the design aspects of the project have not been implemented. For example the LDF funds are not yet transferred to the sub-zoba level, and the zoba level still manages the procurement process for all investments.

Project management: The country office has had no Project Officer since 2003. The impact of this was summarized by Ronald McGill when he stated that, '*In short, UNCDF has no wider profile within the donor community or the upper echelons of government, save the occasional consultations when I travel to Eritrea. This is not enough, especially now that there are positive signs that our Zoba Anseba Project is not only delivering community-based capital investments, but also having an impact on wider institutional reforms concerning the planning and budgeting cycle.*'[48]

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[48] Ronald McGill, BTOR 11-13 July 2005,page 6.

Technical backstopping: There is lack of technical backstopping in food security and natural resource management. The anticipated technical backstopping from a food security and natural resources management adviser has not been realized. This has slowed the pace of incorporating food security strategies, and addressing food security issues in the ALDP. As noted earlier, the GoSE refused two UNCDF missions in 2004 regarding this subject arguing that the timing was not appropriate.

Financial management systems: The ALDP often experiences delays in the release of the LDF. For example, the first capital fund transfer for 2004 of USD 450,000 was not released until July 2004 (mid-way through the financial year), because the required audit for the 2003 LDF expenditure (to justify fund replenishment) was not complete (or not submitted to UNCDF). The second release for 2004 has not been received (by end of September 2005), and the releases for 2005 have even never been requisitioned. In **Section 5.1.2** it was reported that only US$ 850,000 of the LDF has been released so far. Whereas by June 30, 2005, BSF had released $ 1,191,893 only $ 707,993 had been spent. This does not only slow the pace of project implementation, but also frustrates the communities who are eager and ready to implement their projects, and the contractors who complete their work without readily available payments[49].

There are also reported bureaucracies in UNCDF funds flow mechanisms. Unlike in the case of UNDP where the ALDP funds are transferred to the ALDP bank account, UNCDF funds are spent by UNDP Asmara. This does not only delay the payment process, but also makes payment for some expenses complicated. For example, the PST reported that payment for participants' per diem and reimbursable costs for a UNCDF funded training, is very cumbersome as the payments have to be made directly from UNDP Asmara unlike the case for UNDP funded training activities where the bills are settled from the ALDP bank account.

Performance management systems: Furthermore, the project lacks comprehensive and reliable baseline data required to understand vulnerable populations and areas, poverty and food security issues, and access to and functioning of infrastructure and services. Attempts were made to collect baseline data in 2002, but the data collected was found not to be comprehensive and reliable on some indicators. Nevertheless, Zoba Anseba is now in the process of conducting a large-scale base line study. The data has been collected and the process of data entry and analysis is anticipated to start soon. Whereas this will not serve as a baseline survey for the project, will provide information required for among others development planning and allocation of the LDF.

5.3   UNCDF Strategic Positioning and Partnerships

UNCDF through ALDP is in the process of partnering with some donors either in the implementation of activities (co-funding) or having donors finance aspects of LDF funded projects. For example, ALDP is liaising with the International Telecommunication Union (ITU) to develop and implement a joint, gender sensitive and ultimately economically empowering ICT for local development proposal. In particular, the head of youth and gender unit at ITU (Savitri Bisnath), has already had a joint mission with the UNCDF STA to Eritrea, and the UNCDF/ITU relationship is being discussed at corporate level.

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[49] During the MTE, one of the contractors had completed his work and the necessary certification made but PST could not honor the total payment because the LDF account was not replenished.

Despite the delays in receiving final information on ITU funding (in June, confirmed at USD 20,000, for computers, a share of equipment and all training), the project team arranged for the design of the proposed building to accommodate the 'Community Information Centre' in the grounds of Eden Secondary School[50]. ALDP has also initiated discussions with UNICEF regarding the possibility of partnering with regard to the implementation of the Information Communication Technology (ICT), including provision of solar panels to LDF funded primary schools[51]. However, this has not yet materialized because the proposal is not incorporated in the Ministry of Education work plan. The above notwithstanding, PST is trying to explore the possibilities of using one of the existing building blocks as a short-term plausible alternative to house the Community Information Centre.

Challenges
The foregoing and the fact that MND has expressed interest in learning from ALDP notwithstanding, the ALDP is not seen (especially by donors) as a pilot for decentralisation in Eritrea. Most of the donors and NGOs with whom discussions were held, either expressed total ignorance or had scanty information about the ALDP. Others were skeptical about the commitment of the GoSE to implement decentralisation, arguing that priority for GoSE now, is restoration and maintenance of security and rehabilitation (humanitarian activities).

Within GoSE, information about the ALDP is mainly restricted to staff of MND, who were involved from its design, while working with the former Ministry of Local Government[52]. As argued above, this scenario may have been caused not only by the absence of the UNCDF Country Office Programme Officer, but also by the limited pro-activeness of the PST in disseminating the project lessons beyond Anseba and the NSC. This further suggests that the function of liaising with donors and higher levels of government was not performed. Nevertheless, given the novel nature as well as appropriateness of the ALDP in the Eritrean policy and institutional context, there is room for lessons to inform national policies, and to be replicated. This is especially because UNCDF has successfully and strategically partnered with UNDP, as well as with national and local government institutions.

5.4   Sustainability of Results and Exit Strategy

The processes and outputs of the ALDP are likely to be sustained because the project design and implementation emphasized operation through permanent and statutory structures. This approach has enhanced the ownership of the project, especially at the local government level, and has provided room for progressive, action learning capacity building and institutional strengthening. In addition, the ALDP has developed and is testing procedures and arrangements that can be adopted by existing statutory bodies. For example, the PST operations are limited to its advisory functions with inbuilt provisions for eventual hand-over (work itself out of the job).

In addition, the ALDP has developed and is testing innovative planning and other systems that work. The systems and procedures are likely to be adopted by the sector ministries and donors for policy impact and replication in other regions.

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[50] Ronald McGill, BTOR, 11-15 July 2005, page 2.
[51] Discussions were held between Ronald McGill and UNICEF in July 2005, and a project proposal for supplementary funding for Zoba Anseba ICT plan submitted to UNICEF for consideration.
[52] This is not to overlook the fact that other GoSE ministries participate in the NSC, and some staff from the MND attended the RDP training.

The project has also developed and established O&M procedures for public infrastructure investments supported by the project. As described in the previous sections, O&M issues are discussed and addressed at the planning stage before the approval of investments. In a number of cases the respective line ministries agree to meet the recurrent cost implications of investments like providing furniture and teachers to completed schools. Yet in other cases, the community members contribute to the operation of the infrastructure projects like the case is for water sources.

Challenges

The above notwithstanding, there are concerns about sustainability in financial terms. The ALDP did not use and the national environment is not conducive for the adoption by GoSE and development partners of the centre-regional-local transfer mechanisms intended to be developed by ALDP. The end of the ALDP is also likely to mark the end of especially the discretionary and local government managed nature of the LDF. This is particularly because to-date it is only the ALDP that provides a LG managed development fund as other donors and GoSE is mainly funding rehabilitation and humanitarian projects. Moreover, the option of self-financing seems not attainable in the near future as demonstrated by the meager contribution of the project to increased local revenue mobilisation, and the high poverty levels in the country and specifically in the region.

It is, therefore, apparent that UNCDF will have an added value role beyond project completion. UNCDF has a major role to play because the systems developed have not been sufficiently tested and hence, the follow-up phase should focus on deepening and consolidating the lessons learnt in the current phase, as well as spreading out into new areas such as local economic development. The second phase will also have to be incorporated within the UNDAF that is currently being developed. UNCDF should thus get involved in the UNDAF preparation process.

5.5   Lessons

5.5.1   Project-level lessons

Unanticipated changes in the government institutional arrangements affect the pace of activity implementation. For example, the creation and existence of both 'desks' and sub-zobas at the sub-region level has created complications in the devolution process.

When the project is addressing felt needs of communities and local governments it is likely to withstand environmental challenges. The communities can mobilize and contribute resources in cash and kind to supplement those of the LDF. The LDF is, therefore, a stimulant to community participation, mobilisation of resources and ownership of projects.

Working through the formal government structures stimulates project ownership and is likely to lead to sustainability. However, in some cases, it can reduce the pace of implementing project activities, especially where the staff turnover is high leading to loss of institutional memory and necessitating a need to re-train new staff.

Capacity building is more effective if it is a 'learning by doing process'. The provision of software has to go hand-in-hand with the hardware components of a project

without heightening expectations and/or creating subsequent frustration and mistrust in the people[53].

5.5.2   UNCDF – wide lessons

Enshrining the principles of decentralisation in Eritrea's policies, as well as putting in place conducive institutional structures, is not sufficient to successfully implement decentralisation. There is also need for commitment from higher levels of government, and a country situation facilitating the implementation of decentralization. As argued in the report, the unsettled border conflict with Ethiopia has forced Eritrea to give precedence to security and rehabilitation rather than implementing the principles of decentralisation to the fullest.

Institutional changes and capacity improvement are long-term processes and need support from the highest levels of government.

Not performing the advocacy and lobbying functions (sometimes due to change of staff) on the UNDP and UNCDF side can result in a slowed pace of policy impact and replication. The advisory and advocacy/lobbying functions have to be well prepared and performed.

External policy, institutional and environmental issues greatly influence the project's attainment of stated objectives.

The good lessons and experiences learnt should be consciously publicized if they are to be replicated by other donors and to impact on policies by government.

There is need for continuous and strategic lobbying and selling out of the project process and outputs. This is best achieved when UNCDF has adequate contact with high government offices and donors/NGOs.

Decentralisation is a novel strategy and will always face resistance in the initial stages, on the assertion that the lower levels lack capacities to implement the demanding tasks. UNCDF has to insist on practical testing, risk taking, learning by doing and if the results are evident, the 'buy-in', policy impact and replication processes become easier.

5.6   Recommendations

The recommendations provided in this section are derived from the analysis of progress and challenges in the foregoing sections. The recommendations either provide corrective actions or additional opportunities for making the ALDP attain its objectives. It is anticipated that the recommendations will be a major input into the revision and production of the 3rd Edition of the RAOM and the November annual programme review.

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[53] This lesson is also included in the Bulletin that is going to be published.

5.6.1 Results Achievement

a) Participatory and Transparent Planning System

The ALDP has demonstrated a lot of commitment to test practical and replicable participatory and transparent community-based planning systems that ensure the identification and design of locally prioritized pro-poor projects. For this to be realized there is need to:

i.   Define the project planning and implementation mandates (nature of projects) for the different levels (kebabi, sub-zoba and zoba). This would allow each level to plan and make decisions for projects for which it is responsible to implement and manage. The Kebabi level, for example, should be encouraged to plan for and implement small, low-cost projects even without external support, but with a budget ceiling as a stimulant (see below)[54]. Priority projects that are either supposed to be implemented or managed by another level (with recurrent cost implications to another level), should either be forwarded to that level or can only be planned for after the consent of the level, that it will meet the recurrent cost implications.

ii. Allocate budget ceilings for the different levels (sub-zoba and kebabis) based on their mandates (vertical allocation of LDF). The budget ceilings at the kebabi level is proposed in light of the fact that the kebabi level is being strengthened with a kebabi administrator and deputy administrator, personnel, secretary/registration assistant, finance officers and committees for land, infrastructure, economic development, social affairs and national service. The budget ceilings at the kebabi level will thus encourage kebabis to identify and reflect the priorities which they can address, even without external support, which will enhance the spirit of self-help initiatives, stimulate community participation, and mobilisation of more resources. In cases of severe resource gaps, however, kebabis can either be allowed to 'batch' (more than one kebabi pooling resources together to implement their own priorities), or 'phase' projects (a kebabi using resources for more than one year to implement a project).

iii. Develop a mechanism for communication, transparency, accountability and provision of feedback. The Kebabis as well as the community members they represent should be informed of the budget ceilings, the planning process and outcomes, as well as the roles and responsibilities of the different stakeholders during project implementation and management.

iv. Provide incentives for those sub-zobas and kebabis that actively participate in planning. The incentives could include:
  • Lobbying sector ministries (education, water, health etc.) and NGOs operating in Anseba (like Concern, LWF etc.) to only support projects that are derived from the kebabi plans. This is also a major requirement for developing an integrated and comprehensive RDP;
  • Ensuring that the projects that are prioritized are realistic and are implemented. Planning without implementation often sets a bad precedence and disinterest for participatory community-based planning; and
  • The allocation of additional resources to sub-zobas and kebabis that demonstrate progressive improvement in the quality of participatory planning and communication.

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[54] This is especially practical in Eritrea where communities have a long tested history of participating in community initiatives.

Based on the foregoing four pre-conditions, the need to have an explicit and practical linkage between the community-based planning cycle and the RDP process, and building on the existing RAOM, the following steps are recommended in the annual planning and budget cycle. This should, however, be further considered and elaborated in the revision of the RAOM[55]. ALDP should support Zoba Anseba to finalise the RDP, document lessons and organize a formal launch of the RDP.

Table 12: Synopsis of the Annual Planning and Budget Cycle

Timing	Indicative Activities (related to planning)
January – February	<u>Participatory Planning at Kebabi Level</u> • Reporting on performance of the previous year implementation. • Collection of baseline data on poverty, livelihood, opportunities, food security, gender issues etc. • *Prioritize 'kebabi projects' within their LDF budget ceiling and/or to be implemented from other kebabi resources (harmonise planning processes to avoid overlaps); forward them to sub-zoba for incorporation into sub-zoba plans* (facilitation by the ToT at sub-zoba level). • Forward priority projects not in kebabi mandate to sub-zoba for consideration.
February – March	<u>Participatory Planning at Sub-zoba Level</u> • Practical and budget screening of sub-zoba projects, forwarded by the kebabi, within their mandate, as per budget ceiling and following poverty and technical criteria. • *Incorporate kebabi projects into the sub-zoba plan.* • *Forwarding projects not under sub-zoba mandate to the zoba.*

March – May	<u>Planning at Zoba level</u>
	• Analyzing baseline data to generate the zoba development picture; isolate the zoba strength and opportunities as well as weaknesses and challenges;
	• From the analysis, generate the regional vision, goals and quantifiable objectives – ensure logical linkages;
	• Generate targets for the three years (MTE), to attain the objectives/targets
	• Convert the three-year to annual targets:
	   ○ *Incorporate projects from the sub-zobas and kebabis planning process (but appraise, technical design and accurate costing).*
	   ○ *Also incorporate NGO projects.*
	   ○ *Zoba may identify other projects deemed relevant from the analysis of data or from national priorities (zoba projects) even if they are not identified by the sub-zobas (but so long as they have a budget)*
	   .
	• Preparation of technical documents (bills of quantities, financial estimates for capital and recurrent expenses – and prepare project profiles for prioritized investments).
	• Documentation of the budgeting and annual report (review of last year), and plan (budgeted proposals for next year).
	• Consolidation into a regional development plan.
	• Discussion and approval by Baito.

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[55] The aspects either made more explicit or added are in italics.

Timing	Indicative Activities (related to planning)
June – August	Feeding into National Planning • Submission of the regional plan and budget to Ministry of National Development. • MND consolidates regional plans into budget submissions to the Ministry of Finance.
September – December	Reporting and preparation for new planning cycle (at LG level) • Training/re-orientation of participatory planning facilitators (ToT). • Formation/rejuvenation and training of the planning and implementation committees at the respective levels. • *Determine and publicize planning mandates (nature of projects as well as roles and responsibilities) for the respective levels.* • *Publicize budget ceilings for the respective levels (Kebabi, sub-zobas and zobas) whether from ALDP, government or other sources.*

b) Access to and Management of Financial Resources

Transfer the 2005 LDF for use during the remaining part of 2005 and 2006 using the existing modalities.

Consider revision of the allocation formula to include indicators that can easily be replicated to other regions, where there is concrete and reliable information and which are easy to understand.

Transfer funds to the sub-zobas that meet the minimum requirements, and provide sufficient corresponding capacity building through training, hands-on support, incentives and rewards.

Implement the incentive-based allocation system. This would involve:

i. Reviewing and updating the minimum conditions and elaboration of performance measures with indicators that can be scored. The minimum conditions and performance measures should be compiled into an easy to use assessment manual (as an annex to the RAOM), specifying the indicators of minimum conditions and performance measures, assessment procedures, timing, assessment teams, reporting obligations, nature of incentives and rewards etc. The MCs and PMs must be:

- Developed in full consultation with local government levels that will be affected by the system;
- Simple to understand, realistic and achievable;
- Technically possible to apply (i.e. objective, measurable and information available);
- Politically durable and endorsed by the councilors as fair and credible to apply; and
- Easy to interpret in a standardised manner.

ii. Conduct a formal assessment of minimum conditions in 2006 before release of LDF for 2007 investments. During this inaugural assessment, the performance measures will also be assessed, but will not be used to administer rewards and sanctions.
iii. Only the sub-zobas that meet the minimum conditions should access the LDF.

iv. Beginning from 2007, the sub-zobas that perform well (as per the agreed performance measures), should be eligible to receive incentives, while those performing poorly should be sanctioned. The subsequent assessments should, therefore, cover both the minimum conditions and performance measures.

v. Provide specific capacity building for all sub-zobas but with specific emphasis to those that do not meet the minimum conditions. The minimum conditions that are not met should inform the CNA and the development of a RCBP (see below).

vi. Provide for documentation of lessons and experiences.

Develop and test productive sector investment guidelines which, among others, should clarify the difference between private and public investments. As earlier agreed, UNCDF should field its senior technical adviser on natural resource management and environmental governance, to assist in giving more technical substance to the food security dimension of the project[56].

There is need to support Zoba Anseba in implementing the recommendations of the local revenue study. The local revenue study recommended introducing more effective planning and management of resources, improving tax administration and collection efforts, introducing alternative sources of revenue, and improving fiscal management of existing revenue sources[57].

c) Regional and Local Capacity to Deliver, Operate and Maintain Projects

Develop guidelines, set ceilings and allow the project to use some of the LDF to meet costs for technical studies and technical supervision. This is because a number of projects are expected to be implemented, yet the infrastructure department is understaffed. However, set a ceiling and provide guidelines for use of the LDF to cater for investment servicing and monitoring costs.

Decentralize procurement to sub-zobas that meet the minimum conditions through their planning and implementation committees for the projects under the kebabi mandate (see recommendation under planning) or below, a given price threshold[58]. Train the sub-zobas in the procurement processes, provide hands-on support, backstop and audit, allow 'learning by doing', and provide incentives for adhering to procurement procedures (see recommendation under incentive-based allocation system).

Encourage contracting of local private firms/individuals. This would involve supporting private sector development, including, training of contractors in the requirements to qualify for contracts, giving preferential treatment of local contractors and easing some of the requirements of the present system without compromising quality (like allowing two legitimate bids rather than three), allow them to initially compete for the small projects (big formal contractors only being invited for the complicated projects).

The other plausible alternative, but which should only apply when using contractors (big or local) has failed, is to allow direct implementation by the sub-zobas. This has

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[56] Please refer to Ronald McGill, BTOR, 3-7 February 2004, page 3.

[57] ALDP Revenue Mobilisation Study (Draft Report) page 42. However, the report does not give guidance on how the recommendations should be implemented.

[58] This recommendation implies that the big and complex projects (categorized as Zoba projects) will still be procured at the Zoba level.

been attempted on some of the projects, with provisions for audit, but still has a number of potential challenges. Therefore, the arrangement should be limited to a few remote areas. In such cases, the project should systematically document the process lessons and experiences, focusing on aspects like costs, quality of work, time spent, ownership of the project, financial management, and mobilisation of local resources.

d) The Anseba Experiences Informing National Policy

Complete the regional development plan, document the process including lessons learnt and have a formal commissioning with high level national GoSE and donor community stakeholders[59]. The commissioning should also provide an opportunity to re-explain the experimenting nature of the project, as well as providing an update of the other activities of the project to the stakeholders.

The PST, as a secretariat to the NSC should bi-annually prepare the lessons learnt (could be process lessons, achievements and/or challenges), for presentation and discussion by the NSC. The lessons learnt should not be part of the progress report but a stand-alone short write-up (working brief). This working brief, after approval by the NSC should form the basis for the bi-annual lessons learnt bulletin, which should be disseminated widely.

As stated in the project document, ALDP should organize annual stakeholder reviews of the project, to discuss and publicize the lessons learnt and documented. The stakeholder reviews should have representatives from all the zobas, the national level agencies as well as donors.

There is also need to document cases where ALDP has influenced national systems (policy impact) and donor programmes (replication).

e) Food Security (Natural Resource Management)

Guidelines should also be developed for capturing food security issues in the integrated community-based and the regional development planning processes. This will make the identification of strategies to address food security an integral part of the routine community-based and regional development planning process.

Whereas such a food security strategy cannot be entirely accommodated by the existing ALDP budget, the ALDP should support the zoba to lobby for, mobilize and access funding from other sources.

f) Capacity Building

The Zoba should be supported to develop a Regional Capacity Building Plan (RCBP) to guide the implementation of the RDP. The broad indicative steps for developing of the RCBP would include:

i.   Conducting a Capacity Needs Assessment (CNA) to identify skills, knowledge and behavior gaps, as well as equipment and organizational systems that may hamper the implementation of the RDP. In the first year (2006), the CNA would be mainly informed by the gaps identified in the proposed formal assessment of minimum conditions and performance measures. In the

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[59] The commissioning, for example, can be presided over by the Minister for National Development.

following years, more comprehensive methods should be applied, including organisation assessment, staff performance appraisals, and skills audits.

ii.   Identifying strategies and activities that could be implemented to address the challenges identified thorough the CNA. The strategies and activities should not be limited to training in workshops, but should also include other cost effective strategies such as attachments, understudies, job-rotations etc. Similarly, capacity building should go beyond imparting of skills and knowledge, to include addressing other impediments to improved performance, for example, related to lack of equipment and the un-conducive working environment (organisation systems).

Training of Trainers for the Zoba training team: Most of the trainings in the region are conducted by the Zoba staff. This is a commendable venture that would lead to sustainability of the activities beyond the present project time span. However, the Zoba staff conducting training will need a ToT to ensure that the messages they convey, as well as the methods they use meet the minimum quality requirements and are effective.

The ALDP should continue supporting the development of training materials that should be progressively improved from practical experiences, for eventual use in other zobas (linked to Output 4).

As specified in the project document, capacity building should also target the strengthening of the private sector, especially the local contractors and local consultants. The implementation of the infrastructure project should continue to be delivered by the local contractors, and over time, the private firms and individuals should be involved in the delivery of capacity building activities. The civil society should also be targeted to ensure harmonised approaches, avoid overlaps and lead to increased service delivery.

5.6.2   Variables Affecting Successful Implementation & Results Achievement

There is need to have a person and/or arrangement to perform the function of a Country Office Programme Officer in order to ensure ALDP and UNCDF acquire a wider profile within the donor community and the upper echelons of government. The PST also need to closely liaise with the national level stakeholders (in GoSE and donors) to have the lessons impact on policy, and replicated (see recommendations under policy impact).

As discussed in the October 2004 TPR, wherever desirable, UNDP should purchase construction materials in US dollars to facilitate timely project implementation[60]

ALDP should support Zoba Anseba to finalise the analysis of the survey data for use during the development planning process and allocation of the LDF. Though the survey data cannot serve as the baseline data for the ALDP, it will provide a point of departure and concrete data for the eventual project evaluation exercises.

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[60] See Ronald McGill, BTOR, 3-11 February 2005, page 1.

5.6.3 UNCDF Strategic Position and Partnerships

At the national level, ALDP should continue to liaise with the MND as well as sector ministries, sharing with them lessons and experiences, to ensure policy impact. Similarly, at the local government level, the project should continue working through and supporting the local government structures at the zoba, sub-zoba and Kebabi levels.

There is also need not only to share information within the UN Agencies, but also with other donors and NGOs to ensure replication of lessons. This, as proposed earlier, will not only be through the working brief, but also through the annual stakeholder reviews.

5.6.4 Sustainability of Results and Exit Strategy

There is need to extend the ALDP time span for one year. This will not only allow the absorption of the under spent LDF, but also the systematic testing of systems, policy impact and replication. The project should, therefore, end in 2008 instead of 2007. In 2006, the project should spend the 2005 LDF on the already approved projects using the current modalities, while the recommended systems are being established. Starting from 2007, the LDF should be spent as per the recommended arrangements.

It is also proposed to design a follow-on project to the ALDP. The follow-on project is in line with the preliminary list of UNCDF planned investments in LDCs, where it is indicated that Eritrea would benefit from a local development portfolio till 2010. The UNDAF being prepared to cover the period 2007 to 2011 is also likely to continue prioritizing support to decentralisation under governance. The tentative areas for a possible follow-on project include:

a) Refining and deepening the systems initiated under the current phase of ALDP with more and strategic focus on engaging and influencing national policy dialogue and donor programmes; and
b) Widening the scope of activities to cover areas such as: Local economic development; local environmental governance; and information and communication technologies to support local development[61]

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[61] This would involve expanding the current planned initiative with ITU.

Annex 1:   Evaluation Follow-up Matrix

Purpose and Use of the Evaluation Follow-up Matrix

- The evaluator **will use this Evaluation Follow-up Matrix to summarise the key findings and recommendations of the evaluation, and propose responsibilities and timeline for follow up.**
- The project manager **will subsequently discuss the recommendations and proposed follow-up responsibility and timeline with project stakeholders and record agreed follow-up actions, responsibilities and timelines in this matrix, and use it monitor their implementation.**
- The Director of the relevant Technical Unit **is responsible for oversight, to ensure timely implementation of agreed follow up actions.**
- The Evaluation Unit **will periodically report to senior management and the Executive Board on progress in implementing agreed follow up to evaluations, as part of its accountability function.**

Issue area	Evaluation finding	Evaluation recommendation[62]	Responsible	Timeline	Agreed follow-up
1. Results achievement					
1.1 Participatory and Transparent Planning System	• Bottom-up participatory planning and RDP is being piloted and the MND has expressed keen interest to learn from the process. However, the Kebabi level is limited to 'raw' project identification without budget ceilings, and there are no explicit and practical linkages between the community-based planning system and the RDP process.	As part of the RAOM revision process: • Define nature of projects that are the responsibility of the different levels; • Definition of the vertical allocation modalities and formula (issuing budget ceilings to kebabis); • Detail effective mechanism for communication and transparency, accountability and feedback; • Agree on incentives for kebabis that actively participate in planning; • Make the linkage between community-based planning and RDP process, explicit in the RAOM • Finalise the RDP and document lessons; • Support finalization of data entry and analysis	Zoba Anseba with support from PST and UNCDF (liaise with MND).[63]	Start November 2005 and end March 2006.	

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[62] Refer to the full recommendations in the main body of the report.

[63] May consider hiring a consultant in areas where the PST does not have sufficient expertise or previous experience.

Issue area	Evaluation finding	Evaluation recommendation[62]	Responsible	Timeline	Agreed follow-up
		• TOT for Zoba training team to prepare them to orient the sub-zobas on revised RAOM; • Continue to develop, progressively improve and distribute training materials (also contributing to replication); • Orientation of the sub-zobas on their new roles and how to execute them; • Start the planning process for 2007 investments. Calculate and publicize budget ceilings based on the revised horizontal and vertical allocation formulae;	PST and Zoba Anseba training team.	Main phase April – June 2006 (but activities are continuous).	
1.2 Access to and Management of Financial Resources	• The ALDP provides discretionary local development funds (LDF) to the Zoba; • The allocation of the LDF across sub-zobas is based on population and poverty, but the data on poverty is not reliable; and • The LDF is not transferred to sub-zobas and the incentive-based system is not operational.	• Revise the horizontal allocation formula (allocation of LDF across sub-zobas); • Prepare a manual to guide the assessment of minimum conditions and performance measures; and • Release the LDF for the 2005 projects using existing modalities (approximately US$1,350,000). • Develop productive sector investment guidelines • Support implementation of the local revenue mobilisation study	Zoba Anseba with support from PST and UNCDF.	Start November 2005 and end March 2006.	
		• ToT for Zoba training team to orient the sub-zobas • Prepare the sub-zobas to meet the requirements of the assessment system (MCs).	PST and Zoba Anseba.	April – June 2006.	
		• Inaugural formal assessment of minimum conditions to trigger 2007 LDF releases (and test run the performance measures) – include members from other Zobas and MND, and widely publicize results.	Zoba Anseba with support from PST.	July – December 2006.	
		• Transfer LDF to sub-zobas that meet the minimum conditions for 2007 investments; and • Organize the assessment of MCs and performance measures to trigger 2008 releases.	Zoba Anseba and PST.	2007	
		• Transfer LDF to sub-zobas that meet the minimum conditions for 2008 investments.	Zoba Anseba and PST.	2008	

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Issue area	Evaluation finding	Evaluation recommendation[62]	Responsible	Timeline	Agreed follow-up
1.3 Capacity to Deliver, Operate and Maintain Projects	• The ALDP has approved the implementation of 31 investments with arrangements for O&M, but procurement is still centralized at the zoba level and there are challenges of attracting contractors especially to remote areas; • Zoba Anseba is involved in investment servicing and technical supervision, but have inadequate staff and equipment; and • Community members are active participants in all stages of the project cycle.	• Develop guidelines and ceilings for the LDF to be spent on investment servicing and technical supervision; • Encourage contracting of local firms (support private sector development and may consider giving preferential treatment to local contractors); • Training local contractors in preparing contract bids; and • Continue testing the direct implementation modality (as a second best option) but document lessons and experiences.	Zoba Anseba with support from PST and UNCDF.	Main Focus November 2005 to March 2006, but continuous.	
		• Decentralize procurement to sub-zobas that meet the minimum conditions, but only for projects below a given threshold. • Provide support, training, backstopping, auditing and incentives for the sub-zobas that follow guidelines	Zoba Anseba with support from PST.	2007	
1.4 The Anseba Experiences Informing National Policy	• The NSC is in place and meets bi-annually • However, some of the stakeholders are not aware of the ALDP being a 'policy experiment' for developing, testing and replicating modalities for improved service delivery within a decentralized context; and • Most of the donors still give precedence to 'humanitarian services' (rehabilitation rather than local development).	• Provide for arrangements for regular, bi-annual documenting of lessons and experiences for policy impact and replication; • NSC discussion of the documented lessons • Organize NSC meeting for consideration of the revised RAOM; • Formal launch of the RDP and re-explanation of the 'experimenting' nature of the project; and • Prepare and disseminate bi-annually a brief *Key Lessons Learnt* bulletin to GoSE for policy impact, and to donors for replication; and • Document cases of policy influence and replication	Zoba Anseba with support from PST and UNCDF.	Start November 2005 and end March 2006.	
	▪ Lack of lessons documentation and effective and wide dissemination.	• Organize annual stakeholders reviews to discuss and publicize lessons learnt.	Zoba Anseba with support from PST and MND.	2007 and 2008.	

Issue area	Evaluation finding	Evaluation recommendation[62]	Responsible	Timeline	Agreed follow-up
1.5 Food Security (Natural Resource Management)	• Food security is poverty indicator number 1 and considered during the prioritization of projects; • Commissioned a study on food security; • But food security was not appropriately addressed in the project design and there are also no direct investments in the productive sector.	• Develop guidelines for the productive sector investments (as part of the planning process) – food security to be an integral part of the community-based and regional development planning process; and • Lobby and mobilize resources to support implementation of the food security study recommendations (according to the work plan proposed for 2006 and 2007).	Zoba Anseba with support from PST and UNCDF.	Start November 2005 and end March 2006.	
1.6 Capacity Building	• The project is using institutional arrangements embedded in the national and LG systems; • Provided a wide range of training activities, developed training materials, organized study tours and procured equipment; • But capacity building activities are not based on tailored needs assessment but the activities derived from the POP; and • Some equipment is still lacking, especially in the infrastructure department.	• Identify the capacity building gaps/needs and prepare the inaugural three-year regional capacity building plan 2007 – 2009 (only specific on 2007 activities). The initial capacity building gaps will be identified from the assessment of minimum conditions and performance measures.	Zoba Anseba with support from PST & UNCDF.	July – December 2006.	
	▪ Capacity building activities not addressing the private sector and civil society organisations.	• Deliver capacity building activities guided by the Regional Capacity Building Plan (RCBP); • Roll-over the RCBP, use relatively more comprehensive capacity needs assessment and incorporate the needs of the private sector; • Continue development and updating of training materials; • Strengthen private sector especially local contractors/consultants, initially to deliver infrastructure, later training. Also target civil society.	Zoba Anseba with support from PST & UNCDF.	2007 and 2008.	

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Issue area	Evaluation finding	Evaluation recommendation[62]	Responsible	Timeline	Agreed follow-up
2. Variables affecting successful implementation and results achievement	• Policy and institutional environment is still relevant for the implementation and replication of ALDP lessons; • ALDP is incorporated in the UNDAF and has ample technical support from PST and STA; • However, the unsettled border conflict with Ethiopia has implications to the project. For example, construction materials are either unavailable or very expensive; and • Zoba Anseba also experiences drought and high staff turnover with a fluid structure at the sub-zoba level.	• Support the procurement of construction materials in US $ where contractors find difficulties to increase the pace of project execution; • Hire PO among other things to raise the profile of the pilot project; • More PST liaison with high-level government on lessons for poverty impact and replication. • Support Zoba Anseba to finalise survey data entry and analysis	UNDP (refer to TPR 2004 recommendations).	As and when appropriate.	
3. UNCDF strategic positioning and partnerships	• The project is using institutional arrangements embedded in the national and LG systems; • Most of the donors/NGOs do not see the ALDP as a policy experiment; and • UNCDF has a limited profile in the donor community.	• Continue liaising with MND and donors • Agree on the most plausible arrangement for performing the <u>functions</u> of a Country Programme Officer related to liaising with donors and higher levels of government; and • Submit a formal proposal for the cooperation of UNCDF with the ITU on the ICT project in Anseba. • UNCDF to participate in the UNDAF preparation process	UNDP & UNCDF.	By January 2006.	

Issue area	Evaluation finding	Evaluation recommendation[62]	Responsible	Timeline	Agreed follow-up
4. Sustainability of results and exit strategy	• Most of the systems intended at the design stage have not been tested, and the project has not impacted on policy, and neither has it been replicated.	• Extend the project life span by one year (instead of ending in 2007, it should end in 2008) – but within the same budget ceiling to allow absorption of the LDF, but most importantly to establish, test and consolidate systems. • UNCDF need to participate in the UNDAF development process.	UNCDF and UNDP.	By December 2005 (this will affect the sequencing of activities).	
		• Commission activities for the formulation of a follow-up project to deepen and widen (address local economic development, local environmental governance, ICT to support development) • Final evaluation of the project	UNCDF and UNDP.	2008	

Annex 2:   List of People Interviewed/Focus Group Discussions

UNDP/UNCDF - Eritrea
Mr. Macleod Nyirongo, Resident Representative
Mr. Bartholomew Nyarko-Mensah, Snr. Deputy Resident Representative(DRR)
Mr. Ahmed Raji, Assistant Resident Representative (ARR)
Mrs. Helen Tecleab, Programme assistant, UNCDF,

Other Donors/NGOs
Mr. Samuel Mukasa, Operations officer, UNICEF Eritrea
Mr. Simon Mphisa, Chief, Education section, UNICEF Eritrea
Mr. Jan Shutte, Representative, LWF
Mr. Arild Skara, First Secretary, Royal Norwegian Embassy
Mr Isaac Araya, Belgian Honorary Consulate
Mr. Geert Heikens, Ambassador, European Commission
Mr. Alesandro Palmero, Head, Economic Governance and Social Sectors Section, EC
Mr. Joseph Hoenen, Deputy Head of Mission, Embassy of the Netherlands
Dr. Emma Gori, Director, Italian cooperation
Mr. Lorenzo Larghi, Programme Officer, Italian Cooperation

ALDP/PTS
Mr Yemane Teklemariam, Team leader
Mr Kifle Tekleab, Communication, Monitoring and Evaluation Specialist
Mr. Mahmoud Abdela, Participation Specialist
Mr. Abraham Haileab, Administration/Finance Officer
Ms Meseret Tewolde, PST Secretary

GoSE
Mr. Kidane Tsegay, Director General, Regional Planning (Ministry of National Development)

Zoba Anseba
Ms Asha Mahmoud, Baito (Assembly) Chairperson
Mr. Tesfay Tekle, Ministries Branches Coordinator and Water Resources
Mr. Ghebru Haile, Head, Infrastructure Department,
Mr Fitsum Gherezgiher, Head, Planning, Statistics and Evaluation Branch

Hagaz Sub-zoba
Idris Mohamed Guulay, Sub-zoba Administrator, Gere Berhane, Executive Officer,
Teklehaimanot Musiel Projects Follow-up Officer

Fana Kebabi
Said Mohammed Ali, Administrator, Mohamed Hamid Ismail, Executive Officer, Jabir Salih
Abdela, Development and Water Committee member, Mussa Mohamed Mussa, Community
Court Judge

Era Tahtay Kebabi
Gabir Teklay, Adminstrator, Berih Ogbamichael, Secretary of Development Committee,
Kesete Gebremedhin, Cashier, Road construction fund, Tesfamichael Hanis, Road
construction supervisor

Facilitators: Keshi Kiros Bemnet, Mihreateab Adhanom, Ghebrehanis Tsegay, Woldemariam
Tsegay, Tekie Yishak, Yeibiyo Zerom

Genfelom Kebabi
Mohamed Idris Ali, Admkinstrator, Mohamed Nur Hamid Mohamed, Executive Officer,
Omer Hasen, School Master, Nsrit Ibrahim Idris, Head of Social Services committee and
school committee member, Mohamed Haji, School committee members, Ferej Omer, school
committee members, Mohamed Idris Omer Mussa, School committee members, Mohamed
Omer Shiek, school committee members,

Annex 3:   References

1. ALDP, Annual Report (April – December, 2002) January 2003
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20. The Constitution of Eritrea, Ratified by the Constituent Assembly on May 23, 1997
21. The Lutheran World Federation, Department for World Service Eritrea Program, Annual Report 2004
22. UNCDF, Business Plan 2005 – 2007 Investing in the LDCs to Achieve the Millennium Development Goals, May 2005
23. UNCDF, Strategy for Policy Impact and Replication, in Local Governance and Microfinance, May 2002
24. United Nations Capital Development Fund, Project Agreement, Anseba Local Development Fund
25. United Nations Development Assistance Framework (2002 – 2006), Eritrea, May 2002

Annex 4:   MTE Work plan

DATES	Activity
Wed 21 Sept	o HQ briefing for Evaluation Team Leader by UNCDF Evaluation Unit, Technical Advisor for Eritrea.
Prior to evaluation	o Documentation review.
Sat 24 Sept	o Team leader departs to Asmara.
Sun 25 Sept	o Arrival of Evaluation Team Leader in Asmara (rest day).
Mon 26 Sept	o Security Briefing. o Courtesy call with DRR, ARR. o Preparation for evaluation, documentation review.
Tue 27 Sept	o Internal meeting of MTE Team in Asmara to define evaluation methodology, division of labour, etc. o Meeting with Operations Officer and Chief Education OfficerUNICEF o Documentation review.
Wed 28 Sept am	o Meet with ALDP Project Manager. General overview of the project, review work programme and made any necessary adjustments. o Discussion with the DRR, ARR.
Thu 29 Sept	o Discussions with Mr. Kidane (Government Project Partner), LWF, Norwegian Embassy and Belgium Consulate.
Fri 30 Sept	o Meeting with European Union, Netherlands Embassy, Italian Cooperation. o Travel to Keren.
Sat 1 Oct	o Preparation for evaluation fieldwork (discuss and agree on field programme and sample MTE study areas and projects). o Discussion with the Community Participation Specialist.
Sun 2 Oct	o Rest day. o Documentary review.
Mon 3	o Meeting with the PST – detailed discussion of all aspects of the project. o Meetings with Regional Administration Staff. o Meetings with sector staff. o Meeting with representatives of Baito.

Tue 4	o Fieldwork in Hagaz sub-zoba
	  - Meeting with the sub-zoba planning committee
	  - Discuss with planning and implementation committee and O&M committees).
	o Follow-up meetings with PST.

Wed 5 Oct	o Fieldwork in Elaberid sub-zoba
	  - Meeting with the sub-zoba planning committee
	  - Discuss with planning and implementation committee and O&M committees).
	o Follow-up meetings with PST.

Thur 6 Oct	o Fieldwork in Hamelmalo sub-zoba
	  - Meeting with the sub-zoba planning committee.
	  - Discuss with planning and implementation committee and O&M committees).
	o Follow-up meetings with PST.

Frid 7 Oct	o Validating findings and understanding with PST and regional administration.
Sat 8 Oct	o Follow-up meetings o Preparation of the Aide Memoire.
Sun 9 Oct	o Rest day. o Preparation of the Aide Memoire. o Wrap-up meeting with PST.
Mon 10 Oct	o Travel to Asmara. o Meeting with Kidane.

DATES	Activity
	o Finalisation and distribution of the Aide memoir. o Preparation of presentation for wrap-up meeting.
Tue 11 Oct	o In-country debriefing. o In-country evaluation wrap-up meeting with stakeholders.
Wed 12 Oct	o Key follow-up meetings (Kidane and DRR). o Drafting by national consultants of inputs into evaluation report and submission to Team Leader.
Thu 13 Oct am	o Drafting by national consultants of inputs into evaluation report and submission to Team Leader.
Fri 14 Oct pm	o Evaluation Team Leader departs Asmara.
By Mon 17 Oct	o Prepare Draft Evaluation Report and submit to UNCDF Evaluation Unit by Monday 17 October for distribution to stakeholders for comment.
By Fri 28 Oct	o Preparation of presentation for evaluation debriefing at UNCDF HQ, submit to Evaluation Unit by Friday 28 October.
Sat 29 Oct	o Evaluation Team Leader travels to New York.
Sun 30 Oct	o Rest day.
Mon 31 Oct	o Evaluation debriefing at UNCDF HQ.
Tue 1 Nov	o Evaluation Team Leader departs New York.
Fri 11 Nov	o Prepare Final Evaluation Report and submit to UNCDF Evaluation Unit by Friday 11 November for final approval and dissemination.

Annex 5:   Analysis of Progress as per the POP 2001 - 2006

Outputs/Activities	Indicators/Milestones	Planned Target Year 3	Achieved Targets (Sept 05)	End of Project Targets	Remarks
Output 1: A community-driven planning system is established that ensures the identification and design of locally prioritised pro-poor projects	X% of sub-zoba annual plans are derived from kebabi identified priorities	85%	100%	95%	Apart from 2003 priorities which were identified at the Zoba level, the sub-zoba level screens 'raw' project ideas from the kebabis to prepare sub-zoba annual plans.
	X% of sub-zoba and Zoba annual plans are approved as presented	85%	100%	90%	Zoba and sub-zoba annual plans are approved as presented but the process of preparing a RDP has delayed.
	Operations manual approved by Regional Administration	-	Second edition of the manual in place.		RAOM to be revised in 2005 and will need to be shared with national level stakeholders to initiate a process of policy impact and replication.
Key Activities 1.1 Provide training on PERA provisions to regional/local administration and to elected Baito members	**Milestones** # of Baito members trained by contracted trainers	191	400	335	A total of 400 participants were trained on the PERA of which 80 (20%) were women. The participants including Baito members were trained by Zoba and PST staff.
	# Zoba and sub-zoba officials trained by contracted trainers	20	various	20	The Zoba and sub-zoba staff have been trained in a wide range of subjects.
1.2 Undertake process consultations for the definition of planning, appraisal, budgeting, approval and M&E procedures (for LGU staff, Baito members and others)	# of participants and stakeholders involved in process consultations	60	1470	60	1470 is the number of participants that attended the project planning (RAOM) training and who have been directly involved in the process consultations.
1.3 Establish inclusive planning committees at regional, sub-regional and kebabi levels	# of Kebabi committees established	101	109	101	There are functional planning and implementation committees in all kebabis
	# of sub-zoba committees established	10	10	10	Sub-zoba committees are in place
	# of Zoba committees established	1	1	1	Zoba committee was formed
1.4 – 1.6 Elaborate procedures for planning, prioritisation and appraisal of programmes and projects and for approval of plans and budgets	Procedures established	3			The procedures are elaborated as part of the RAOM
1.8 Provide training on planning system	# of people trained	550	1470 + 70	550	1470 are the participants that attended

Outputs/Activities	Indicators/Milestones	Planned Target Year 3	Achieved Targets (Sept 05)	End of Project Targets	Remarks
					the project planning training and 70 the TOT in regional planning
1.9 Organise study tours	# of people undertaken study tours	4		4	Study tours were conducted to Uganda and Tanzania
1.11 Support dissemination of information concerning planning process and outcomes	# of sub-zobas where information has been disseminated	30	30	50	Information concerning planning processes and outcomes have been disseminated to each of the 10 sub-zobas annually.
Output 2: Access to and management of financial resources for funding development plans by local government units in Anseba is improved	**Indicators** All eligible sub-zobas qualify for LDF allocation by year 3	10	0	10	The 10 sub-zobas have benefited from the LDF but have never been formally assessed to establish whether they meet the minimum conditions of accessing the LDF.
	X% of sub-zobas obtain performance based LDF increments by year 4	4	0	8	Performance measures have not been introduced.
	X% of sub-zobas manage finances according to established procedures	10	0	10	Sub-zobas are not managing finances.
Key Activities 2.1 & 2.7 Establish procedures for LDF allocation and financial management procedures (channels, accounting, minimum conditions, performance incentives and auditing)	**Milestones** Procedures established	3			A financial management and audit procedure manual was prepared but the minimum conditions and performance measures are not formally assessed.
2.2 Disseminate information on LDF mechanisms and procedures	# of sub-zobas where information has been disseminated	30	0	50	Information on intended LDF mechanisms and procedures are not disseminated because they are not yet applied.
2.4 Announce and disseminate information on LDF annual allocations	# of sub-zobas to which allocations have been announced	30	30	50	LDF allocations are announced to sub-zobas annually.
2.6 Provide training in financial management procedures	# of sub-zobas and Zoba officials trained	50	88	75	88 participants have been trained in financial management and audit
2.8 Provide training in auditing procedures	# of Zoba officials trained	50	88	50	See 2.6 above.
2.9 Undertake action research into improved local revenue mobilisation	# number of sub-zobas where action research has taken place	5			A local revenue study was undertaken but recommendations not yet implemented.
2.10 Organise stakeholders workshops on results of action-research into local	# of participants at stakeholders workshops	50	0	100	Not yet done waiting for the finalisation of the study.

Outputs/Activities	Indicators/Milestones	Planned Target Year 3	Achieved Targets (Sept 05)	End of Project Targets	Remarks
revenue mobilisation					
2.11 Design and implement pilot local revenue mobilisation schemes	# of sub-zobas where pilot revenue schemes have occurred	3	0	18	No pilot revenue schemes implemented.
Output 3 Regional and local capacity to deliver, operate and maintain projects efficiently is strengthened	**Indicators** X% of projects are delivered according to specifications	80%	100%	95%	All projects are implemented as per specifications. The infrastructure projects visited were of a high technical quality.
	x% of projects are delivered on time	80%	65%	95%	Six (6) out of the 17 projects commissioned in 2004 were carried over to 2005. All in all, out of the 31 projects approved, 13 have been completed.
	X% of projects are delivered according to budgeted costs	80%		95%	Due to hiking of construction materials costs, many of the projects are not delivered according to budgeted costs.
Key Activities 3.1 – 3.6 Undertake consultative review of (i) existing implementation and procurement guidelines and (ii) O&M procedures for completed projects	**Milestones** Review undertaken	3			Not yet done
3.2 Establish implementation and procurement guidelines	Implementation and procurement guidelines established	3			Implementation and procurement guideline are in place.
3.3 Provide training in implementation and procurement procedures to LG personnel	# of sub-zoba and zoba officials trained	110	88	110	88 participants of which 25 (28%) were women were trained in implementation, procurement and O&M.
3.4 & 3.7 Establish guidelines for (i) project implementation monitoring committees at local level and (ii) O&M of completed projects	Guidelines established	3			Guidelines in place
3.5 Train project implementation monitoring committees	# of sub-regional trainers trained	220	30 + 30	220	30 participants were trained in project monitoring and 30 participants in MIS
Output 4 The Anseba planning process, styles of programming and project design, and policy issues arising from this experience inform national policy	**Indicators** MoLG invites Anseba project to present lessons learnt at national seminars and workshops				Not yet done
	National and LG training course incorporate				Not yet done

Outputs/Activities	Indicators/Milestones	Planned Target Year 3	Achieved Targets (Sept 05)	End of Project Targets	Remarks
	Anseba planning and implementation methods				
	Donor-assisted project adopt Anseba planning system				Not yet done
Key Activities 4.1 Set up and manage project M&E system	**Milestones** M&E system designed and operational (operational quarterly and annual reports)				The PST and Zoba Anseba produce and submit quarterly and annual reports. These reports are discussed by the NSC.
4.2 Establish national steering committee	NSC established				NSC was established
4.3 Organise six monthly meetings of NSC	# of NSC meetings	6		10	NSC meetings are held bi-annually
4.4 Organise annual stakeholders review of project	# of stakeholders reviews	3	0	5	Annual stakeholder reviews not conducted
4.5 Publish six-monthly project lesson-learning bulletin	# of six monthly bulletins published	6	0	10	The first bulletin was prepared and was being published
4.6 Disseminate six-monthly lesson – learning bulletin to relevant institutions	# of six-monthly bulletins distributed	450	0	700	Not yet done
4.7 Develop strategy of support for MoLG policy processes	Strategy developed (project strategy paper)				The strategy has not been developed.

Annex 6: Terms of Reference

Country: Eritrea

Full Project Number: UNCDF: ERI/01/C01, UNDP: ERI/01/013/A/01/99

Project Title: Anseba Local Development Project (ALDP)

Sector: Local Governance

Executing Agency: Ministry of Local Government

Approval Date: October 2001
Start Date: April 2002
Duration: 5 years

Total project cost: US$5,949,892

Financing:
▪ UNCDF: US$2,023,642
▪ UNDP: US$719,250
▪ Belgian Survival Fund: US$3,000,000
▪ Government (in kind):   US$207,000

Evaluation Date: September/October 2005

A. Purpose of the Evaluation

1. **The general objectives of a UNCDF Mid-Term Evaluation** (MTE) are to:

    • Assist the recipient Government, beneficiaries, UNCDF, UNDP and, as appropriate, the concerned co-financing partners, to improve the efficiency, effectiveness, relevance and impact of the project;
    • Provide feedback to all parties to improve the policy, planning, project formulation, appraisal and implementation phases; and
    • Ensure accountability for results to the project's financial backers, stakeholders and beneficiaries.

2. **The expected outcome of this Mid-Term Evaluation** is a strategic review of project performance to date, in order to:

    • Help project management and stakeholders identify and understand: (a) successes to date and (b) problems that need to be addressed, and provide stakeholders with an external, objective view on the project status, its relevance, how effectively it is being managed and implemented, and whether the project is likely to achieve its development and immediate objectives, and whether UNCDF is effectively positioned and partnered to achieve maximum impact.
    • Provide project management and stakeholders with recommendations: (a) capturing additional opportunities[64], as well as (b) for corrective actions to resolve outstanding issues and improve project performance for the remainder of the project duration.
    • Help project management and stakeholders assess the extent to which the broader policy environment remains conducive to replication of the lessons being learnt from project implementation and/or identify exit strategies
    • Help project management and stakeholders set the course for the remaining duration of the project.

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[64] For example, recent Information, Communications and Technology (ICT) for development initiatives.

- Help project management and stakeholders to draw initial lessons about project design, implementation and management.
- Comply with the requirement of the Project Document/Funding Agreement as well as UNCDF Evaluation Policy, in particular, the agreements under UNCDF's partnership with the Belgian Survival Fund, and in anticipation of the upcoming BSF mid-term review.

B. Project profile

1. **Country Context**

Eritrea's comparative HDI status is as follows[65]:

	HDI rank 2003 (177 countries)	GDP per capita rank (177 countries)	GDP per capita (PPP US$) 2003 minus HDI rank (higher means better on HDI)	GDP per capita rank	GDP per capita value (PPP US$) 2003	HDI value 2003
Eritrea	161	168	7		849	0.444
Sub-Saharan Africa Countries	-	-	-		1,856	0.515
Best performer in Sub-Saharan Africa (Seychelles)	51	56	5		10,232	0.821
Worst performer in Sub-Saharan Africa (Niger)	177	169	-8		835	0.281

The status of decentralisation in Eritrea is as follows:

The government of Eritrea has four tiers of public administration:

- **National:** Ministries and specialist organisations, like the National Statistical Office;
- **Regional:** administration (zoba) and regional divisions of central ministries, like education and health;
- **Sub-regional:** Sub-zoba
- **Kebabi:** Collection of villages

National government: The world over, local governments are dependent on the policy framework, guidance and supervision provided by the minister responsible for local government and the supporting ministry. The current Ministry of Local Government has no minister. Recent changes in the structure of government might suggest that no such post will exist in future. In 2002, an assistant to the president, responsible for local government affairs, was appointed (he was the former Minister of Information). That might be seen as the elevation of the importance of local government. The more central question, however, is where the responsibility for decentralisation and local development planning—and the policy, guidance and supervision to support them—is going to rest? This raises the question about the new Ministry of National Development.

Ministry of National Development: In a quoted interview dated 21 August, 2003, Dr. Woldai Futur, Minister for National Development, stated that (in order) " to better manage and carry out the complex task of planning and co-ordination at the national, sectoral and regional levels, the government [finds] it necessary to establish the Ministry of National Development". He then specified that, "the overarching objective of MND is to better manage and carry out the complex task of planning and co-ordination at all levels of government for a more effective use of scarce public resources, for the promotion of sustainable growth and the alleviation of poverty".

He then went on to define the key functions that MND will perform. These are:

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[65] (UNDP) 2005 Human Development Report.

(a) Development data analysis,
(b) Formulation of macro and micro-economic policy analysis,
(c) Planning and project preparation,
(d) Co-ordination of programme and project implementation,
(e) Management audit of government ministries, and
(f) Monitoring and evaluation of development programmes and projects.

He concluded by stating that to produce the desired outcome (from these functions), "capacity for planning and co-ordination will be simultaneously developed at the national, sectoral and regional levels, through interactive and reiterative planning and project formulation processes."

Regional government: The regional government of council (Baito) and supporting executive (administration) is empowered by Article 13 of the Proclamation for the Establishment of Regional Administrations (PERA)[66], to prepare regional development plans (RDP). The Anseba governor in April 2003 made it known that he was keen to prepare an RDP as a means to integrate all sector plans and budgets into a regional plan and budget as a means of defining the regional perspective of development. The structure and form for achieving an RDP is included in the second edition of the Regional Administration – Operations Manual (Appendix IV, pp. 70-86).

Sub-zobas: Sub-zobas, as discrete administrative entities, with full-time personnel in their locations, are in the course of being redefined as a tier of local government. The government view is that PERA was a policy experiment. Much of it is working (regional and Kebabi levels). The sub-zobas however, have not fulfilled their potential—being blockages to the development process, rather than facilitators. Thus a new facilitation role of 'desk' has been created. Where desks are created, they will replace the sub-zoba administrator post. However, kebabi coordinators will remain along with officials for each of project coordination, finance and administration. Thus, stage 2 of the ALDP planning cycle remains intact—the sub-zoba tier being a first support to kebabi raw project definition and subsequent prioritisation at the sub-zoba levels. In Anseba, four sub-zobas now exist. Six have been amalgamated into three, for the purposes of consolidation; they were simply unviable administrative units. They are under three desks. Two are located in their sub-zobas; the third in Keren (the sub-zobas are nearby) but in offices separate from the regional administration. Former deputy administrators of sub-zobas are now kebabi coordinators (to facilitate their strengthened roles through local empowerment and an increased emphasis on grassroots development planning—see below). In addition, Keren has been elevated to a town administration; city councilors have been elected.

Kebabis: Two initiatives have taken place to strengthen and empower the kebabis, as the first level of serious local development: (a) to decentralise the appointment of kebabi administrators through local elections and (b) to decentralise the posts of local magistrates. kebabi administrators used to be nominated by the regional administrator and approved by the minister of local government. Now, not only are they elected (appointed) locally but also, they are full-time posts, funded by central government. Previously local courts were at sub-zoba level only. Both are good moves in terms of local accountability for administration and local justice. These changes are encapsulated by the new establishment at kebabi level. It is as follows:

- Kebabi administrator and deputy administrator (both locally elected and government salaried posts);
- a community court of three elected judges (also locally elected and salaried)—this court did not exist previously;
- personnel, secretary and finance officers (all three to be appointed as full time staff); and
- committees for Land, Infrastructure, Economic Development, Social Affairs and National Service (all exist).

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[66] PERA is the institutional definition of both the local government structure and its responsibilities for local planning and decision-making (see **Annex 1** for a summary).

The role of the remaining sub-zoba administrators or new desks is to facilitate kebabis to "support economic and social development", through a new "planning and programming mechanism"[67].

2. Project summary

UNCDF is assisting the Government of Eritrea to reduce poverty in the Anseba region through the ALDP. The project works to strengthen local government capacity to provide basic social and economic infrastructure, improve the natural resource base of local communities, and enhance local human capital endowments (such as increased awareness of health risks like HIV/AIDS). In addition, the project is directly addressing the wider institutional issues (planning, finance and implementation arrangements) linked to the continued delivery of pro-poor public infrastructure and services by the local government in Anseba.

3. Project expected results

Development objective: Reduce poverty in Anseba Region as a basis for sustained self-development.

Immediate objective: Local government in Anseba Region delivers public infrastructure and services based on responsive, transparent and pro-poor planning procedures.

Output 1: A participatory and transparent planning system is established that ensures the identification and design of locally prioritized pro-poor projects. Activities to achieve this output include:
- establishing pro-poor planning procedures for local government units within Anseba and providing training in their use;
- strengthening the capacity of the Regional Baito – the only elected body in the system of local government – to play its role in accordance with the provisions of PERA;
- supporting the dissemination of information concerning the planning process and its outcomes;
- strengthening the capacity of the Regional and sub-regional administrations to backstop and to carry out planning exercises.

Output 2: Access to and management of financial resources for funding development plans by local government units in Anseba is improved. Activities to achieve this output include:
- setting up and managing the Anseba Local Development Fund, which will channel annual capital budget support to the sub-regional administrations in order to finance locally-identified priorities and development plans;
- establishing sound financial management procedures (including auditing) and providing local government officials with training in financial management;
- strengthening the capacity of sub-regional and regional administrations to carry out financial management;
- carrying out action-research into local revenue mobilisation and piloting revenue mobilisation schemes in selected sub-regional administrations.

Output 3: Regional and local capacity to deliver, operate and maintain projects efficienty is strengthened. Activities to achieve this output include:
- establishing procedures for procurement and implementation, for which training will be provided;
- supporting locally-based monitoring of implementation arrangements;
- strengthening the capacity of local stakeholders to ensure operations and maintenance of infrastructure.

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[67] Quotes from the Minister for National Development in our meeting in the context of "this new political experiment" (i.e. empowering the kebabis). It was confirmed that UNCDF was supporting Anseba zoba to pilot the construction of a new planning and programming mechanism.

Output 4: The Anseba planning process, styles of programming and project design, and policy issues arising from this experience inform national policy. Activities to achieve this output include:
- setting up and managing ALDP's monitoring and evaluation system;
- establishing a National Steering Committee for the project, within which national stakeholders would be represented;
- organising annual stakeholder reviews of the project; or publishing and disseminating periodic lesson-learning bulletins;
- developing a strategy of support to the Ministry of Local Government in order to strengthen its capacity to learn lessons and formulate policy.

Additional Output 5: Food security is considered as one of the criteria for prioritizing micro-projects. Taking into consideration the interests of BSF and Zoba Anseba Administration, and in accordance with the decision taken by the National Steering Committee, the issue of food security gained its proper place in the ALDP since late 2004. To this effect, a fifth project output under the title of Natural Resource Management was included separately in the 2005 ALDP Annual Workplan, since it was not found appropriate to include the forthcoming activities related to food security in either of the original four ALDP outputs. As per the 2005 Workplan, a study focusing on the assessment of the state of food security in the region is ongoing. The prime objective of this study is to design a set of concerted future activities based on the results of the study and put them in practice accordingly to address the issue of food security in the region.

See **Annex 2** for the full project logical framework.

4. Project status

The project status is as follows:
- The Local Development Fund—the foundation of the programme—is into its third year of annual cycles.
- All the current LDF work and regional development planning progress is governed by the second edition of the region's operations manual. This presents the programme's and the regional administration's guide to the community-based planning cycle. The commitment to community-based planning and budgeting is established and working.
- The work on the up-stream regional development planning and budgeting is current, with more work to do[68].
- In late 2003 till late 2004, there was a major misinterpretation of the role of UNCDF by the new regional governor[69], which took a year to resolve. Matters are now resolved, with renewed enthusiasm.
- Food security and local revenue consultant assignments are current.
- Local capacity building, with annual orientation work by the project team, continues.

According to UNCDF's resource management system (Atlas) the project's financial delivery to end-2004 is as follows:

- BSF funds: US$398,760
- UNCDF core funds: US$568,923

Detailed reports on project performance and financial delivery to date are provided separately to the consultant.

C. Scope of the Evaluation

Taking into account the implementation status of the programme and the resource disbursements made to date, evaluate the following questions:

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[68] See various mission reports for further details.
[69] See February 2004 mission report for details.

Results achievement

1.1 Is the project making satisfactory progress in timely achievement of project outputs (as per logframe), and related delivery of inputs and activities? In assessing progress against each of the output targets, consider in particular:

- Is ALDP reaching its targets on LDF-funded project delivery?

1.2 Given output achievement and related delivery of inputs and activities to date, is the project likely to attain its Immediate and Development Objectives? Specifically in this regard:

- What are the early indications of whether ALDP is likely to make a tangible contribution to addressing:
  - various aspects of poverty[70]?
  - key gender-related issues?
  - the food insecurity of vulnerable groups?
- How effective are the linkages between investment planning and budgeting and from local to regional/national planning frameworks and vice versa? How effectively is the Local Development Fund cycle integrated into the national budgeting process through the regional administration[71]?
- Assess Eritrea's commitment in practice to regional planning and budgeting, through the new Ministry for National Development. How is ALDP contributing to this?[72]
- Is the ALDP effectively playing its foreseen role of translating the Government proclamation that establishes local government in Eritrea into a working reality?[73]
- What is the evidence of increased democratization in the planning and implementation process? Do the Kebabi/Sub-Zoba/Baito Development Committees reflect this in their operation?
- Is the project effectively capitalizing on lessons learnt from piloting best practice models to influence policy and practice?

1.3 Critical Issues: Evaluate any other critical issues relating to results achievement. In particular,

    i.   With specific regard to the reduction of food insecurity for vulnerable groups[74]:

- Is there a project-supported strategy in place to reduce food insecurity in the Anseba region?
  - Is the strategy appropriate and realistic for reducing food insecurity of vulnerable groups?
  - Are there efforts to establish partnerships to maximise the effectiveness of the strategy? Assess the added value of these partnerships.
- What level of importance do issues of food security play in the local development planning process and selection of investments?[75]
- Is there any evidence that decentralized structures and processes are having any influence over governance and policies that affect food security issues, and/or that the project is well positioned to support this going forward?

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[70] See July 2005 mission report, and refer to indicators for measuring impact of projects attached in **Annex 3**.
[71] See second edition of Operations Manual.
[72] See February 2005 mission report.
[73] See project document.
[74] See September 2005 ALDP Food Security Study
[75] Refer to criteria for investment selection in project document.

- Do annual performance reviews and criteria for access to funds take into account performance in terms of governance of, and results in addressing food insecurity of vulnerable groups?

ii. With regard to infrastructure and service delivery, assess among other issues:

- Is the procurement approach adopted and its implementation appropriate and effective?
- Is infrastructure appropriately designed (responding to demand, technical considerations and design and construction standards) and delivered to a good quality?.
- Is infrastructure delivered in a time and cost effective manner?
- Are adequate resources, capacity and systems in place for operations and maintenance of infrastructure provided?
- Is there sufficient co-ordination with line ministries to deliver and operate infrastructure and services, including availability of staffing for basic services?
- What is the level and quality of community participation in different phases of infrastructure design, delivery, maintenance and operations?

iii. Any other critical issues identified by the project team.

Variables affecting successful implementation and results achievement

Is project implementation and results achievement proceeding well and according to plan, or are there any obstacles/bottlenecks/outstanding issues on the UNCDF, partner or donor side that are limiting the successful implementation and results achievement of the project?

2.1 External factors:

i. To what extent does the broader *policy environment* remain conducive to achieving intended results, including policy impact and replication of the lessons being learnt from project implementation? Specifically in this regard, to what extent do critical assumptions (refer to logframe) on which project success depends still hold?
ii. Are there *any other factors external to the project* that are affecting successful implementation and results achievement?

2.2 Project-related factors:

i. *Project design (relevance and quality).* Consider the following:
- Was the project concept/logic and design optimal to achieve the desired project objectives/outputs?
- In assessing design consider, among other issues:
  - Were relevant gender issues adequately addressed in project design?
  - Is the issue of food security appropriately addressed by the project design?
- Was the project preparation process (formulation, inception) and its products (Logframe, Project Operations Plan, Annual Workplans) of good quality?
- Is the project rooted in and effectively integrated with national strategies (e.g. poverty reduction strategy) and UN planning and results frameworks (CCA, UNDAF) at country level?
- Do the project's objectives remain valid and relevant? Will they result in strategic value added if they are achieved?
ii. *Institutional and implementation arrangements.* Are the project's institutional and implementation arrangements suitable for the successful achievement of the project's objectives or are there any institutional obstacles that are

hindering the implementation or operations of the project, or which could benefit from adjustment?

iii.   *Project management:*
   ▪ How effectively is the project managed at all levels?
   ▪ Is project management results-based and innovative?
   ▪ Are staff capacity and resources appropriate and sufficient for successful implementation of the project?
   ▪ Do management systems, including M&E, reporting and financial systems function as effective management tools, facilitate effective implementation of the project, and provide a sufficient basis for evaluating performance of the programme?
      - Regarding financial systems: Assess any bottlenecks in the system of financial disbursement between BSF, UNCDF, UNDP, project and local government.
      - Regarding M&E, does the project monitoring system include:
         a. A baseline that enables a good understanding of vulnerable populations/areas, poverty and food security issues as they relate to vulnerable groups in the areas of intervention, as well as data on access to and functioning of infrastructure and services. Has the baseline data been relevant to and used to inform planning and investment decisions?
         b. Appropriate and cost-effective indicators and related targets linked to the baseline, including indicators related to the food insecurity of vulnerable groups, that will enable monitoring of process, output and outcome level performance?

iv.   *Technical backstopping:* Is technical assistance and backstopping from UNDP/UNCDF appropriate, adequate and timely to support the project in achieving its objectives?

v.   Are there *any other project-related factors* that are affecting successful implementation and results achievement?

UNCDF strategic positioning and partnerships

3.1 Is UNCDF, through this project and any other engagement in the country, optimally positioned strategically, with respect to:
   ▪ UNDP and other UN/donor/government efforts in the same sector in Eritrea?
   ▪ Implementing national priorities, as reflected in national development strategies?
   ▪ Corporate priorities, and leveraging its comparative advantages to maximum effect[76]?

3.2 Is UNCDF leveraging its actual/potential partnerships to maximum effect?

3.3 What level of value added and consequence can be attached to UNCDF's interventions in the area of decentralization in Eritrea.

Sustainability of results and exit strategy

4.1 What is the likelihood that the project results will be sustainable, in terms of systems, institutions, infrastructure, financing, and in terms of anticipated poverty reduction and food security impact?

4.2 Are planned exit/handover strategies appropriate and timely?

4.3 Is there an added value role for UNCDF to play beyond project completion?

In addition to assessing the evaluation questions above, the team should analyse any other pertinent issues that need addressing or which may or should influence future project direction and UNCDF engagement in the country.

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[76] See UNCDF Business Plan 2006-2007.

D. Organisation of the evaluation

1. Consultant profiles and responsibilities

The Mid-Term Evaluation is to be conducted by a team of 3 consultants, one international and two national, with the profiles outlined below. In addition, UNCDF seeks to support national capacity in evaluation and ownership of evaluation findings and recommendations through the participation of a member of a relevant ministry/partner institution in the evaluation.

Evaluation Team Leader profile
- International comparative experience in the field of decentralization and local development.
- Experience in leading evaluations of decentralization and local development support programmes.
- Substantial experience in: decentralized public expenditure management and infrastructure and service delivery; local government capacity building for decentralized public expenditure management; policy, legal and regulatory reform related to decentralization; rural development.
- Experience in assessing gender mainstreaming and participation issues.
- Thorough understanding of key elements of results-based programme management.

The team leader will be responsible for:
- Leading the evaluation team in planning, conducting and reporting on the evaluation;
- Deciding on division of labour within the evaluation team;
- Use of best practice evaluation methodologies in conducting the evaluation;
- Leading presentation of the draft evaluation findings and recommendations in-country;
- Conducting the UNCDF headquarters debriefing; and
- Leading the drafting and finalization of the evaluation report.

Infrastructure delivery consultant
- Locally based qualified civil engineer/chartered surveyor with specialised knowledge of infrastructure and service delivery, including design and implementation of small-scale infrastructure construction projects, best practice procurement processes, assessment of technical quality and cost effectiveness of infrastructure, operations and maintenance systems, and community labour-based approaches to infrastructure and service delivery.
- Good local knowledge of decentralization history, process and issues in the country.
- Experience in conducting evaluations – applied knowledge of evaluation methods and tools.

The infrastructure delivery consultant will be responsible for:
- Contributing to the development of the evaluation plan and methodology
- Conducting those elements of the evaluation determined by the team leader
- Contributing to presentation of the evaluation findings and recommendations in-country
- Contributing to the drafting and finalization of the evaluation report.

Food security consultant
- Locally based food security consultant with specialised knowledge of food security, rural development and natural resource management, including issues relating to particularly vulnerable groups, policy and governance as it relates to food insecurity of vulnerable groups.
- Good local knowledge of decentralization history, process and issues in the country an asset.
- Experience in conducting evaluations – applied knowledge of evaluation methods and tools.

The food security consultant will be responsible for:
- Contributing to the development of the evaluation plan and methodology;
- Conducting those elements of the evaluation determined by the team leader;
- Contributing to presentation of the evaluation findings and recommendations in-country; and
- Contributing to the drafting and finalization of the evaluation report.

2. Evaluation plan

The fieldwork for the assignment will be take place between 28 September and 14 October 2005. An indicative workplan detailing the schedule and number of workdays can be found in **Annex 4**. Note that Sundays are off-days.

The evaluation will be conducted as follows:

2.1 HQ phone briefing: The Evaluation Team Leader will be briefed by telephone prior to the fieldwork by the relevant evaluation, technical and programme staff at UNCDF HQ.

2.2 Review of relevant documentation: A list of key reference documents is provided in **Annex 5**.

2.3 Finalisation of evaluation work plan: On the first day of the evaluation mission, the Evaluation Team and in-country evaluation focal point will review the tentative evaluation workplan **(see Annex 4)**, and make any adjustments they see fit, taking into account practical and logistical considerations.

2.4 In-country briefing: The Evaluation Team will be briefed on the first day of the evaluation mission by UNDP/UNCDF representatives, project staff, and relevant government and other stakeholders. All relevant documentation not already sent in advance to the Evaluation Team will be provided by the in-country evaluation focal point.

2.5 The evaluation: The Evaluation Team will design and conduct the evaluation employing best practice evaluation planning and methodologies. As far as possible the evaluation team will triangulate evaluation findings using multiple sources/methods. Wherever possible, all evaluation data should be disaggregated by gender. The evaluation should include all key stakeholders, and a representative sample of districts and communities in which the project is operating. Whilst this mid-term evaluation does not focus on achievement of outcomes or impact, indications of such should be sought using qualitative methods, including consultations with the intended clients of the project. As far as possible, the Evaluation Team should discuss findings with beneficiaries and stakeholders at each stage of the evaluation and obtain their comments. In the case of potential compromise of the objectivity and independence of the evaluation, the Team Leader has the authority to determine who should/should not be present for the various parts of the evaluation.

2.6 Preparation of Aide Mémoire: On the basis of its findings, the Evaluation Team will prepare an aide memoir, which will be shared, through the in-country evaluation focal point, with all key stakeholders and with the UNCDF Evaluation Unit prior to the in-country evaluation wrap-up meeting. The Aide Mémoire becomes the basis of discussions at the evaluation wrap-up meeting.

2.7 In-country evaluation wrap-up meeting: At the wrap-up meeting the Evaluation Team will present their key findings and recommendations to key stakeholders for discussion. The in-country evaluation focal point will take minutes of the meeting, which will be submitted promptly to the UNCDF Evaluation Unit, all key stakeholders, and to the Evaluation Team, for their consideration in drafting the evaluation report.

2.8 An in-country debriefing session between the Evaluation Team and/or the UNDP Resident Representative and Government focal point may be held upon request.

2.9 Draft evaluation report: The Evaluation Team Leader will submit a draft evaluation report to the UNCDF Evaluation Unit which will be circulated to all key stakeholders for comment.

2.10 <u>An evaluation debriefing at UNCDF HQ in New York</u> will be provided by the Evaluation Team Leader to UNCDF management, technical and programme staff, for comment and discussion. The Evaluation Unit will take minutes of the debriefing which will be submitted promptly to all key stakeholders and to the Evaluation Team Leader, for his/her consideration in finalizing the evaluation report.

2.11 <u>The Final Evaluation Report</u> will be submitted by the Evaluation Team Leader to the UNCDF Evaluation Unit.

3. Reporting arrangements and administrative/logistical support

Overall, the evaluation team reports to the UNCDF Evaluation Unit. In-country, the evaluation team reports to the UNCDF representative (i.e. UNDP Resident Representative). The in-country evaluation focal point will ensure that the evaluation team is provided with all necessary administrative and logistical support to arrange and carry out the evaluation.

4. Evaluation financing

The Belgian Survival Fund (BSF), as co-financer of the project, will fund the cost of the evaluation. For efficiency purposes, all costs of the evaluation <u>excluding</u> international and national consultant fees, DSA and flight tickets will be financed through the project budget. This may include, for example, local transport costs (driver DSA, petrol), costs associated with stakeholder meetings, etc.

5. Deliverables

The Evaluation Team Leader is responsible for preparing and submitting the following deliverables:

- <u>Aide Mémoire:</u> A summary of key evaluation findings and recommendations prepared towards the end of the evaluation and submitted to the in-country evaluation focal point for circulation to stakeholders and the UNCDF Evaluation Unit before the in-country evaluation wrap-up meeting.

- <u>Draft Evaluation Report and Evaluation Summary:</u> The Team Leader is responsible for consolidating the inputs of team members, and taking into consideration comments received on the Aide Mémoire and at the in-country evaluation wrap-up meeting, to produce a coherent Draft Evaluation Report and Evaluation Summary, according to the format in **Annex 6** and template for the Evaluation Summary to be provided. The draft report is to be submitted electronically to the Evaluation Unit within 10 days of the completion of the evaluation mission, or by the agreed date.

- <u>Final Evaluation Report and Evaluation Summary:</u> Based on comments received on the Draft Evaluation Report, and at the UNCDF HQ evaluation debriefing, the Team Leader will finalise the Evaluation Report and Summary, with input from other evaluation team members, as required, and submit the Final Evaluation Report and Evaluation Summary to the UNCDF Evaluation Unit within 5 days of the receipt of the minutes of the UNCDF **HQ evaluation debriefing, or by the agreed date.**

The Evaluation Team's contractual obligations are complete once the UNCDF Evaluation Unit has reviewed and approved the final evaluation report for quality and completeness as per the ToR.