

**FINDINGS FROM SIX COUNTRY-LEVEL  
EVALUATIONS OF UNCDF LOCAL  
DEVELOPMENT PROGRAMMES:  
AN EXTERNAL VIEW**

**BY**

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# TABLE OF CONTENTS

<b>1. UNCDF’S AMBITIOUS GOALS IN DIVERSE ARENAS</b>	<b>3</b>
1.1. Two Key Goals	3
1.2. Pursuing the two goals in diverse contexts	3
1.2.1. Uganda	4
1.2.2. Ethiopia	4
1.2.3. Malawi	5
1.2.4. In Summary	5
1.3. UNCDF’s Ambitious Agenda	5
<b>2. KEY INSIGHTS WHICH SHAPE UNCDF’S APPROACH</b>	<b>7</b>
2.1. The Necessity of Working with Governments	7
2.2. A Well-Founded, Realistic Trust in Ordinary – Indeed, Poor – People	8
2.3. The Under-Estimated Importance of South-South Emulation/Replication	9
<b>3. UNCDF’S COMPARATIVE ADVANTAGE</b>	<b>11</b>
3.1. On A Diversity of Fronts	11
3.2. Relevance	11
3.3. Adaptability	13
3.4. Replicability: Promoting the Up-Scaling of Successful Local Experiments	14
3.5. Sustainability	17
3.6. Improved governance	20
3.7. Capacity Building	22
3.8. Promoting Local Development	23
3.9. Poverty Reduction	25
<b>4. IMPLICATIONS: STRATEGIC POSITIONING AND PARTERSHIPS</b>	<b>29</b>
4.1. Possible New ‘Products’ from UNCDF	29
4.2. UNCDF and Other UN Agencies amid the Pursuit of ‘One UN’	30
4.3. UNCDF and Non-UN Development Agencies	34

*The analysis and recommendations of this report do not necessarily reflect the view of the United Nations Capital Development Fund, its Executive Board or the United Nations Member States. This is an independent publication of UNCDF and reflects the views of its authors.*

## LIST OF ACRONYMS

CDD	Community driven development programmes
ECI	ECIAfrica Consulting (Pty) Ltd
DANIDA	Danish International Development Agency
DFID	UK Department For International Development
FE	Final evaluation
FGD	Focus group discussion
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HDI	Human Development Indicators
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
ISD	Infrastructure & service delivery
KII	Key informant interview
LDC	Less developed countries
LDF	Local Development Fund
LDP	Local Development Programme
LED	Local economic development
M&E	Monitoring and evaluation
MTE	Mid term evaluation
MTR	Mid term review
NRM	Natural resource management
PD	Programme document
PEM	Public expenditure management
PPP	Public private partnerships
RFP	Request for proposal
SF	Social Funds
SWAP	Sector wide approach
TA	Technical assistance
TOR	Terms of reference
UNDP	United Nations Development Programme
UNCDF	United Nations Capital Development Fund

## NOTE ON THIS REPORT

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As part of the UNCDF outsourced arrangement to ECI Africa, Mr Manor was requested to prepare this report. A draft of this report was discussed with Doug Hindson (who was team leader of two of the evaluations undertaken in 2007), and presented by Mr Manor at the UNCDF Local Development Retreat in September 2007. Mr Manor has prepared this final report taking into consideration points made during the discussions at this Retreat,

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## INTRODUCTION

This report contains the findings from detailed evaluations of United Nations Capital Development Fund (UNCDF) programmes in six countries,<sup>1</sup> undertaken by ECIAfrica. It is divided into four major parts.

The first part (sections 2 to 4) explains UNCDF's goals and ambitions, and the different challenges posed in different contexts and at different levels in various political systems.

The second part (sections 5 to 7) examines three key insights which shape UNCDF's approach to local development.

The third part (sections 8 to 16) assesses UNCDF's strong comparative advantage, and constitutes the heart of this report. It first considers several important characteristics of UNCDF's programmes (sections 8 to 12) and then analyses their impacts in four crucial spheres (sections 13 to 16).

The fourth part (sections 17 to 20) addresses the implications of all of this for UNCDF's strategic positioning and partnerships within the changing international architecture of aid.

This report calls attention to an excruciating irony. Many key figures in important international agencies have recently come to recognise that the approach to local development pioneered by UNCDF has immense promise. But most are unaware both of UNCDF's role in crafting this strategy, and of its unsurpassed ability to pursue it. Thus, just as this approach is being widely accepted, the agency that is best able to carry it forward – UNCDF -- may be marginalised amid changes in the international architecture of aid. Our evidence indicates that it is a matter of urgency that this be avoided -- since it would damage the interests of every set of actors involved in these processes.

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1 The six were UNCDF programmes in Ethiopia, Guinea, Malawi, Rwanda, Senegal and Uganda. An additional evaluation of the UNDP programme in Ethiopia is also considered here. Page references in this synthesis report to these evaluations refer to the English versions of all of them except Rwanda, where the French version (the only one available at this writing) is used.

## 1. UNCDF'S AMBITIOUS GOALS IN DIVERSE ARENAS

### 1.1. Two Key Goals

With some simplification, it is possible to say that UNCDF's local development funds and programmes seek to achieve two broad goals – the first at and just above the local level, and the second at higher levels in political/administrative systems.<sup>2</sup>

Goal A: UNCDF makes capital investments in pilot programmes (policy experiments intended to influence national policy – see Goal B) at and near the local level which seek to build the capacity of government institutions (which sometimes have to be created anew) and of ordinary people to improve infrastructure and service delivery through genuinely participatory processes – so that local preferences influence decisions.

Goal B: UNCDF also seeks, at higher levels (sometimes in collaboration with UNDP and with donor agencies), (i) to enhance the capacity of government institutions that will play key roles in promoting local development, and (ii) to persuade leaders to pursue supportive policies towards local development processes, and towards (mainly democratic) decentralisation. It uses evidence that the pilots are improving the lives of deprived communities to try to persuade governments to replicate the pilots over wider areas (and if possible, nationally); and to try to persuade donors to provide funds to enable such up-scaling and replication, since UNCDF lacks massive financial resources. In other words, UNCDF seeks to integrate decentralisation and the ensuing efforts to promote local development – through institutional reform -- within governments' overall strategies for development and poverty reduction.<sup>3</sup>

UNCDF's main efforts and expertise have tended to centre on Goal A, but it has also achieved important gains and some breakthroughs in pursuit of Goal B.

### 1.2. Pursuing the two goals in diverse contexts

Our review of the evaluations of a diverse set of countries enables us to see variations in UNCDF's opportunities, challenges and achievements in different types of political systems.<sup>4</sup> This emerges quite vividly from (for example) three of the cases included in this exercise.

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2 Later sections of this report compensate somewhat for this simplification with more detail.

3 In drafting this report, I had set out this formulation before coming across more or less the same thing in the draft of UNCDF, Local Development Practice Area: 2006 Review and 2007-8 Strategy. Attracting support from donors is crucial – both to secure adequate financing, and to ensure that these efforts resonate with new arrangements since the Paris Declaration. (For more on the implications of the Paris Declaration, see the final section of this report, below.)

4 UNCDF officials have stressed that they hope to strengthen recipient governments' own evaluation capacities and efforts – so that evaluation ceases to be something that is done to governments by international development agencies. It is clear from the evidence from several evaluations that progress has been made towards that goal. It should also be noted that UNCDF's practice of conducting (often in concert with government actors) frequent evaluations of its

### 1.2.1. Uganda

In *Uganda*, there is little need for UNCDF to pursue Goal B, since President Museveni regards decentralised councils as the basic building blocks of the state that he has created from the rubble left behind by earlier, destructive regimes. And he is eager to keep them strong, as a counterweight to national-level elites whom he distrusts deeply.<sup>5</sup> The strength of decentralised bodies, and government support for them, makes it obvious and easy for UNCDF to pursue Goal A by working with the elected councils (even though some argue that government support for them has waned a little lately). But as the evaluation of Uganda indicates, those councils do much, on their own, to promote Goal A – and they would do so even without UNCDF input. So while Uganda offers a congenial environment, UNCDF cannot achieve spectacular results there which would not have occurred in its absence<sup>6</sup> (although its initial programme there achieved outstanding results<sup>7</sup>). It has, however, contributed to the constructive fine tuning of the system and of national policies.

### 1.2.2. Ethiopia

*Ethiopia* represents a somewhat more difficult environment, mainly because of a history of rather centralized governance and this has complex implications. It makes it harder for UNCDF to make the kind of system-wide progress in promoting Goal A at the local level that it can achieve in a strong system like Uganda's. But it also implies that what it does accomplish – and the evaluation indicates that there are significant achievements – probably would not have occurred in its absence. So there are, arguably, greater satisfactions for it in the pursuit of Goal A there than in stronger systems. It also has a great opportunity to make headway towards Goal B – far greater than in Uganda where the government has long supported decentralisation. It has shown, leaders in Ethiopia, through its pilots, that greater support for decentralisation will not destabilise or otherwise threaten them – on the contrary, it will enhance their legitimacy and popularity. (And the evaluation indicates that a good deal of that has been happening.) It therefore has the opportunity there to help to trigger constructive, macro-level policy change. That would certainly qualify as a major achievement – of the kind which it was instrumental in bringing off in Cambodia and especially Mozambique.<sup>8</sup>

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programmes – as they unfold, and in a participatory manner, involving people at the local level – has itself gone some distance towards this goal.

5 This is examined in detail in M. Melo, N. Ng'ethe and J. Manor, *Against the Odds: Politicians, Institutions and the Struggle against Poverty*, forthcoming, chapter two.

6 In such strong decentralised systems, it is difficult – analytically – to distinguish between the contributions of UNCDF and of the government. This should not, however, be regarded as dismaying, since the fundamental (and very welcome) reality is that the authorities and UNCDF together have made great headway in promoting decentralised development.

7 I am grateful to Doug Hindson for stressing this.

8 See F. P. Kulipossa and J. Manor, "Decentralized District Planning and Finance in On Mozambican Province" and C. Hughes, "The Seila Programme in Cambodia" in J. Manor, *Aid that Works: Successful Development in Fragile States*

### 1.2.3. Malawi

*Malawi* might have seemed to offer a similar opportunity to pursue Goal B. Public commitments by its government at the start of the UNCDF/UNDP local development programme suggested that Government representatives also recognise and welcome UNCDF's contribution there, stating that (among other things) the structures which it helped to create at lower levels are now being used by various donors<sup>9</sup> and NGOs in the implementation of their programmes.<sup>10</sup> But over time, the government's decentralization efforts experienced problems. Its executive agencies were unable to implement a decentralisation law passed by Parliament, and ensure the re-election of member of local authorities. Presumably because great progress towards Goal B initially seemed possible, UNCDF was persuaded (understandably) to focus mainly on that, and to depart from its customary emphasis on Goal A. These developments have made it difficult for UNCDF and UNDP to pursue the original goals of the project. (Since this case represents a failure caused by forces beyond the control of UNCDF, it receives comparatively little attention in this report.)

### 1.2.4. In Summary

To sum up: UNCDF has good reason to work in countries like Uganda with strong decentralised institutions, and perhaps even greater reason to work in places like Ethiopia where conditions warrant efforts to make breakthroughs in pursuit of Goal B. But in places like Malawi, conditions make it unwise to pursue Goal B. This is not to suggest that UNCDF should avoid countries like Malawi altogether. It has made clear headway in the pursuit of Goal A in other closed and over-centralised polities.<sup>11</sup> But as the Malawi evaluation suggests, in such difficult environments, UNCDF should concentrate heavily on Goal A – until clear evidence of progress is apparent).

## 1.3. UNCDF's Ambitious Agenda

The evaluations make it clear that UNCDF has sizeable ambitions. In Ethiopia for example (a typical case), it seeks to introduce PRA methodologies, to create a decentralised infrastructure fund, to enhance a whole range of capacities within various government institutions/agencies and

(World Bank, Washington, 2006) chapters five and seven. Evidence presented in UNCDF, Local Development Practice... indicates that UNCDF has made similar headway in several other countries that are far less well known to this writer.

9 The word 'donor' in this report refers to non-UN agencies. UN agencies tend to be perceived by governments in less developed countries as something other than donors – as organisations that work in a more fraternal manner than 'donors'. This perception was present in several of the countries evaluated by ECIAfrica, and in Zambia where Finance Ministry officials stressed the point to this writer in May 2007.

10 One of them made these comments in a telephonic debriefing on Malawi, 20 August 2007.

11 It is worth noting that in closed systems, the opening up by UNCDF of local decision making to the preferences of ordinary and poor people tends to have a potent psychological effect on those people, since it is such a radical departure from earlier practices.

**FINDINGS REPORT**

among ordinary people and their representatives at lower levels, to navigate diplomatically among various government agencies at different levels in the political/administrative system, to devise and promote a replication strategy, and much more.<sup>12</sup> This is a daunting agenda. And most of those tasks apply only to the pursuit of Goal A. When we add Goal B to the picture, the task becomes still more arduous.

One of the key elements of UNCDF's model that does not get sufficient attention in this paper is the fact that UNCDF has the mandate to make capital investments (which UNDP does not). As noted in the General Assembly resolution/mandate of 1966 that established UNCDF,

**ARTICLE I****Purpose**

The purpose of the Capital Development Fund shall be to assist developing countries in the development of their economies by supplementing existing sources of capital assistance by means of grants and loans, particularly long-term loans made free of interest or at low interest rates. Such assistance shall be directed towards the achievements of the accelerated and self-sustained growth of the economies of those countries and shall be oriented towards the diversification of their economies, with due regard to the need for industrial development as a basis for economic and social progress

This is a key element that needs to be stressed as this is what enables UNCDF to provide Block Grants to governments.

That Ethiopia evaluation suggests a scaling down of UNCDF's ambitions, but this writer is not convinced. UNCDF is actually quite good at all of these things, as its record in and beyond the other cases evaluated by us indicates. Each item in the list is important in its own right, and tends to facilitate the pursuit of the others. UNCDF personnel have not (as we see below) developed their ambitions because they are starry-eyed naifs. They have seen enough of the items in this agenda achieved elsewhere to warrant efforts on this broad front. And as the evidence from these evaluations and other studies shows, occasional disappointments tend to be explained not by excessive ambition, but by externalities. It therefore makes more sense for UNCDF to proceed as it has long done, but to be sensitive to the possibility that in some environments, it may be attempting too much.

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12 For similar evidence from Senegal, see pp. 53-54 of the evaluation of that case.

## 2. KEY INSIGHTS WHICH SHAPE UNCDF'S APPROACH

### 2.1. The Necessity of Working with Governments

When we consider which agencies -- external to localities -- might catalyse or "activate" latent social capital at the grassroots, three main alternatives present themselves: donor agencies, civil society organisations and governments.<sup>13</sup> Let us consider these in turn.

Donors are for the most part unpromising, since few of them actually work (or work much) at the local level – except for UNCDF and GTZ, a point worth noting when we consider which agencies should take the lead in local development in the post-Paris Declaration environment (see the final sections of this report).

Civil society organisations might appear to be the preferred option, but there are two practical difficulties here. Many enlightened organisations operating at national or higher levels in political systems lack the capacity to penetrate to the local level.<sup>14</sup> And nearly all of them lack 'reach' – that is, they are able to engage only with quite limited proportions of the populations of their countries.<sup>15</sup> There are good reasons to work with enlightened civic associations – as UNCDF knows -- but given these limitations, they cannot play the main catalytic role.

That leaves governments, whose 'reach' is almost always universal. It is widely understood that many problems attend partnerships with governments for the pursuit of local development. But because governments are ubiquitous, it is nonetheless essential to work with them. UNCDF has consistently done so over many years. In the process, it has acquired an unrivalled understanding of how to foster constructive partnerships with them – as several of the evaluations and some other studies demonstrate.

Two ideas which UNCDF understands very well are especially important. First, it recognises that it needs to persuade government actors that the devolution of funds and decision-making powers to ordinary people at the local level (which commonly occurs in UNCDF programmes) does not represent a zero-sum game. Governments give certain things up, but in the process, they also make significant compensatory gains. For example, information flows between the government

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13 Doug Hindson argues that the private sector might also be included here – on the basis of events in some countries. I remain sceptical, but I respect his judgement enough to suggest that the potential of the private sector should be carefully considered by UNCDF.

14 In 2002, I asked civil society specialists at two agencies with rather different outlooks (the World Bank and the Ford Foundation) for lists of less developed countries in which national-level civil society organisations actually managed to penetrate to the local level -- as such organisations routinely claim to do in nearly all countries. They produced the same, very short list: Brazil, the Philippines, Bangladesh and India. That excludes most of the developing world, and all of the countries analysed in the current ECIAfrica exercise.

15 Ten years ago, I asked the head of one of the most formidable civil society organisations in Bangladesh (the country where civil society arguably has the most extensive 'reach') what proportion of that country's population was reached by all such organisations. His response was "about 20%" – and the proportion has not grown much in the intervening years. And that is in the best case.

and the grassroots increase mightily, in both directions. And governments and ruling parties acquire greater legitimacy and popularity as a result. Some of UNCDF's main successes owe much to its capacity to get this message across.

The second idea which UNCDF has long understood also deserves emphasis – since it has only recently dawned on some key donors.<sup>16</sup> It is exceedingly important to link development initiatives with mainstream government agencies/institutions. Many recent donor initiatives have entailed the creation of special instruments which by-pass mainstream government institutions, and which therefore weaken and de-legitimise them. This occurs at higher levels when special agencies are created in which administrators are paid far more than their counterparts in mainstream ministries. And it occurs at lower levels when 'user committees' or mechanisms connected to social funds are lavishly funded while elected local councils remain starved of funds. Such special instruments may be appropriate for very short periods in which emergencies (floods, famines, devastation wrought by armed conflict, etc.) must be addressed urgently. But the time soon comes when these instruments do more harm than good, because they undermine mainstream institutions (everything from line ministries, to elected local bodies) which must operate effectively if development and constructive governance are to happen once the crises pass. UNCDF has consistently taken great care to listen to government officials, and to structure its programmes in ways that resonate with governments' existing procedures, so that mainstream institutions are reinforced and actors within them acquire a sense of 'ownership' of its programmes.<sup>17</sup>

## 2.2. A Well-Founded, Realistic Trust in Ordinary – Indeed, Poor – People

Several of the evaluations yielded two findings which are fundamental to UNCDF's strategy – indeed to its *raison d'être*. First, when ordinary people (including the poor and illiterates) are empowered at the grassroots, they turn out to be capable of engaging effectively in the public sphere and of holding government actors accountable. Second, when they are permitted to influence decisions about local development projects that affect them, they develop a sense of ownership and help to maintain them – and that promotes sustainability.

These findings – that the unlettered poor in less developed countries are powerful and responsible advocates for what they deem important in terms of their own developments – were not a surprise to the evaluators of these UNCDF projects. They are corroborated by many studies of successful democratic decentralisation and local development projects in countries with very low human

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16 What follows was one of the main findings of the studies for the World Bank that led to the book cited several times in this report: Manor, *Aid that Works...* When that finding was put to senior World Bank officials in 2006, they readily accepted it. But in encounters with World Bank policy makers as recently as 2002, this writer found them resistant to this idea. It has been a late epiphany.

17 To take just one example from the evaluations, UNCDF worked meticulously to ensure that its operations at intermediate levels in Ethiopia were well aligned with the government's existing procedures – something that was warmly welcomed by officials there and contributed mightily to government 'ownership' of the UNCDF programme.

development indicators.<sup>18</sup> And as India's poorer voters have shown for decades, illiteracy does not prevent people from being highly sophisticated and discerning.<sup>19</sup> UNCDF's trust in ordinary people may appear idealistic, but it is rooted in a realistic appraisal of solid evidence from many dependable sources – and the devices used by UNCDF to empower people at the local level are also anchored in solid experience from a diversity of settings. It could not have achieved so many successes – in the countries evaluated here, and elsewhere – if these things were not true.

### **2.3. The Under-Estimated Importance of South-South Emulation/Replication**

UNCDF is currently supporting an 'Africa Forum on Local Economic Development through Local Governments'. It is also pursuing some similar initiatives in other regions – encouraging South-South communication in order to replicate promising developments across national boundaries. This lies largely beyond the range of issues covered in the present evaluations – although the evaluation of UNCDF in Ethiopia refers positively to visits by key actors from that country to Uganda where democratic decentralisation and local development have made greater headway. But there is clear evidence from other research that such efforts have substantial promise – and that UNCDF's work in this sphere is well justified.

Consider one telling example. For several years now, most donor agencies have backed democratic decentralisation. But what is often overlooked is that most international development agencies – UNCDF was a notable exception – were late arrivals on the decentralisation bandwagon. Decentralisation had become something of an international fashion by the mid-1990s – before most donors lent it solid support. By then, experiments with decentralisation had begun in over 60 countries in Asia, Africa, Latin America and Eastern Europe – largely without donor encouragement. Those experiments were undertaken, unbidden, by senior government actors in less developed countries because they had learned of gains that had attended decentralisation in other similar countries. South-South emulation explains the growth of this important trend.<sup>20</sup> Many donors do not know this, and thus under-estimate the utility of promoting South-South communication. But UNCDF – typically – understands it very well and is acting upon that understanding.

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18 The list is quite long, but see for example, J. Ribot and A.M. Larson (eds.) *Democratic Decentralisation through a Natural Resource Lens* (Routledge, London and New York, 2004), R. Crook and J. Manor, *Democracy and Decentralisation in South Asia and West Africa: Participation, Accountability and Performance* (Cambridge University Press, Cambridge, 1998), and J. Manor, *The Political Economy of Democratic Decentralisation* (World Bank, Washington, 1998).

19 This has been plainly and repeatedly evident from reliable surveys conducted by India's best polling agency, Lokniti, at the Centre for the Study of Developing Societies, Delhi. They show, for example, that poorer (mainly illiterate) voters engage often in sophisticated 'ticket-splitting' in marking ballots for different parties when national and state elections in that federal system are conducted simultaneously.

20 Manor, *The Political Economy...*

**FINDINGS REPORT**

Let us now turn to the heart of this report, a discussion of UNCDF's strong comparative advantage in promoting local development. Sections 9 to 12 below examine four key characteristics of its approach. Sections 13 to 16 then assess their impacts in four important spheres.

### 3. UNCDF'S COMPARATIVE ADVANTAGE

#### 3.1. On A Diversity of Fronts

The evaluations reviewed in this report authoritatively demonstrate that UNCDF has a strong comparative advantage over other international development agencies in the promotion of development at and just above the local level. That is a simple statement, but the evidence to support it is quite complex – since it emerges from analyses of a diversity of issues. So to appreciate UNCDF's comparative advantage, it is necessary to consider a broad array of topics. The next nine sections of this report do that.

The nine sections below can be grouped into two clusters. The first cluster (sections 9-12) examines four key characteristics of UNCDF programmes: their relevance, adaptability, replicability and sustainability. The second cluster (sections 13-17) considers five important impacts of those programmes: fostering government ownership of the UNCDF approach, improved governance, the strengthening of different types of capacity, development outcomes, and poverty reduction.

#### 3.2. Relevance

We need to consider whether UNCDF's approach to development at the local level, and to institutional and policy change at higher levels to facilitate that, is 'relevant'. And it is important to understand that two rather different questions arise here. First, is that approach relevant in the current climate of thinking (internationally) about how to make aid effective? Second, is it in practice relevant to the pursuit of development at the local level where UNCDF mainly focuses?

The answer to the second question is, as we shall see, a firm 'yes' -- on the evidence from the evaluations. That is to say, UNCDF's approach has long been decidedly relevant to the conditions at the grassroots and to the needs of governments in less developed countries. But before we turn to that issue, we need to recognise that the answer to the first question has not 'long been' a firm 'yes' – this has become true only recently.

Most international development agencies have, since the late 1990s, seen excessive centralisation within many less developed countries as a serious impediment to development, and since then they have sought to encourage decentralisation and bottom-up, participatory development in order to give people at the local level genuine influence over decisions about development. But the key question here is when the specific approach pursued by UNCDF became accepted by very influential figures at high levels in major international development agencies as the most efficacious strategy for achieving bottom-up development. This has happened in key agencies only very recently. It is evident in the positive reception given by senior officials at the World Bank in 2007 to one set of studies which they commissioned, and which found that approach to be decidedly efficacious even in a diversity of very unpromising contexts.<sup>21</sup> Those contexts included

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21 This set of studies is contained in Manor (ed.) Aid that Works....

**FINDINGS REPORT**

Afghanistan and northern Uganda (amid ongoing conflicts), Timor Leste (in the immediate aftermath of conflict), and Mozambique and Cambodia.

There is, however, a serious problem here for UNCDF. It has done more than any other international agency to pioneer that approach -- and it had played a crucial role in two of the five 'difficult contexts' examined in that book. But UNCDF is not seen to have done so. Enquiries by this writer with numerous senior officials at four UN agencies and five other international development agencies which seek to encourage this approach indicate that these people have little or no understanding of UNCDF's outstanding record and capabilities in pursuing this approach.

This brings us to the 'excruciating irony' noted in the Introduction to this report. There is a danger that just as this approach is being accepted by powerful figures in international development, the agency best equipped to take the lead in pursuing it – UNCDF – may be marginalised amid the rearrangements that flow from the Paris Declaration and the 'one UN' effort to promote greater coherence among UN agencies (topics which are discussed in the final sections of this report). This must, as a matter of urgency, be prevented. UNCDF's unsurpassed capabilities in this vein must be harnessed by placing it in leadership roles in joint donor efforts at country level across the developing world.

Let us now consider the 'relevance' of UNCDF's strategy within less developed countries. As several later sections of this report demonstrate in detail, its approach is decidedly relevant in a diversity of ways and contexts. It has produced substantial improvements in countries that experienced British, French, Belgian and Portuguese<sup>22</sup> imperial rule, and in countries where Western imperialism had little impact. It has produced admirable results not just in somewhat liberal political systems, but in countries with experienced autocratic governments. Its approach has proved relevant in systems with comparatively strong, well elaborated institutions, and in fragile states.

It has had a constructive impact not just where economies are comparatively strong, where Human Development Indicators are comparatively encouraging, and where extreme poverty does afflict the great mass of the populations, but also in places with struggling economies, low HDIs, and huge numbers of people in severe poverty. It has worked well in countries where leading political actors are firmly committed to decentralisation and greater openness, and where they are more hesitant.<sup>23</sup>

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22 No Lusophone case was examined in these evaluations, but see evidence from Mozambique where UNCDF played a key role in triggering a dramatic improvement in governance at the key district level (Kulipossa and Manor, "Decentralized District Planning...").

23 The one negative thing to say here is that UNCDF must avoid the error that was made in Malawi where it worked only at higher levels in the political system. In that case, it did not stress pilot projects at the local level, so that it was unable (in its dialogues with senior policy makers there) to exploit the persuasive power, the demonstration effect, from encouraging experiments at the grassroots.

The relevance of UNCDF's strategy becomes still more apparent when we consider a key finding from recent research in Africa and Asia.<sup>24</sup> Those studies have shown that greater constructive potential – to improve governance and to promote development -- exists at the local level than is often supposed, and than we find at higher levels in political systems. This is especially true in countries that have experienced periods of serious misrule or conflict, but it also holds in places where such ordeals have not occurred. The point to reiterate here is that no other agency's approach is better able than UNCDF's to draw that constructive potential at the grassroots into the public sphere, and to enhance its capacity to make an impact on governance and development.

UNCDF (in partnership with UNDP – provided that UNDP can be persuaded of UNCDF's extraordinary promise) is also highly relevant in one other key respect. It is exceedingly well placed to persuade policy makers high up in governments in less developed countries that the approach which it pursues in pilot projects should be extended across entire systems (see section 11 on replicability below). This owes much to the perception among such policy makers that UNCDF and other UN agencies are more genuine development 'partners' than are most other international agencies (see below).

Thus, UNCDF's approach is highly relevant – at the grassroots, at higher levels within the political systems of less developed countries, and within the international arena.

### **3.3. Adaptability**

One of the main reasons that UNCDF's approach is relevant in diverse contexts is its adaptability – a topic that deserves a separate discussion. The approach is adaptable in two senses:

- in different settings and conditions – that is, in different countries or regions of countries, and
- at different times, as conditions change within places where the approach is being pursued (and such change can occur partly as a consequence of UNCDF's initiatives).

locality. However, the author has noted that in many circles of crucial relevance to it, UNCDF's model is not well understood and therefore would recommend that UNCDF embark on a carefully articulated 'communication campaign' in which UNCDF analyses key stakeholders and tailor-makes products that will help convey the basics of its model, draws on its evaluations to highlight both its successes and challenges and future strategies and contrasts and 'benchmarks' its approach with other practitioners who are active in the same areas. The author would like to stress that this should not be viewed as a public relations exercise - UNCDF's achievements and promise do not require it to use such 'tactics' – but that there should be a genuine attempt to reach out and create a community of stakeholders who both understand the model and become advocates of the UNCDF approach.

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24 A. Krishna, *Active Social Capital: Tracing the Roots of Development and Democracy* (Columbia University Press, New York, 2002), and Manor, *Aid that Works...*

**FINDINGS REPORT**

Over time – as feedback from local participants and from government actors at higher levels suggests adjustments in the approach – adjustments are made. This openness to information and preferences from below – matched by a similar openness to the views of policy makers passing down from above -- serves as a model for a new and more congenial kind of governance which in turn serves to promote improved state-society relations. UNCDF stresses the need to consult, to listen and to respond flexibly, and thus to keep key government actors on board as the process unfolds, while going ‘with the grain’ of local conditions and priorities. This is crucial to success in development projects.

The open, responsive and flexible character of UNCDF’s approach tends strongly to inspire enthusiasm in governments that are involved – and to earn UNCDF acceptance as a genuinely fraternal partner. This was vividly apparent in, for example, Senegal (p.27) where the government made its appreciation very clear

Because it has the advantage to be flexible (by integrating modules deemed indispensable by the UNCDF for monitoring projects but leaving some flexibility for national or local initiatives), the MIS was appreciated by the Senegalese authorities, to the extent that the Ministry in charge of Local Authorities has asked the UNDCF Executive Secretariat if they would share the software.

In Ethiopia, officials welcomed the adjustments that were made when relations between different levels in the administrative hierarchy turned out to be different from what had been expected, or when new demands arose from key government agencies (e.g. p.25). And those are not isolated cases.

One other thing which serves adaptability is the explicitly experimental character of UNCDF’s pilot projects. They are, by definition, open to revision as new information becomes available. To facilitate adjustments across entire systems, UNCDF documents examples of ‘best practice’ which emerge from pilots in specific localities. In Uganda, this proved “instrumental” in bringing constructive change to a system which was already highly institutionalised and thus prone to stasis (p.51). It also facilitated the replication of successful practices nationwide, so that in Uganda (p.12), UNCDF pilots triggered change across the whole, well entrenched system – as they did, more radically, in Mozambique.<sup>25</sup> Careful documentation, and the possibility of replication which it facilitates, tend strongly to attract support from governments and from other international development agencies. In Uganda, it had this effect within the key government agency that was involved and within the Dutch, Danish, Irish, British and Austrian agencies, and the World Bank team (p.12).

### **3.4. Replicability: Promoting the Up-Scaling of Successful Local Experiments**

Let us probe more deeply into the issue of replication. To justify UNCDF’s emphasis on pilot schemes in a limited number of localities, we need to ask whether it has been possible to replicate

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25 Mozambique was not one of our cases for evaluation, but see Kulipossa and Manor, “Decentralized District Planning...”.

them in other parts of a country – and to scale up more fully by persuading governments to make them into country-wide initiatives. (In other words, has it been possible to move from Goal A to Goal B?)

There are actually two questions here. First, does the character of UNCDF's local development projects lend itself to replication in other localities within the same country? Second, can high-level government actors in a country be persuaded to permit attempts at replication and up-scaling -- and, given UNCDF's limited funds, can donor agencies be persuaded to provide the resources that are needed to accomplish this? Since UNCDF's mandate is to make key investments that will promote constructive innovations, it is entirely right and logical that donors provide resources to enable it to fulfil that mandate.

The first question is easily answered. Abundant evidence from the evaluations, and from every other assessment of UNCDF's work known to this writer, plainly demonstrates that its local development fund modality can be made to work at the grassroots in all but the most extreme environments (mainly war zones and countries with grossly brutish regimes). So it is replicable in diverse localities within a single country.

This is true because the model is both widely applicable and flexible. It can be widely applied because it is not overly complex – it entails a limited set of straightforward processes that can be mastered without huge difficulty by implementers who reach down to the local level,<sup>26</sup> and by ordinary (and poor) people who live there and become drawn into the process. As section 10 just above indicated, the model can be adapted when it extended to new areas because it is applied flexibly. Adjustments are willingly and routinely made in an open spirit, after participatory consultations with local actors, in order to accommodate distinctive local conditions and preferences.<sup>27</sup> This writer knows of no other modality that surpasses UNCDF's in its broad applicability at the grassroots. (We must, however, beware of two potentially serious threats to this flexibility – from logical frameworks, and “result-based management”.<sup>28</sup>)

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26 This is essential because UNCDF does not maintain a sizeable ‘standing army’ of local development fund cadres who can be parachuted in to any given country. Implementers are mainly drawn from the indigenous population of the country in which the process is pursued – which requires that the model be straightforward enough to be mastered quickly. Proven training techniques are also deployed to acquaint implementers with UNCDF processes.

27 UNCDF's ‘flexibility’ also entails striking balances between its own practices and the inclinations of both local and higher-level groups – as for example, the Senegal evaluation indicates. That facilitates not just up-scaling, but also indigenous ‘ownership’ of the processes.

28 Logical frameworks sometimes turn out to impose unhelpful constraints upon constructive UNCDF activities at the grassroots. Our evidence suggests that UNCDF personnel tend -- quite sensibly -- to depart from log frames when they threaten to undermine their basic purposes. (This occurred, for example, in Ethiopia.) As Doug Hindson has stressed to me, the log frame approach is intended for initiatives driven by expatriate managers. “It does not favour self-driven local development programmes and processes.”

Problems can also arise from the excessively narrow pursuit of “results-based management” – a very popular theme in the global development community at present. Rosalind Eyben has raised very serious concerns about the possibility that “results-based management” (i) may prevent representatives of development agencies from listening to and

**FINDINGS REPORT**

The second question poses greater difficulties. Donors usually respond sympathetically when UNCDF pilots produce positive results.<sup>29</sup> But senior figures in governments are often hesitant. Many of them feel insecure and worry that any change -- especially a change which opens the political system up by giving ordinary people influence over decisions -- may cause instability and threaten their grip on power. But as several of our evaluations (for example, of Ethiopia and Uganda) indicate, and as other studies have shown, it often becomes possible for UNCDF to ease their anxieties. This occurs when UNCDF can show powerful political actors that this modality, backed by investment funds, produces improved and tangible development outcomes, is welcomed by ordinary people, and thus enhances the regime's popularity and legitimacy. The government becomes more, not less secure, and leaders come to understand that the UNCDF approach serves their political interests, which is their main preoccupation. This has occurred, for example, in Mozambique, Cambodia and Benin.<sup>30</sup> UNCDF also systematically develops useful documentation (manuals and briefing papers) to demonstrate how replication might be achieved.<sup>31</sup>

Our evaluations offer further evidence of UNCDF's successes in this vein. The Ethiopia evaluation of UNCDF (p.32) noted its ability to demonstrate the potential for replication of its infrastructure investment planning and budgeting approach in the pilot areas – as well as for more participatory processes in general at the local level (pp.21, 25, 27-28). The Uganda evaluation reported the extension nationally of the coordinated planning and budgeting component of the UNCDF pilot exercise, and the likelihood that other elements of the approach would also be extended – because powerful government actors enthusiastically welcomed results from the pilots (pp.11, 14, 20 and 56). That had opened the way for other key devices – including those for local revenue enhancement to enable better service delivery – to be similarly extended (pp.29-31). (See also p.52 on monitoring and evaluation; and pp.58-59 on implementation and coordination modalities.) A UNCDF staff member has cultivated strong bonds of trust within a key committee at the national

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comprehending the perspectives of people in less developed countries, (ii) may undermine the fostering of 'ownership' of development programmes by both powerful and ordinary people there, and (iii) may inhibit the flexibility of development agencies. [See her "Donors' Learning Difficulties: Results, Relationships and Responsibilities", IDS Bulletin (September 2005) pp. 98-107.] Our evidence indicates that UNCDF is far less likely to fall prey to this danger than are most other agencies. But UNCDF should pay careful attention to Eyben's criticisms, since the "results-based management" approach appears to threaten some of its most valuable contributions.

29 This occurred, for example, in Mozambique (where F. Kulipossa discovered it) and in Bangladesh, Senegal, Yemen and Benin. UNCDF, *Local Development Practice...*, section 2.3. Note, however, that some donors – and even some people in other UN agencies – do not understand the special nature and the exceedingly high promise of UNCDF approaches. This is perhaps because they are badly under-informed and tend not to seek out alternative views.

30 Mozambique is the classic case, where UNCDF pilots helped to transform governance at the key district level which had previously been thoroughly closed, and a major impediment to efforts to promote participatory development at the local level. See Kulipossa and Manor, "Decentralized District Planning..." , Hughes, "The Seila Programme in Cambodia" in Manor (ed.) *Aid that Works...*, and *ibid.*, section 2.3.

31 See for example, the Uganda evaluation, p.48.

level there (pp.36-37 and 52-53) – something that his/her counterparts elsewhere have also proved adept at doing<sup>32</sup> – and this was crucial to persuading high-level policymakers to replicate local successes country-wide.

Finally, one further way to promote the scaling up on localised successes is to develop institutions which reach beyond isolated localities to others nearby. This is not a substitute for efforts to extend the approach across entire countries, but it can help to persuade higher authorities that that is feasible and promising. UNCDF has seen the utility of this, and (where possible) has shrewdly pursued it. In Guinea (p.26), such an initiative proved attractive to local residents because its investment mandate enabled the swift construction of infrastructure projects through cooperative efforts across localities. It also fostered a sense of inter-locality solidarity which enhanced popular support for, and the capacity of, bodies within single localities that had been empowered by UNCDF's programme. The evaluators in Guinea did not fully recognise how -- by international standards – unusual and remarkable this achievement was. (See also in this connection, the Senegal evaluation, p.48.)

Note that the various cases named just above represent a very diverse set of political systems – and yet up-scaling was possible in all. So it is possible to say with confidence that UNCDF's pilot exercises have substantial promise in terms of replication and up-scaling.

### **3.5. Sustainability**

As used here, the word 'sustainability' means two different things – (i) the capacity to sustain processes and institutions created or strengthened by UNCDF, at and just above the local level, together with the outputs that flow from them, and (ii) the capacity to sustain not just those processes and institutions, but also new perspectives, fostered at higher levels in political/administrative systems. Thus, to ensure sustainability, several things are important.

At lower levels: participatory institutions created or enabled under the programme, need the resources and the operational capacity to continue constructive efforts.

To ensure the maintenance of outputs from UNCDF-designed programmes (especially small infrastructure works), beneficiaries need to value those outputs sufficiently to maintain them.

At intermediate and higher levels: where multiple agencies (usually government agencies) are involved and may assume responsibility for UNCDF initiatives once they are handed over, they need to develop the skills and inclination for coordinated action linking their efforts together.

Government actors, especially at higher levels need to be persuaded that the approach piloted by UNCDF is yielding benefits – not just to local residents, but to the government by enhancing its legitimacy.

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32 See the evaluations of Rwanda, Senegal, Ethiopia and separate studies of Mozambique and Cambodia in Manor (ed.) Aid that Works...

**FINDINGS REPORT**

In many cases, other international development agencies need to be persuaded that the pilot projects -- and their up-scaling or extension to new areas -- are worth funding.

To accomplish all of these things is a tall order, but the evidence from the six evaluations reviewed indicates – fairly consistently – that all of them were indeed achieved.

Point (e) just above was discussed in section 11 on replication and up-scaling, but it is worth reiterating here that UNCDF achieved considerable success with other international agencies in most of the cases studied by the evaluators. Let us now consider the other points set out above.

On point (a), headway has been made in nearly all cases. Indeed, the Guinea evaluation (pp.13 and 15) found that significant progress in empowering and resourcing local institutions had been made even amid decidedly difficult circumstances, and that people had increased their tax payments in response to the programme. Similar findings emerged from the report on UNCDF in Ethiopia (e.g., pp.22-23). In Uganda, evaluators found that more remained to be done, but that

*Innovative practices on local revenue generation and collection have been adopted by local governments. There is a strong awareness and commitment at the District and Sub-county level of the need to enhance local revenue, which can be directly attributed to a wide distribution of Best Practices on revenue generation and guidelines for implementing those practices via the [pilot scheme]. There is visible effort by both higher and lower local governments to broaden revenue base by adapting new sources...Consequently, the analysis and planning for revenue enhancement initiatives in the [pilot's] Districts visited were found to be of high quality. (p.24)*

There was also progress there in introducing a property tax, a new source of revenue for local governments (p.26), and

*...the evaluation witnessed a high level of participation of councillors in revenue mobilisation programmes in all districts visited....*

*Radio talk shows and public gatherings have been used in a number of districts visited to mobilise taxpayers, and these have been addressed by both politicians and civil servants (p.27).*

In Rwanda, capacity building within local institutions and among an ensemble of local actors (including women) had clearly occurred (p.14). Transparent, efficacious planning processes had taken root (p.16, and see also, p.22 and – on resource mobilization – p.35).

On point (b), beneficiaries of outputs from the programmes tended strongly to value them. This was mainly explained by two things. First, the programmes enabled them to influence decisions over which outputs would be produced, so that (often for the first time) they got what they wanted and not what some high-level official thought that they needed. Second, UNCDF-designed programmes tended to seek feedback from local residents over how the processes were working, and to respond by making adjustments in line with that feedback. Other studies have established

that this plays a crucial role in making a success of development initiatives in a diversity of difficult contexts.<sup>33</sup>

For evidence of this, see for example, the Senegal evaluation (pp.46 and 47), the Uganda evaluation (pp.31 and 33), and the Ethiopia report on UNCDF (pp.27 and 29). In that last case, “The project focus on operations and maintenance of implemented projects has increased the awareness...of the need to contribute to upkeep of investments (p.29)”. The evaluators in Ethiopia then added a fundamental point which explains this: “The lesson we learned is that people contribute more and feel greater ownership of the process and the results if they have been involved in the decision making at all levels in the cycle of project management (p.30)”. In Guinea, taxpayer compliance improved as a result of the growing belief among ordinary people that local bodies would respond to their preferences (p.29). The Rwanda evaluation called particular attention to the durability of planning outputs which followed from local residents’ enthusiasm for them (pp.16 and 36).

On point (c): every case, including the troubled Malawi exercise, plainly indicates the substantial involvement of important government actors at higher levels – which is no surprise, since this is a central aim of UNCDF. In the process, they had (everywhere except Malawi, where the government failed to maintain its support) developed skills to make the new approach work and to coordinate the new system. The point is emphasised in the Rwanda report (e.g., p.35). Higher level actors were assisted in this by the development of such skills and of an eagerness to press for greater coordination at lower levels. This again is no surprise. It is well known from other studies that when representatives are given significant influence over decisions about development projects, they tend strongly to insist on playing coordinating roles – partly to enhance their new found powers and thus their self-esteem. They draw together government employees from different line ministries to advise and assist on infrastructure projects, and this improves the quality and overall impact of such projects.<sup>34</sup>

Very considerable headway was made on point (d) – persuading powerful figures at higher levels of the utility (to ordinary people, but also to governments) of this new approach to local development. Evidence of this appeared in section 11 just above, but more can be added.

The Ethiopia evaluation repeatedly stressed the warm welcome for the process introduced by UNCDF among key officials at national and intermediate levels. “This was stated many times... (p.22)”.

*Political commitment to the decentralisation process is evident as well as a slowly improving overall development framework ...[A]wareness has been raised... in terms of the usefulness of discretionary capital investment funds both as a necessity to enhance local service delivery but also in terms of increased active local participation in development issues. Therefore ...the USD 1.8 million has been a good investment with a satisfactory return (p.25).*

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33 This emerged from nearly all of the eight cases in Manor (ed.), *Aid that Works*....

34 Crook and Manor, *Democracy and Decentralisation*..., especially chapter three.

In Uganda, UNCDF had triggered

*...advanced national discussions on sustainable local revenue and the Ministry of Local government has tabled in Parliament a bill intending to operationalise new sources of revenue for local governments. These developments are partly attributable to results of the...pilot (p.32)*

*There is a visible increase in national discourse on local revenue enhancement. The [pilot] was commended [by senior officials] for enabling an active involvement of key national agencies in policy exchange focusing on local revenue mobilization and consolidation (p.25).*

Powerful figures at high levels in Uganda accepted and pursued the national replication of the pilot project, which plainly indicates that the process will be sustained (see pp. 13, 16 and 30-31). Similar evidence emerged from Senegal (see e.g., p.34) and Rwanda (especially p.24, but also pp.20 and 30).

Now that key characteristics of UNCDF programmes have been examined in the five sections above, let us consider the impacts of those programmes in four important areas.

### **3.6. Improved governance**

We must consider three things here:

- changes which make higher level government institutions/actors better able and more inclined to operate constructively and responsively in their engagement with ordinary people at the grassroots;
- more open and constructive interactions between government actors/agencies and ordinary people or their representatives at lower levels; and
- enhancements in the strength of representative local bodies and in the influence, political awareness, skills, confidence, and inter-connections of local residents.

(There is considerable overlap between this section and the next, on 'capacity building'. The two sections should thus be read together.) On all of these fronts, the evaluations tend strongly to see UNCDF's contribution as quite positive.

The three things listed above are discussed here sequentially, in the interests of clarity, but they are obviously closely inter-related. That is often apparent in the evaluations. The report on Guinea, for example, points to a triple impact of the UNCDF programme. It strengthened the capacity of higher level officials to govern effectively and responsively. It stimulated increased participation by ordinary people and their representatives, gave them greater political leverage (so that they also did some of the 'governing'), and bolstered their political capacity. And it yielded more meaningful and constructive interactions among the various actors (p.28). The evaluators concluded that all elements of the UNCDF programme there had contributed to these gains.

All of the evaluations (except in Malawi where a government U-turn retarded progress of the programme) stress enhanced capacity among higher level officials to govern more openly and responsively, and they often point to significant policy innovations which facilitated this. In the real world, these changes seldom produce transformations, but the support for local courts in Uganda came close to that, and the programme there led to major new legislation to strengthen democratic

local government (p.43). UNCDF has sometimes triggered genuine transformations in countries not covered by our evaluations, notably in Mozambique.<sup>35</sup>

The evaluators tend to stress constructive improvements in interactions between government actors and local residents, and these are only possible when gains are made in the first and third fronts listed above. In Guinea – in very difficult circumstances -- the UNCDF programme developed

a participatory culture of local governance which has enabled tangible actions in the sense of promoting sustainable economic and social development in the two prefectures covered by the programme's intervention area. Hence, in terms of governance, conclusive results have been noted in terms of taxpayers' compliance and project management which have enabled the construction of mainly social-type infrastructures which benefit the populations and help to improve the level of service in the education and health sectors (p.12).

Participatory planning gained real substance there, despite institutional changes introduced by the government which made that more difficult. The key deliberative body in this process (the Community Council) met regularly, kept to agendas, recorded minutes, and worked very effectively. A spirit of political pluralism developed within these local Councils (and another set of councils at a higher level), eroding the potentially dangerous cynicism and alienation of opposition parties. Ordinary people participated strongly, engaging with the Councils. This lent legitimacy to formal political institutions and mainly explains the gains in taxpayers' compliance -- which, in a virtual cycle, enhanced the resources available to the Councils. This explains the evaluators' broad conclusion that the UNCDF programme was "results-generating both in terms of governance and local development (emphasis added; pp.18 and 25).

Similar results emerged in Rwanda (p.14), and in Uganda, "considerable progress" was also made in strengthening participatory planning and budgeting.

Nearly all the targeted results were achieved and are sustainable and replicable ...Consequently, the quality of planning in all the six districts visited is much better than before... Plans are more analytical, (not just wish lists), and well documented especially at district level (p.18).

So even though UNCDF's Uganda programme focused on capacity building rather than governance, it made a significant "contribution to improved governance practices in Local Governments" (p.20).

Major gains -- in levels of popular participation, in its impact on decisions about development, and in the political capabilities of ordinary people -- occurred in all cases except Malawi, and even there, its impact was felt to a degree.<sup>36</sup>

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35 Kulipossa and Manor, "Decentralized District Planning...".

36 The Malawi evaluation found that the UNCDF programme had fostered a widespread appetite at the grassroots for local empowerment and participatory processes (p.10).

**FINDINGS REPORT**

This is stressed in the Rwanda evaluation (pp.14-17), but Ethiopia offers an especially telling illustration. The awareness of local residents has developed strongly there, and they focus intensely upon the twin needs for accountability by government officials and elected representatives, and for transparency in the political and policy processes – both crucial elements of improved governance. The UNCDF project

demonstrated that rural people know how to dialogue with, and hold local government bodies accountable, if given adequate opportunity and empowerment to participate in a concrete and meaningful manner...This has a positive effect on accountability, responsibilities and duties (p. 23).

That Ethiopia evaluation (like the report on Rwanda, p.14) also stresses gains made in breaking down social exclusion. This is occurring in gender terms (e.g., p.17), but it should also be stressed that in a country where ethnic diversity poses a serious threat to stability, UNCDF's local development programme also enables ethnic minorities to develop a stake in the political system – since local bodies and participatory decisions about development, in areas where they form majorities, are dominated by them.

There is also evidence in nearly all of the evaluations of the strengthening of links between poor people, and links between them and their allies among the non-poor. This is stressed in the report on Rwanda (p.20).

This evidence thus inspires strong confidence in the capacity of the UNCDF approach to produce significant improvements in governance.

### **3.7. Capacity Building**

Significant increases across the board, in several different types of capacity, were reported in Uganda. That is not surprising, since strong decentralised bodies had long existed and functioned well there, so that the UNCDF programme focused on capacity building as its main objective. But similar findings emerged from Senegal (p.38) where that was not the emphasis. For a fuller understanding of gains made in capacity building, however, we need to consider three different dimensions.

The capacity of low-level government employees to engage constructively with the more open processes fostered by UNCDF increased in most cases. This point was stressed in the Rwanda evaluation (see e.g., p.36). Senior government figures in Senegal stressed (credibly) their commitment to efforts to support this (p.35). In Malawi the managerial and technical capacities of local government institutions improved (p.8). In the (comparatively young) Ethiopian programme, training for government officials who interact with ordinary folk and their representatives was yielding gains – and senior political leaders welcomed this (p.27). Serious efforts in this vein were being made nation-wide -- partly at the national level, but mainly at intermediate (*kebele* and *woreda*) levels – focusing on:

*training the civil service; supervision and inspection teams to strengthen outreach to kebele levels; reorganising woredas with respect to service delivery issues; also training and capacity building at woreda level in gender and HIV/AIDS (p.28).*

Efforts to strengthen the capacity of members of local bodies to engage with government employees, and to manage development projects and the processes associated with them, yielded gains in Guinea (p.28) and Rwanda (pp.20 and 36). This enhanced the capacity of local bodies to

**FINDINGS REPORT**

absorb development funds (p.15). As noted above, the Uganda evaluation similarly reported: “Capacity of local councils in strategic planning at district level enhanced” (p.19). Local bodies in Senegal strengthened their capacity to mobilize local resources (pp.33-4, 41-2 and 67-8), and to deliver infrastructure projects effectively (p.43). Their capacity to manage the various processes associated with this also increased (p.69).

The Guinea evaluation also notes the increased capacity of ordinary people to participate and influence decisions about local development priorities (p.28). The report on UNCDF in Ethiopia repeatedly makes the same point, and stresses the inclusion of women (e.g., pp.17, 21 and 23). One result was a growing sense of local ownership of development outputs, which lent itself to sustainability and more enthusiastic participation in planning – and was warmly welcomed by government officials at intermediate levels (p.30). The growing capacity of local bodies to enable participation (p.21) also played a role there. Similar results were reported at many places in the Uganda evaluation. The Senegal study (p.101) and the Rwanda evaluation (pp.16, 20 and 24) both noted the increased capacity of ordinary people in several spheres, and not least, in their ability to ensure transparency in the more open systems.

The selection of comments here, together with some of the evidence set out in section 12 above, indicates that UNCDF’s approach tends strongly to yield clear gains in capacity building.

### **3.8. Promoting Local Development**

The term ‘development’ here implies both economic development and other changes which enhance not only the well being, but also the opportunities, influence and liberties of people at the local level. These things are often inseparable. For example, when local residents decide to repair a minor road so that it is passable during the rains, it enables people to carry products to nearby markets and to commute outward to places where employment is available – which enhances their incomes and local economic development. But it may also enable service providers like primary health care workers and school teachers to commute in – which enhances the well being of people in need. And since UNCDF’s strategy enables ordinary people to participate in decision making about how to use funds that it is investing, it provides them with the opportunity (and the liberty) to influence processes that affect their lives.<sup>37</sup>

The six evaluations contain numerous references to local projects which promote all of these types of development. UNCDF’s use of tested methods to assess the condition of local economies indicates that their initial evaluations of local conditions extended – very productively -- beyond the political and social spheres, so that subsequent decisions were taken in an informed manner. And

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37 They will not be doing so for the first time if an elected local council already exists. UNCDF routinely works with such authorities, providing them with funds which in most countries they sorely lack. By strengthening such elected bodies, UNCDF bolsters institutions that can plan and implement small-scale initiatives that tend strongly to promote local ‘development’ as defined in this paragraph. For an explanation of the strong tendency, see Manor, *The Political Economy...*, chapter six.

**FINDINGS REPORT**

since the assessments were participatory, those 'informed' by them included local residents.<sup>38</sup> In all of its initiatives, UNCDF sensibly concentrates on continuing to learn lessons in a participatory manner during the lifetimes of projects, so that adjustments can be flexibly made -- and on documenting them, so that insights can be used in UNCDF's and other agencies' work.

The Guinea evaluation refers explicitly to the multi-dimensional impact of the overall UNCDF initiative. It identified the unrealised local potential for economic development, and then took action to realise it. It also catalysed participation by ordinary people -- so their capacity to operate in the public sphere was enhanced and they were able to ensure that some urgent local needs (as they and not higher-level officials understood them) were met. And it strengthened the capacity of their elected representatives to engage with the employees of key ministries, to manage local development projects, and to respond to their constituents (p.28). (It thus also triggered improvements in governance.)

The evaluators in Uganda were cautious about drawing conclusions on the developmental impact of the UNCDF programme because most of the development objectives were quite broad and dependent on the external context. But they also stress at numerous points that the programme succeeded in promoting capacity on several fronts -- some of which promoted local economic development -- and that it enhanced local participation which lent itself to more appropriate local projects and to social development at the grassroots.

In Senegal, UNCDF micro-finance projects gave participants direct access to mutual benefit societies and instilled an entrepreneurial spirit in some of the beneficiaries, on which it is possible to build a dynamic of wealth creation. That evaluation also commended the programme's emphasis on favouring local businesses in the award of contracts for projects, since this bolstered the local economy -- creating jobs which produced a multiplier effect on the economy (p.37). In Guinea, local infrastructure projects facilitated increases in trade and commerce, with promising outcomes (pp.17 and 20). So that programme was "deemed results-generating both in terms of governance and local development" (p.25).

In Ethiopia, the UNCDF programme created processes which are helping to improve service delivery in crucial areas such as education, health, water and agriculture -- improving well being and advancing both social development and (directly in the case of agriculture) local economic development. The Ethiopia evaluation reviewed a considerable array of projects undertaken (pp. 14-17), and found that they lent themselves to local economic development. The Rwanda evaluation echoed this (e.g., pp.15-17). And even the report on Malawi, where the most recent phase of the UNCDF project had not matched expectations, found that infrastructure and service provision had actually occurred and was much appreciated by ordinary people and their representatives (p.9).

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38 In Senegal, for example, the evaluators noted that by providing information to participating local residents, the latter were empowered "to make relevant choices and to adopt appropriate strategies" that would promote local economic development (p.39).

More details could be provided, but it should be clear from these examples from the six evaluations that UNCDF's programmes have a solid record of achievement in promoting local development -- in all senses of that term.

### 3.9. Poverty Reduction

It is impossible, on the basis of evaluations such as these, to provide rigorous proofs of UNCDF's contribution to poverty reduction. 'Proofs' would require extensive household-level quantitative analyses which we were not asked to undertake. But it is still possible, on the evidence contained in the six reports, to say with confidence that significant gains have been made in promoting poverty reduction. This is not to say that UNCDF's local initiatives have had a transformative impact – sweeping away injustices. Ambiguities and limitations always afflict such efforts. But they need not be transformative to have great value. They need only produce significant improvement – and the evidence (and that of others) plainly indicates that UNCDF has often achieved this.

To assess UNCDF's impact, we first need to define 'poverty'. It is important to adopt a broad definition, of the kind which has become widely accepted within the international development community in recent years. 'Poverty', by this definition, entails severe shortages of material resources -- incomes, assets and basic necessities such as food, water and shelter. But it also includes severe scarcities of opportunities, capabilities and liberties. Those exist where people lack awareness of the public sphere, skills to operate effectively within it, the confidence to attempt that, and minimal organisational strength and connections with other actors who might assist them in taking collective public action. Thus, their 'poverty' partly resides in (i) their lack of influence in the public sphere, and (ii) their lack of access both to information about it, and to processes which might provide them with at least minimal responses, justice and redress.

The evaluations indicate that UNCDF's local programmes have often eased severe shortages of material assets. This occurred when they have enabled poor producers to get goods to nearby markets, or poor labourers to travel to places where employment is available – or when other outputs from local projects conformed to the material needs of the poor, a point stressed in the Rwanda evaluation (p.16) . It occurred when local UNCDF's promotion of micro-credit has enabled the poor to access and to pool material resources. Among the poor in Senegal (a typical case), it was judged

an effective way to fight poverty, improving the living conditions of the targeted people (for instance through the acquisition of consumer goods and household equipment) and contributing to food self-sufficiency ... (p. 37-38)

And since poor people's physical health enables them to earn wages, improvements in the delivery of health services and the convenient provision of clean drinking water enhance their access to material assets. Education equips the poor to acquire and to manage material assets. And multiple evaluations indicate improvements in the delivery of basic health and education services,

**FINDINGS REPORT**

and in service delivery in the water and agricultural sectors. For example, the report on Rwanda noted gains in food security, sanitation, and public health (p.19). The evaluators of UNCDF in Ethiopia found that even though the programme there was still at an early stage, infrastructure projects targeting health, education, drinking water, irrigation and agriculture<sup>39</sup> had eased the poverty of many – by enabling income generation among the poor, enhancing food security, tackling the human development dimensions of poverty, and reducing the opportunity costs suffered by women who previously had to undertake long treks to obtain water (pp.14-16).

Increased participation by women in Ethiopia and elsewhere has begun to break down their exclusion from the public sphere, which was an important dimension of their poverty. In Uganda, UNCDF's highly successful initiatives greatly facilitated the government's impressive achievements in promoting universal primary education and a campaign on HIV/AIDS.<sup>40</sup>

The evaluators in Guinea assumed that wealth creation through economic growth is the means of reducing poverty, so they seriously underestimated the impact on poverty of projects to supply equipment and to create small infrastructure works for the social sectors, and to ease the hardships faced by women. When they report increases in school enrolments and in the uptake on medical services by poor people (p.21), they are – without acknowledging the fact – indicating progress against poverty. Their counterparts in Senegal were closer to the mark when they stated that a decentralised financing mechanism for community infrastructure, introduced by UNCDF, had “a positive impact on the living conditions of the poor” (p.46). The Rwanda evaluation noted the durable impact on food security, living conditions, and the capacity of the poor to increase their incomes (p.35).

UNCDF's programmes have also enhanced poor people's opportunities, capabilities and liberties. They have enabled ordinary people – of whom the 'poor' constitute (often large) majorities in the countries that we have evaluated – to participate in decisions in the public sphere about how the funds that UNCDF has invested will be used. By opening decision-making process up, they enhance the awareness of the poor about the public sphere. By drawing them into participatory decision-making, they give the poor experience which enhances their skills to operate in that sphere. They may learn by trial and error, but since these programmes often given them the chance to participate for the first time, their learning curves are often impressively steep. Such openings almost always catalyse the formation of new (often informal) organisations among the poor, or they enliven existing, though moribund organisations.<sup>41</sup> That enhances the capability of the poor to take collective action.

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39 These included school buildings, health posts, access road projects and veterinary health posts and especially water boreholes.

40 These initiatives are analysed in detail in Melo, Ng'ethe and Manor, *Against the Odds...*, chapter two. Their poverty reducing impact is a core theme in that book. And UNCDF's contribution is stressed in our Uganda evaluation, the leader of which is also the author of that chapter.

41 Manor, *The Political Economy...* chapter six; and Crook and Manor, *Democracy and Decentralisation...*, chapter six.

**FINDINGS REPORT**

That clearly happened in, for example, Senegal, where the priorities of the poor found their way into local development plans – including women’s priorities on health and water issues. That is crucial, since women are the main gatekeepers between poor households and the health and sanitation sectors. In Uganda, the preferences of the poor (plus growth in the budgets for district-level councils) enhanced the impact of key services on the poor (p.20). Also in Uganda, UNCDF’s extraordinarily successful efforts to strengthen local courts also impinged upon poverty.

*The general response to this issue was that the courts are cheap and, therefore, affordable to the poor; are mostly inclined towards arbitration rather than imposing fines, thereby making them more attractive to the poor because the poor fear fines; are less feared by the poor because of their less formal approach to issues; and they take less time than formal courts to deliver judgment, thereby, releasing the poor to organize their livelihoods. In summary, we were told that the courts are ‘pro-poor’ by virtue of the types of cases they hear and their procedures (p.39).*

Social exclusion along gender lines – which compounds the poverty of women – was also eroded by UNCDF initiatives. In Ethiopia women as well as men were involved in the substantially increased participation that followed from these programmes (see e.g., p.17). Significant gains in gender mainstreaming were also noted in Uganda (pp. 24-36), and the local courts “facilitated more equitable participation in the delivery of judicial services, especially across gender lines (p.37)”. The Senegal evaluation found that women were empowered by capacity building efforts built into the UNCDF programme (p. 38). This point is also made repeatedly in the report on Rwanda. It should also be noted that in Malawi the point was made that while women participated in council meetings they were often silent and that more attention needed to be paid to ensuring women a true “voice” in the proceedings.

UNCDF local programmes routinely give poor local residents access to an abundance of information about plans and decisions that are to be made locally. As they absorb that information, poor people’s awareness of events in the public sphere increases. That creates an appetite for information about processes beyond those introduced by UNCDF -- and fosters the inclination and skills to seek it.

UNCDF concentrates on ensuring that its own processes, and its work with elected local councils, ensures not just transparency (which provides the poor with information) but also accountability (which gives them influence to counteract ‘elite capture’ which can undermine poverty reduction). It achieved much on this front in most cases – not least in Ethiopia where this point was stressed by evaluators. And the Senegal evaluators saw this as one of the “unquestionable assets” of the programme, which helped to make ‘elite capture’ a “marginal phenomenon” (pp.17 and 34).

Even in Malawi where government actions partly thwarted the UNCDF programme, evaluators found that local respondents often referred to the idea of empowerment after experiencing UNCDF interventions. They greatly appreciated the programme – partly because it provided material assets by enhancing service delivery and infrastructure, but also because it made it possible for

them to exercise influence over those processes. It is remarkable that these things occurred in the least successful case that we evaluated.

UNCDF made headway in promoting both local development and poverty reduction because it uses a strategy which a separate study of successful development in five 'fragile states' has found to be effective.<sup>42</sup> It understands that greater constructive resources exist at the local level than at higher levels. It begins its efforts to catalyse those resources by undertaking an early, participatory reconnaissance to develop an understanding of the distinctive problems and character of the local arenas in which it will work. It then injects resources – financial resources, and its own wealth of experience at that level – into those arenas. It creates participatory mechanisms that give local residents (including the poor) influence over decisions about the use of those resources. It also uses those mechanisms to conduct frequent participatory appraisals of the new processes as they unfold, and it has the flexibility to make adjustments in the light of information from those appraisals. Those eight detailed case studies demonstrate the immense utility of this approach -- and while it works in 'fragile states', it can yield still greater benefits in less troubled environments.<sup>43</sup>

The findings from those studies came as a surprise to some readers – not least at the World Bank which published them. But they were no novelty at UNCDF. It has had a more sophisticated understanding of this approach, and has made greater use of it, for longer than any other development agency.<sup>44</sup> The evidence in our evaluations clearly demonstrates both that this approach has great constructive potential for the promotion of local development and poverty reduction, and that UNCDF remains the agency best equipped to pursue it.

It should by now be apparent that on a broad array of fronts, UNCDF has an unsurpassed comparative advantage in promoting local development. But as the Introduction to this report indicated, while its approach is now widely welcomed by international agencies, its pioneering efforts in this vein and its unrivalled capacity to pursue them are not well understood. Lest this cause UNCDF to be marginalised amid major changes in the international architecture for aid – at the very moment when its approach has been broadly accepted – we need to consider how it might play an important role in this new dispensation

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42 Indeed, those successes were in some cases achieved under UNCDF's leadership.

43 Manor, *Aid that Works*....

44 See for example, Leonardo Romeo's summation of insights which (to this writer's certain knowledge) had been developed at UNCDF long before his study was published: *Decentralized Development and Planning: Issues and Early Lessons from UNCDF-Supported Local Development Fund Programs* (UNCDF, New York, 2004).

## 4. IMPLICATIONS: STRATEGIC POSITIONING AND PARTERSHIPS

Let us examine the implications of the evidence presented above for UNCDF's strategic positioning and partnerships. Section 18 just below briefly addresses the question of possible new 'products' from UNCDF. We then consider the more complex and important question of UNCDF's place in the changing international architecture of aid – first by examining its relations to other UN agencies (section 19), and then by situating it within the full range of (mostly non-UN) international development agencies (section 20).

### 4.1. Possible New 'Products' from UNCDF

There is some interest at UNCDF in potentially constructive new 'products' which it might offer. Since the evaluations assess existing products, the main conclusions about products in this synthesis therefore do not focus on innovations. They are as follows.

The current range of products offered by UNCDF is already extensive, indeed decidedly ambitious.

That range of products is more promising for the pursuit of local development than are the offerings of any other international agency – so increased support and funding to enable UNCDF to provide existing products is well merited.

However, one new product with great potential emerges from the evaluation of the Uganda programme, and the report on Senegal offers a second idea worth noting.

In Uganda, UNCDF's programme included a component to strengthen local courts. They have two important virtues. They provide ordinary (and not least, poor) people with access to justice, swiftly and inexpensively. And they make imaginative use of pre-existing practices and habits of mind at the local level – so that they go 'with the grain' of socio-cultural perceptions and processes, but in ways that build innovatively upon them so that they are changed for the better.

Before attempts are made elsewhere to replicate this 'product' (which in some countries would entail not the strengthening but the creation of local courts), analyses are necessary to determine whether pre-existing practices in those other settings lend themselves to such initiatives. In some contexts, those practices may prove invidious. But the evidence from Uganda, and from several parts of Asia known to this writer, suggests that congenial conditions often exist.

The Uganda evaluators found that UNCDF's support for local courts succeeded in

*promoting good governance at the grassroots level. The expected outputs were: local council courts strengthening strategy developed and disseminated; operational guidelines for local courts proceedings introduced and tested; capacity of local Government for justice improved; community members sensitized on roles of and responsibilities of Local Courts system of local justice (p.39).*

They also found that this was the most successful of the four components of UNCDF's programme in Uganda.

*The justice sector had not received much attention before the programme, therefore, the component was ground breaking; it achieved its overall objective; the outputs have been delivered; the results are easily and cheaply sustainable because the courts are seen as an integral element of society and state evolution...*

*The Local Courts component provided three interesting positive lessons. First, a project can be quite successful even with limited funding. This component was the least funded of them*

**FINDINGS REPORT**

*all. The second lesson is that projects are more likely to succeed if they tap into existing indigenous institutions and practices. The courts enjoy immense authenticity and support because common people identify them with what they know and have always known. Three, the courts also demonstrate the lesson that projects are likely to succeed if they tap into an existing need and deliver on that need. The courts are likely to perpetuate themselves in one form or another, with or without much external support (p.56).*

So this new product is plainly worth pursuing elsewhere.

A second finding, which is not so much a 'product' as an often overlooked idea with considerable promise, emerged from the evaluation of Senegal (pp.53-4). This was an effort to support an association of elected members of local councils. It had been initiated by the Canadians, but the evaluators rightly suggested that UNCDF was best placed to lend further assistance. That would resonate powerfully with UNCDF's efforts to strengthen the capacity of elected members of local bodies, since it would enable them to engage more effectively in dialogues with state actors. It helps to break down the isolation of many local councils and councillors, and to ensure that local preferences make more impact in their invariably unequal relationships with policy makers at higher levels. If associations of local councillors gain greater legitimacy, this is also likely to facilitate UNCDF's efforts to persuade such policy makers to treat elected local bodies and local development more generously. Evidence from parts of Asia lends weight to the suggestion that UNCDF should consider this seriously

#### **4.2. UNCDF and Other UN Agencies amid the Pursuit of 'One UN'**

Two fundamental changes in the international architecture of aid present UNCDF with substantial challenges and opportunities. The first is the pursuit within the United Nations of the goal of 'One UN' – of greater coherence and mutual reinforcement among UN agencies. The second are the rearrangements that follow from the Paris Declaration in relations, especially at country level -- among international development agencies, and between those agencies and recipient governments. Among other things, this requires UN and donor agencies in specific countries to harmonise their activities so that all act collectively with more coherence.<sup>45</sup> (This writer was immersed in these twin processes during an assessment for the UN, in May 2007, of the work of its country team in Zambia.) What follows is a discussion of the implications of the six evaluations for UNCDF as it engages with these changes.

An understanding of UNCDF's unrivalled capabilities to catalyse local development is crucial here. In this new and still evolving environment, various UN and non-UN development agencies at country level are revising the division of labour among themselves, with some taking the lead in one sphere, and others heading collective efforts in others. Since (as, *inter alia*, our evidence indicates) UNCDF surpasses all other development agencies in the promotion of development at

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45 I do not go into further detail here since most readers will understand these processes.

**FINDINGS REPORT**

the local level, it must be allowed to play a leading role in that sphere<sup>46</sup> – even though it is smaller than several other UN agencies, and less well funded than nearly all donor agencies. To examine this possibility, let us consider UNCDF's place first among the array of UN agencies, and then among all other international development agencies.

Two of the evaluations provide a vivid demonstration of the comparative advantage of UNCDF among UN agencies. These are the two evaluations that focus on Ethiopia. The first is a final assessment of UNDP's programme, particularly as it impinges upon local development in that country. The second is an early mid-term assessment of UNCDF's programme there. The contrast between the two sets of findings is marked – the first is highly critical, while the second is extremely encouraging.

This writer has worked with UNDP and has high regard for that organisation. He has assessed its efforts and found them quite successful on multiple fronts. He therefore knows that UNDP's poor performance in Ethiopia was untypical. But we must still consider the evidence from that evaluation.

It found that the UNDP programme failed to address HIV/AIDS, M & E modalities, and asset management and maintenance issues. A planned rainwater harvesting modality was not implemented, and partnerships and additional resource mobilization were not pursued. A proposed joint steering committee to foster synergy between the decentralisation programme and the civil service reform programme was never created. The programme suffered from poor financial management. It was intended to be a bottom-up exercise, but it was in practice top-down, so that needs identified by communities were not addressed.

Government officials stated that they had no feedback from the programme, and appealed for UNDP to change its attitude. It is unusual for government officials to be more supportive of decentralisation than UN personnel, but that was true here. In one region, UNDP's credibility as a partner was called into question. More details could be cited, but it clearly experienced serious problems.

The second evaluation, of the UNCDF local development programme in Ethiopia, occurred a little under two years after its inception. The programme consisted of pilot exercises in three regions which sought to promote an array of improvements. They include strengthened social and economic infrastructure; enhanced service delivery; sustainable natural resource management amid infrastructure construction work; improved revenue collection systems; the establishment of social auditing structures; and the development of a replicable strategy and policy framework.

Despite the short time in which the programme has been running, significant headway has been achieved on many of these fronts. Extensive participatory exercises have occurred. Three-year plans have been prepared in a participatory manner and adopted, based on local- and regional-

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46 This point was stressed by Doug Hindson who headed multiple evaluations in this exercise. He also put my main point here more strongly, saying that "UNCDF should re-assert its position within the UN family as the leading agency for local development with a unique mandate for local investment". Telephonic debriefing on Malawi, 20 August 2007.

**FINDINGS REPORT**

level preferences. All capacity building elements of the plans are being implemented. Block grant transfer mechanisms have been put in place in all regions. Over 700 regional staff have been trained in participatory appraisal techniques, financial management, and M & E. Terms of reference for the recruitment of staff to enhance revenue mobilization have been agreed, and workshops for regional and higher level staff on this subject have been held. A workshop for government officials and donor representatives has been held, to explain UNCDF's local development fund strategy in order to attract donor funds, and both donor and government backing for the wider replication of the approach. This is only a partial summary of the progress made, but it should be clear that the programme has an impressive array of achievements to its credit in less than two years.

The contrast between the UNDP and UNCDF programmes in Ethiopia is stark. One important purpose of the evaluation of the UNDP programme was to assess the advisability of a merger of the two programmes into one. On the basis of the two evaluations' very detailed evidence, it has to be said that such a merger in Ethiopia could do severe damage – unless UNCDF were given, unambiguously, the dominant role in the local development programmes that ensued.

It is important, however, that we not let this one case distract us from the rather different message which emerges from the full set of evaluations (including Ethiopia) when we consider the larger question of the utility of each of these organisations to the other. That message consists of three main points.

UNCDF and UNDP tend strongly to complement -- and to need -- one another.

The evidence argues strongly for closer ties between them – and they are developing as part of the 'One UN' effort.

The evidence also makes it apparent that, as those closer ties are forged, it is crucial that UNCDF's comparative advantage be recognised – and that it be supported and exploited to the full, by giving it a leading role in efforts to promote local development. This will serve the vital interests of UNDP and other UN agencies. Regrettably, however, this writer's enquiries with senior officials in UNDP and other UN agencies indicate that they are far less aware of UNCDF's comparative advantage than -- in their own interests -- they should be.<sup>47</sup>

Let us consider these points in turn.

The comments above on the two Ethiopia evaluations should not create the impression that the orientations of the two agencies are seriously incompatible. Evidence from the other countries plainly indicates that their attitudes and endeavours usually resonate with and complement one another – in three important ways.

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47 This and similar comments in this report are based on confidential consultations by this writer with very senior officials at UNDP and four other development-oriented UN agencies, and on a study that he conducted for the UN in mid-2007 of the work of the UN country team in Zambia.

**FINDINGS REPORT**

First, like UNCDF, UNDP tends strongly to support initiatives which pursue bottom-up participation as a core element. For example, among the key lessons noted in the Uganda evaluation was the following comment. It might have been made about UNCDF, since it refers to a central component of its philosophy, but it actually refers to UNDP. That evaluation criticised a government initiative on participatory planning and budgeting in the following terms.

*...it would be more effective to concentrate on developing grassroots capacity to participate and hence make participation more demand-driven than concentrating on enhancing supply, as is the case today. This is what the UNDP-funded Participatory Development Management [project]... has tried to demonstrate and the lessons gained from that project need to be [integrated into] the policy and practice of decentralisation. The lesson is that it is vital for programmes aiming at promoting bottom-up planning processes in Uganda to begin with the bottom. This was one of the major missing links of the [government programme]... (p.55).*

Second, as is apparent from much else in this report, UNCDF is exceptionally well equipped to promote constructive change at the grassroots (Goal A), but it often lacks the financial and human resources to work as fully as it would like with government actors at higher levels – who need to be persuaded if successes from pilot projects are to be replicated more widely (Goal B). This has not prevented UNCDF from having a hugely important impact at higher levels in some countries, but the greater focus and resources of UNDP at those levels implies that closer cooperation between these two agencies makes good sense.

The Uganda evaluation dwelt heavily on this point, and one of its comments is worth quoting at length since it is true of numerous other countries as well.

*The need for UNCDF to work more closely with UNDP is now more evident than before. This is for both operational and strategic reasons. Operationally...UNCDF's country office which has had a very small establishment is likely [to] be more effective with more integration of management and resource mobilization approaches between the two. Strategically, although it has been said that the role of UNCDF in piloting new concepts for deepening decentralisation was generally appreciated by ministries, donors and local governments, there is still a lot to gain by integrating with the bigger UNDP because this will give UNCDF a stronger platform in the national policy dialogue which is so critical in a policy-oriented programme like the one promoted by UNCDF. More piloting on, for example, the relationship between decentralization and local economic development is needed and UNDP/UNCDF are strategically positioned to undertake this (p.51).*

Third, both UNCDF and UNDP have been better able than other international development agencies to influence senior government actors because they are perceived to be more fraternal than those other agencies – they are genuine ‘partners’ (a word that is often used rather loosely). As the Uganda evaluation stated, “The political neutrality of UNDP and UNCDF has been observed to be a very vital element that is conducive” to persuading the government to operate more flexibly (p.49). That same point emerges from several of our other evaluations (see for example, the Senegal report, pp.46-47), and this writer has heard similar expressions of trust expressed during 2007 by senior government officials in Kenya, Ghana and – very forcefully – in Zambia. The result in many countries is therefore similar to what the evaluators found in Uganda: “The relationship between UNDP, UNCDF and [the] M[inistry] o[f] L[ocal] G[overnment] has provided a good example that other decentralisation programmes can look at for best practices...” (p.54).

This plainly argues for greater cooperation between UNCDF and UNDP – so that their respective powers of persuasion can reinforce one another more effectively, and so that their congenial ties to

key government actors can serve as a model of cooperation for donors (something that conforms to the intentions expressed in the Paris Declaration). Both UNCDF and UNDP – and other international agencies, many of which have a crucial stake in local development -- would gain from such cooperation.

It is thus reassuring to see that both agencies are collaborating more closely in some countries. And they are both feeling pressure to carry this further – as the result of recent discussions between them at global level, and of the compulsions that attend the ‘One UN’ initiative.

But one point needs emphasis here. It appears that it is, thus far, mainly at country level that such cooperation is evident. And it is mainly there that some UNDP practitioners have grasped the comparative advantage of UNCDF in promoting local development (from evidence that they have seen with their own eyes). It is a matter of urgency that UNDP personnel at the highest levels understand that comparative advantage – which should be vividly evident from this report. Otherwise the ‘excruciating irony’ noted at the outset here may persist, and prove damaging not just to UNCDF, but to UNDP. It would also undermine the work of other UN agencies which engage with local arenas – as most do.

It is in the vital interests of UNDP and other UN agencies that this be understood, and that UNCDF be given the leading role in local development when programmes focus on that. If this does not occur, then the UN will have missed a huge opportunity. And as the section just below explains, the damage of overlooking UNCDF’s unsurpassed capacity to promote local development would extend to other international development agencies outside the UN system

### 4.3. UNCDF and Non-UN Development Agencies

A few non-UN donor agencies have strong records in promoting local development – GTZ is one example – but UNCDF nevertheless remains the most formidable force in this field. And like other UN agencies, it also enjoys greater trust from governments in most less developed countries. So how might these advantages be turned to good effect amid the drive for greater harmonisation and collaboration among donors in the aftermath of the Paris Declaration?

One trend which has gathered momentum since Paris entails the creation of ‘joint programmes’ in which numerous international agencies pool their efforts and funds to tackle an important issue – HIV/AIDS, agriculture, etc. Two or three of the participating agencies usually take the leading role on each ‘joint programme’. In a number of countries, ‘joint programmes’ for local development are being considered. In some cases, these are described as ‘sector-wide approaches’ or ‘SWAs’ for local development – although they differ from most ‘SWAs’ which focus on a single sector such as health or education, by generating local development efforts that cut across all such sectors.<sup>48</sup>

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48 They would also help to promote the coordination of ‘user committees’ associated with social funds and SWAs – thereby integrating them with processes that give the preferences of local residents influence over decisions (through reliably elected local councils), so that they become more responsive. This would represent a major gain. No agency is better placed to make this work well than UNCDF.

Whatever label we attach to these collective endeavours, it is apparent that this is the way that the wind has been blowing since Paris.

Given UNCDF's patent comparative advantage in local development, it makes sense to give it (possibly in tandem with UNDP) leadership roles in 'SWAp' or 'joint programmes' in that sphere. That would serve the interests of all of the donors involved since it would enhance their collective impact at the grassroots.

In several of the countries evaluated here, donor agencies have begun to move in that direction. Unlike many of their senior officials at headquarters, they have seen enough of UNCDF's achievements in local development to recognise its comparative advantage there. See for example the Ethiopia report on UNCDF (p.32); and the Uganda evaluation (pp.20 and 51). The Guinea evaluation reports that

*Undisputedly, the experience of the [programme], conducted by the UNCDF, is today a reference in terms of decentralisation in Guinea and a source of inspiration for the development partners involved in the decentralisation policy (p.26).*

The Uganda report states that

*The successful piloting of [the UNCDF programme] enabled replication of results national-wide through the Local Government Development Programme ...[which] was jointly funded by the World Bank, DANIDA, Royal Netherlands Embassy, Development Corporation Ireland, DFID and Austria (p.7).*

The result in Uganda is tantamount to a post-Paris 'joint programme' or a local development 'SWAp'. (For further evidence, see the Uganda evaluation pp. 21-32, 41-42 and 56; the Guinea evaluation, p. 27; the Ethiopia report on UNCDF, pp. 24-27; and the Senegal report, pp.46-49.) The Uganda evaluators were not asked to comment on the potential for 'joint programmes', but their remarks (p. 59) indicate that this *de facto* 'joint programme' enables unprecedented coordination among donors, and across sectors and line ministries.

*Participating ministries and [the government's key local development agency] have been able to actively cooperate outside their sector working groups. In addition, donor partners have been able to assign resources to process development outside the strictness of official aid delivery mechanisms (of budgetary support, sector budget support or bilateral project support).*

There will of course be instances in which no 'joint programme' or 'SWAp' for local development will be negotiable with various donors and the recipient government. When that is true, the best alternative is to seek to gain UNCDF a leading role in 'joint programmes' in sectors with a strong grassroots focus.<sup>49</sup>

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49 We see comments in several evaluations which in effect suggest efforts in that vein, even though the evaluators were not asked to consider the post-Paris milieu. For example, the very positive Uganda evaluation (p. 57) included this

**FINDINGS REPORT**

If this occurred, it would not require UNCDF to abandon its traditional and very productive promotion of experimental pilot projects. One telling comment from the Uganda evaluation is worth noting in this connection. Even though UNCDF's innovations had been widely accepted by Ugandans at all levels and by other international development agencies, and even though they had been incorporated into high policy and legislation, "all partners in the [local development programme] thought that it was still relevant for UNCDF to undertake piloting of bold and innovative ideas to support implementation of the [programme] (p.53)". There is no reason why this should not continue in other countries, alongside a leadership role in local development 'SWAps' or 'joint programmes'.

There is, however, a danger that as the harmonisation of donor efforts proceeds at country level, other agencies with less capability than UNCDF at promoting local development might be given a pivotal role in 'joint programmes' in that sphere. That is why it is so important that UNCDF's comparative advantage be more widely recognised. If it were marginalised in such programmes, everyone's interests would suffer – and harmonisation, instead of enhancing UNCDF's contribution, would weaken it.

To prevent that, UNCDF needs need support from other UN agencies during negotiations over harmonisation at country level – so that it can take the lead. But it will only receive that support if other UN agencies themselves perceive UNCDF's comparative advantage – as only some do at present. This report seeks to acquaint them, and all donor agencies, with this patent reality.

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comment: "We recommend that for replication and sustainability, the UNCDF and the potential partners continue supporting the same programme components but also incorporate in[to] the new [UNCDF-led] programme, emerging cross cutting issues, such as HIV/AIDS". In such a 'joint programme', UNCDF might join with UNAIDS in taking the lead. This writer has seen UNAIDS lead a strong 'joint programme' in Zambia. UNCDF is inactive there, but its presence would – on our evidence -- enhance the programme further.