



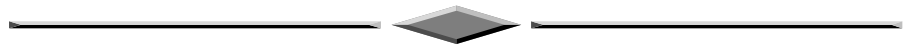
ROOM DOCUMENT NO. 2

DAC WORKING PARTY ON AID EVALUATION

**Lessons Learned in Donor Support to
Decentralisation and Local Governance**

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Agenda item 4i



**36th meeting
29-30 May 2002**

Lessons learned in Donor Support to Decentralisation and Local Governance:

Status report on the project as of 15th of May 2002

Since the inception report was approved in mid-March 2002, three visits to OECD countries have been carried out (US, Germany and UK). Moreover, some more relevant secondary literature has been collected and two background notes have been prepared to feed into the report. An application for financial support to the planned workshop in September 2002 has been sent to the Norwegian Ministry of Foreign Affairs. And finally, preparations for a short fieldwork in the Philippines have been made.

1. Visit to OECD countries

Unites States

In the period of 19-27 of March a visit to US was carried out. Interviews were made with officers responsible for decentralisation programmes in USAID, World Bank, UNDP and UNCDF. All of them expressed their interest in the study and provided the Team with some additional written material. The idea of arranging a workshop in order to put on the table various donor experiences in supporting decentralisation was widely supported. Several discussions about the project gave valuable points of view on i) content of the report and on ii) which issues to highlight at the workshop.

For the report:

- Good practises of scaling up and institutionalising pilot projects
- The balance between political and fiscal decentralisation
- The relationship between land reform and decentralisation reform
- The experience with (participatory) service delivery monitoring and budget monitoring
- The need for clearly defined roles of local and central government
- Whether poverty reduction strategies should be formulated at the local or central government level?

The following issues were considered particularly important for the workshop discussions:

- Systems for monitoring and evaluating donor support to decentralisation e.g. assessing sustainability of donor input some years after a programme has been completed, donors learning from other donor's projects and organisational learning within the donor agencies themselves.
- Discuss the, often implicit, division of labour between multilateral and bilateral donors in more explicit terms.

- How to combine support to SWAP and decentralisation?
- How to support pro-poor decentralisation?
- To what extent are layers of government taken into account and reflected in Poverty Reduction Strategy Papers? Moreover, how does this framework address the needs of the population and the accountability of various levels of government to respond to those needs?

Germany

In the period of 16-27 of April GTZ, KfW and BMZ were visited. The substantial discussion about the project centred around the following issues:

- **The importance of clearly defined roles of local and central government**
- Which governmental level (national, provincial districts) should be responsible for implementing poverty alleviation programmes?
- Germany's possible comparative advantage of channelling support to decentralisation and governance through political foundations
- How to combine support to SWAP and decentralisation?
- The effect of social funds bypassing LG and the accountability of these funds
- Decentralisation and conflict resolution
- Systems for monitoring and evaluation

United Kingdom

On the 6th of May a meeting was held with DFID. Also here the idea of arranging a workshop in Oslo was well received. The organisation is planning to hold an internal seminar early September where DFID's experience with support to governance, including decentralisation, will be discussed. During the meeting valuable points of views were made on the content of the report and the conference:

- To touch upon donor experience in supporting the ordinary political process at the district level: promoting issue oriented politics, strengthening local party-organisations, training of councillor etc
- Make sure that the study operates with a clear distinction between support to urban and rural councils
- Are donors making sure that LG service provision is integrated into PRSPs?
- Should donors advocate that LGs are preparing individual district-PRSPs?
- How to combine support to SWAP, budget support and support to LG service delivery?

2. Draft papers

The written inputs to the study are starting to take shape: a draft paper on local government downward accountability and a draft paper on lessons learned on donor support to the decentralisation process in Uganda. The first paper presents a menu of mechanisms of popular voice in decentralised service delivery that donors can support. The paper on Uganda focuses particularly on poverty monitoring, donor co-ordination, fiscal decentralisation, and the role of decentralisation in Uganda's

Poverty Reduction Strategy Paper. Parts of the background information for this paper was collected by Jesper Steffensen and Emmanuel Sewankando during a short fieldwork period in April 2002.

3. Planned fieldwork

A field visit to the Philippines will be carried out in the period of 19 to 27 of May. The UNDP office in Manila has been extremely forthcoming in facilitating the visit. Highlights of this visit will be presented at the next steering group meeting.

4. Financial support to the workshop

A request for financial support to cover the workshop was submitted to the Norwegian Ministry of Foreign Affairs at the end of April.

5. Next steps

A background note for the workshop will be prepared in June/July and sent to the workshop participants in mid-August. It is expected that this note together with the oral presentation at the workshop will encourage the participants to engage in discussions about preconditions for successful donor intervention and the potential replicability of good practise cases to other areas/countries. The participants will be urged to bring their specific experience on the table. In this way the workshop will serve as independent input to the report itself.

A draft report will be submitted to the Working Party for comments the first week in October and they will receive the final draft by the 1st of November.