



ROOM DOCUMENT NO. 4

DAC WORKING PARTY ON AID EVALUATION

LOCAL GOVERNANCE AND DECENTRALISATION

Submitted by Germany, UNDP
and the Secretariat

Agenda item No. 8

34th meeting
22-23 May 2001

Lessons learned in supporting decentralisation and local governance

Outline of study

Background

The interest shown by donors for decentralisation and local governance issues has grown increasingly over the last few years. Decentralisation and local governance are key elements of democratic governance, which is considered integral to the achievement of the international development goal of halving global poverty by 2015.

An indication of this increased interest is the early work undertaken by the DAC Working Party on Aid Evaluation on the “Evaluation of Programmes promoting Participatory Development and Good Governance”, published in 1997, which was a first attempt at synthesising the experience of donors in these areas.

Building on this and other work, the Evaluation offices of the UNDP and BMZ agreed, in April 1999 to conduct a joint evaluation of UNDP-supported programmes and projects in the area of decentralisation and local governance. This sector is being considered as one of the key areas for assisting partner countries in promoting governance issues.

The UNDP-BMZ evaluation entitled “The UNDP Role in Decentralisation and Local Governance”, published in February 2000, included field studies in five countries (Guatemala, Mali, the Philippines, Thailand and Uganda).

In May 2000, the findings and the study were presented at a workshop in Berlin. Participants welcomed the report and emphasised the need for further and broadened analysis of the issues involved for donors and partner countries in supporting national efforts towards decentralisation and local governance. More specifically, it was suggested that, an additional effort should be launched to identify lessons learned in this sector on as systemic a basis as possible. It should include not only the existing work done by UNDP and BMZ but also additional material and analysis from the evaluations done by other aid agencies in this sector. Such a study could be considered to be a first step towards identifying good practices in this sector. The DAC Working Party on Aid Evaluation decided at its last meeting in November 2000, to include this project in its 2001-2002 work programme.

Objective of the study

To provide a synthesis of lessons learned in key aspects of decentralisation and local governance and guide donor and partner countries (including civil society organisations and the private sector) in improving programs supporting decentralisation and local governance.

Key issues to be addressed by the study

Decentralisation and local governance are multi-faceted issues and it would be helpful for the study to focus on some of the key issues, which emerged at the Berlin workshop:

- How to establish a closer or more direct link between decentralisation, local governance and poverty alleviation – innovative ways of designing, implementing, and managing development co-operation with countries in using decentralisation and local governance as a pro-poor strategy.

- How to determine the right mix of financial support and policy advice, to enhance participation and strengthen partnerships, building on the comparative advantages, complementarity, and synergies of all actors involved to the best extent possible.

The above could initially constitute the core issues to be covered by the study. However, based on a preliminary scanning and analysis of relevant material by the consultant, the steering committee may decide to include other issues/perspectives to be addressed by the study.

Program of work to be undertaken

The Consultant will carry out a comprehensive study to identify the lessons learned from past experiences in supporting decentralisation and local governance.

Under the guidance of a small steering group composed of Germany, UNDP, the Secretariat and possibly other interested members of the WP-Ev, the consultant shall:

- Collect, Review and Analyse relevant material, such as previous evaluation reports, policy papers on the subject, as well as thematic reviews in related fields (e.g. on governance or democratisation), seminar papers, and other relevant material (see attached bibliographical references for some suggested sources).
- Develop a work plan, which will include the methodology to be used, and discuss it with the members of the steering group. This exercise will consist of both a synthesis and analysis of the work undertaken to date, and of field research, in order to explore further issues which have yet to be addressed and future perspectives.
- Visit selected capitals of member countries collaborating on the project; conduct interviews with relevant officials and personnel.
- Conduct field studies in selected partner countries which should include discussions with officials (both from the Central as well as local governments), as well as civil society organisations involved in discussions and in the implementation of the decentralisation process. In identifying civil society organisations, special consideration should be given to women's organisations and their participation in the process.
- Draft a report, based on the aforementioned research, including lessons learned and recommendations. The report should provide specific examples from relevant

countries to demonstrate good practices or how positive lessons from experience have been applied.

- The report should be limited to 50 pages (plus annexes) and, contain an executive summary of no more than five (5) pages. The format of the report will be agreed upon with the Steering Group.
- Present a draft of the report to the Working Party on Aid Evaluation at its meeting in May 2002.
- Present the main findings of the study to the GOVNET in 2002.
- Prepare a final version of the report, integrating Members' comments and suggestions and present it to the WP for approval at its meeting in November 2002.

Note: It is intended that the main results of this study would be published in the DAC Evaluation and Aid Effectiveness Series.

PRELIMINARY BUDGET:

- Consultant fee (Approximately up to 4 months of work to be undertaken over a period of 15 months, from June 2001 and November 2002): 300 000 FF
 - - Participation of consultant in steering committee meetings (in Paris or elsewhere);
- Travel to DAC member capitals (3 or 4 to be selected by steering group with consultant);
- Travel to (possibly) three field/partner countries;
- Participation in two WP-EV meeting in Paris (May and Nov. 2002);
- Presentation of preliminary findings to DAC Governance Network (GOVNET) in Paris in 2002; 220 000 FF
 - Publication, dissemination and editing of the report: 40 000 FF
 - Miscellaneous: 20 000 FF
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OVERALL MAXIMUM ENVELOPE: 580 000 FF

N.B. An informal selection process among potential consultants will be launched to ensure the best proposal for the value is selected. Members will be invited to submit suggested names of consultants.

Funding

Both Germany and the UNDP have indicated their willingness in sharing the costs of this study.

Annex 1

Selected documents to be reviewed:

- BMZ-UNDP evaluation report: *The UNDP Role in Decentralisation & Local Governance*, and the previous evaluations carried out by Germany in 1996-98 will be the main starting points of this study, as outlined in the initial proposal for this project at the 33rd WP-EV meeting (Room Document No. 12: LESSONS LEARNED FROM SUPPORT OF PARTNER COUNTRY EFFORTS TOWARDS THE PROMOTION OF DECENTRALISATION AND THE STRENGTHENING OF LOCAL GOVERNANCE).

In addition, the following sources could be useful for an initial review of material (based on sources known by the Secretariat and from a preliminary Internet search):

- OECD-DAC (1997)
EVALUATION OF PROGRAMS PROMOTING PARTICIPATORY DEVELOPMENT AND GOOD GOVERNANCE, See in particular the chapter on decentralisation:
Evaluation of Decentralisation and Development: Decentralisation in Developing Countries—Experiences and Lessons Learned (p57).
- Steinich, Markus (2000)
Monitoring and Evaluating Support to Decentralisation: Challenges and Dilemmas, ECDPM Discussion Paper 19. Maastricht: ECDPM.
(http://www.oneworld.net/ecdpm/pubs/dp19_gb.htm)
- Bossuyt, J. and J. Gould. 2000
Decentralisation and Poverty Reduction: Elaborating the Linkages. (Policy Management Brief No. 12). Maastricht: ECDPM
(http://www.oneworld.net/ecdpm/pmb/b12_gb.htm)
- A Forum, “Technical Consultation on Decentralization”, held in 1997 at FAO in Rome, papers to be found at: <http://www.fao.org/SD/ROdirect/ROfo0003.htm>
- Operations Evaluation Department (OED) (2000)
Democratic Decentralization, OED Working Paper Number 11, World Bank, to be found at:
<http://wbln0018.worldbank.org/oed/oeddoelib.nsf/ae4e28c9568f3c6285256808006a0027/2365d3d73cfe619d8525697700729143?OpenDocument>
- The Online Sourcebook on Decentralisation and Local Government, at <http://www.ciesin.org/decentralization/Entryway/siteindex.html>
- USAID’s *Democratic Local Governance Series* –Five (5) Impact Evaluation reports on support to Democratic Local Governance in Honduras, Mali, Philippines, Ukraine, Bolivia, at http://www.dec.org/usaid_eval/

- IADB: Sector Summary: Decentralization and the IDB Lessons Learned, Best Practices, and Issues Raised (Summary Report of nine case studies) (Report of Evaluation RE-232/September, 1998)
At: <http://www.iadb.org/cont/evo/OVEDOCS.HTM>
- Swedish Support to Local Self Governance in Mongolia (00/1) Nils Öström, Lennart Lundquist
Department for Infrastructure and Economic Cooperation
At <http://www.sida.se/Sida/jsp/Crosslink.jsp/d,582>
- Cooperation Between Sweden and Ukraine in the Field of Local Self-Government (99/13) Lars Rylander, Martin Schmidt
Department for Central and Eastern Europe
At <http://www.sida.se/Sida/jsp/Crosslink.jsp/d,582/a,4782>

In addition, according to the DAC WP-EV Evaluation Portfolio, Japan (JBIC), France, and IADB planned to perform evaluations related to decentralisation and local governance in 1999 and 2000. The reports are not yet available on their web sites. Canada and Denmark indicated upcoming evaluations in this area for 2001. Depending, on the status of the planned evaluations, it may be useful to examine these as well.

This is not an exhaustive list of material but is intended to help the consultant to get started. A thorough and active search and review of material will be necessary to undertake the work specified in the Terms of Reference.