



# Lessons learned from Norway's support for decentralisation and local government reform in developing countries

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Norwegian Agency for Development Cooperation

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Responsibility for the contents and presentation of findings and recommendations rests with the study team.  
The views and opinions expressed in the report do not necessarily correspond with those of Norad.

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## Part 1

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# Foreword

Norwegian development cooperation has a long tradition of emphasising locally based development and grassroots participation in the governing process. Over the last 15 – 20 years, this focus has gradually shifted to political and administrative reforms at the local level, in line with the emphasis on the cooperating countries' own responsibility for the development process.

Over the years, Norway has been engaged in many programmes and projects in this field and gained experience in a wide range of local reform issues and challenges. Today, the focus is shifting again, from national reform processes to budget support and sector reform implementation. The implementation of cross-sector reforms has, to a large degree, become a responsibility for government alone, and the dialogue around reforms has become part of the overall governance dialogue in the budget support cooperation.

In this setting, experience from the various decentralisation programmes and processes could give valuable insight into the difficult task of translating budget support to local level development and poverty alleviation.

Therefore, Norad has asked the Norwegian Institute of Urban and Regional Research, NIBR, to assemble and analyse the Norwegian participation in a number of local development and local governance programmes and projects over the past 20 years. It has been a challenging task to review these processes, many of them several years back in time. Consequently, finalisation of these two reports has taken a considerable time, but has still been a worthwhile exercise. Senior Adviser Lornots Finanger at Norad's Department of Economics and Public Administration has organised and guided the implementation of the review.

This first report summarises experiences across all the selected programmes and presents a synthesised overview over lessons learned from them. The second report looks closer at one specific programme that Norway has followed for many years, the Local Government Reform Programme in Tanzania, and elaborates the linkages between decentralisation and poverty reduction in Tanzania, in light of the international literature on the subject.

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# Abbreviations

AM	Annual Meeting
BMZ	Federal Ministry for Economic Cooperation and Development (Germany)
CDD	Cooperation for District Development (Zambia)
CMI	Christian Michelsen Institute, Bergen
CGPRS	Comprehensive Growth and Poverty Reduction Strategy (Vietnam)
DFID	Department for International Development (UK)
DLGSP	Decentralised Local Government Support Programme (Nepal)
GBS	General Budget Support
GOVNET	Governance Network, OECD/DAC
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HIRDEP	Hambantota Integrated Rural Development Programme (Sri Lanka)
IDM	Institute of Development Management (Tanzania)
IRDP	Integrated Rural Development Programme
JAS	Joint Assistance Strategy
KIDEP	Kigoma Rural Integrated Development Programme (Tanzania)
LG	Local Government
LGA	Local Government Authority
LGCDG	Local Government Capital Development Grant (Tanzania)
LGR	Local Government Reform
LGRP	Local Government Reform Programme
LGRT	Local Government Reform Team
LOGOSP	Local Government Support Programme (Zambia)
M&E	Monitoring and Evaluation
MALGA	Malawi Association of Local Government Authorities
MASAF	Malawi Social Action Fund
MFA	Ministry of Foreign Affairs (Norway)
MLGH	Ministry of Local Government and Housing (Zambia)
MOHA	Ministry of Home Affairs (Vietnam)
MONDEP	Moneragela Integrated Rural Development Programme (Sri Lanka)
MTP	Mid-Term Plans
NEX	National Execution (UN system)
NIBR	Norwegian Institute for Urban and Regional Research
NGO	Non Governmental Organisation
NOK	Norwegian Kroner
Norad	Norwegian Agency for Development Cooperation
PAR	Public Administration Support
PD	Project Document
PD&GG	Participatory Development & Good Governance

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PO-RALG	President's Office - Regional and Local Government (Tanzania)
PRSP	Poverty Reduction Strategy Papers
REPOA	Research (Tanzania)
RRDP	Rural and Regional Development and Planning (Sri Lanka)
RUDEP	Rukwa Rural Integrated Development Programme (Tanzania)
SALGA	South Africa Association of Local Government Authorities
SDC	Swiss Development Cooperation
TA	Technical Assistance
UNCDF	UN Capital Development Fund
UNDP	UN Development Programme
VDC	Village Development Committees
VDP	Village Development Plans
ZALGA	Zambia Association of Local Government Authorities
ZRT	Zonal Reform Team

# 1 Background

Norwegian development cooperation has a long history of support for decentralisation and local government strengthening. In line with greater emphasis on aid effectiveness and result-oriented development cooperation, Norad has taken the initiative for a lessons learned paper on Norwegian support for decentralisation and local government reform.

This paper includes lessons learned from projects and programmes funded mainly through bilateral state-to-state development cooperation and through the UN system. The work of NGOs in this area has not been included.

Support to decentralisation started through support to integrated rural development programmes in the 1970s. We have therefore included a limited number of these programmes from Tanzania and Sri Lanka. As integrated rural development is coming back, although under new names, this merits a revisiting of the experiences of these programmes.

## 1.1 Concepts and approaches to decentralisation

With the Monterrey Declaration on increased financing for development and the Paris Declaration on Harmonisation of Aid, it is expected that the volume of aid will increase rapidly the next years, although there are also warnings that these figures are highly unreliable. However, a main issue linked to a potential increasing aid volume is the capacity to absorb this aid in developing countries. Capacity to plan, implement and report on activities on the ground is important both for the new large volume of aid, for sector programmes and the new global initiatives.

Decentralisation can take many forms. It is common to talk about four forms of decentralisation (MFA 1997):

- *Deconcentration*, transfer of selected functions within the central government hierarchy through shifting of workload from central ministries to field staff and offices.
- *Devolution*, transfer of discretionary authority to legally constituted local governments, such as states, provinces, districts or municipalities.
- *Delegation*, transfer of responsibility for maintaining or implementing sector duties to regional and local authorities



- *Privatisation*, shift the responsibility of carrying out certain activities from the public to the private sector.

In the real world, most local government reforms entail a mix of devolution and deconcentration, with important policy functions and decisions concerning budgets remaining with the central government. Central government institutions such as the Ministries of Local Government and Local Government Reform Teams are important parts of local government reforms, as are legal amendments. The autonomy of local authorities is always contingent on the central government devolving such powers to local level, and the central government is also in a position to withdraw such powers.

In theory, decentralisation, and especially devolution, may offer improved aid efficiency by aligning resources with local knowledge about how best to use the funds, and in being innovative and able to mobilise local resources. Devolution is also believed to improve governance, as local councillors are closer to the people, and local level politics open better venues for local participation. However, it should be noted that deconcentration also allows for public participation in planning, implementation and reporting of local budgets and activities.

The counterargument to this view is that decentralisation might lead to resources being hijacked by local elites, that capacity at the local level is lacking, and that rule-bound and less innovative political and organisational cultures dominate at the lower levels of government, and often more so at local level than in central government agencies.

Many donors have assisted in decentralisation processes and local government reforms on the basis of the former arguments, usually as part of broader public sector reforms. Decentralisation reforms require both increased capacity at the local levels, new legal frameworks and regulations on the division of labour in a multilevel governance system with new roles and functions, including legal frameworks for ministries and state agencies, affected by the local government reforms. Donor support to these reforms has taken the form of support to changing legal frameworks, “white papers”; development of multilevel government systems, including systems for fiscal decentralisation; reform in procedures and planning systems; and capacity-building at the local level.

Parallel to this work, there has been a renewed criticism of decentralisation. Some have seen decentralisation as an attempt by central government to shed their responsibilities through decentralisation of functions without sufficient resources being decentralised. Others have pointed out that poverty reduction programmes are best managed by central agencies, not easily captured by local elites and face-to-face politics, with more effective administrative systems. Others, for example in the health sector, have found that rapid decentralisation destroys vulnerable competencies and capacities that have taken a long time to build up and these are evaporating rapidly.

However, after a decade of discussion on decentralisation, there seems to be a growing consensus around the following points:

- Decentralisation is necessary to implement the broad reforms necessary for poverty reduction.
- Decentralisation depends on proper multilevel governance systems being put in place.
- Proper systems for vertical and horizontal accountability are necessary to improve performance.
- Decentralisation reforms have to be amended and tuned to national historical and political realities.
- Overly ambitious decentralisation reforms might backfire, as there are weak constituencies for them.

## 1.2 Scope

This paper is a desk assignment. It is based on access to written documentation of the main projects and programmes supported by Norway. We have used appraisals, reviews and evaluations and end reports, and also the Norad archive. In cooperation with Norad, we have selected the following focal areas for the study:

- History of the project – many of the programmes build on prior support.
- Collaboration with recipient government and donors, in a period of increasing emphasis on partnership, donor harmonisation, and country leadership.
- Norway's role in the decentralisation projects; has this changed over time?
- Implementation of the projects and programmes, problems experienced and reasons for these, related to organisation, political leadership, and other related reforms in the public sector, such as budget reforms, financial management reforms, civil service reforms, pay reforms etc.
- Technical assistance (TA), both Norwegian TA and other expatriate TA financed by the projects and programmes, and their relevance and value for the projects.
- How the Norwegian support to the programmes has addressed and supported democracy and good governance.
- How the Norwegian support to the programmes has addressed and supported poverty reduction and improved access to services.
- Cross-cutting issues. The cross-cutting issues, governance (including anti-corruption), environment, gender and HIV/AIDS, were only introduced as a concept in OECD/DAC in the late 1990s. One may therefore not expect these issues to be prominent in earlier programmes. Gender is the main cross-cutting issue of interest to us in this study.

The ToR has identified the two areas of (i) governance, and (ii) poverty reduction as the areas to be discussed in relation to the Norwegian support to

decentralisation. This concerns both how the project design has included ways to address the issues of governance and poverty reduction, as well as possible effects.

What may we reasonably expect to find in regard to these two issues on the basis of the international literature?

#### *Decentralisation and governance*

Some researchers emphasise the (potential) positive relationship between decentralisation and governance. In development cooperation, some donors go as far as to focus on, or label what they are looking for as, democratic decentralisation. The arguments presented are frequently that decentralisation leads to decisions being taken closer to the people, thereby giving easier access to participation, influence and voice. The arguments have been that decentralisation also provides for more transparency, or at least possibilities for more transparency. Decentralisation may be democratic or it may not be so. The result depends on the prevailing political culture, both locally and nationally. It also depends on the how embedded democratic values are in the society.

#### *Decentralisation and poverty reduction*

The relationship between decentralisation and poverty reduction seems equally to be mediated by a number of other dimensions. The main arguments that are presented include that decentralisation of decision-making will enable decisions to be taken closer to the problems to be solved, making them more relevant and resource-effective. More local resources may be mobilised and solutions might be more easily adapted to local context and thereby become more cost effective. Through this it may be possible to achieve relatively more poverty reduction with the same amount of funds. Arguments have also been presented that decentralisation allows for more innovative solutions and fresh ideas.

However, there are also opposing/counter voices to this picture. Critics point to elite capture and the difficulties involved in face-to-face politics, which give little space for voice to the opposition and to critical voices. The knowledge base is often less, and so instead of innovative solutions, local solutions might as well be traditional and less innovative. Decentralisation may also destroy carefully built up national systems in resource-poor countries.

The picture of the relationships between decentralisation and both governance and poverty reduction is therefore mixed, and in many cases more advocacy-oriented than based on sound empirical research. The research that has attempted to address this relationship systematically, points to context being vital, and that there can be no overall generalisations across times and regions.

In many respects the effects of decentralisation both on governance and poverty reduction, seem to be strongly mediated by other factors, social values, political culture, and development level (including education level).

*Data material for the report*

This paper uses project documentation from the following projects/programmes:

*Tanzania:* Local Government Reform Programme (LGRP), and the District Development Programmes (IRDPs) in Rukwa (RUDEP) and Kigoma (KIDEP).

*Zambia:* CDD, in the Northern Province, and other minor project support to decentralisation.

*Malawi:* National Decentralisation Programme.

*Mozambique:* Cabo Delgado Project.

*South Africa:* Support to Local Government Capacity Building Programme, and SALGA.

*Sri Lanka:* District Development Programmes (IRDPs) HIRDEP and MONDEP.

*Nepal:* Decentralized Local Governance Support Programme (DLGSP)

*Vietnam:* Public Administration Reform (PAR), including Support to the PAR-pilot in Ninh Binh Province.

## 2 History of Norwegian support for decentralisation

Norwegian support for decentralisation started with support for Integrated Rural Development Programmes (IRDPs) back in the late 1970s. At that time, substantial parts of development assistance were provided at provincial or regional levels in partner countries. Developing countries contacted various donor agencies, including the World Bank, to provide multi-sectoral assistance at the provincial and regional levels. The most well-known IRDP support from Norway was to Sri Lanka, to Hambantota IRDP (HIRDEP) and Moneragala IRDP (MONDEP), and to Tanzania, Rukwa IRDP (RUDEP) and Kigoma IRDP (KIDEP). However in addition to the IRDPs, donor support was often given at the provincial level, such as the agricultural programmes in the Northern Province in Zambia over several decades, and regional water programmes.

In the early 1990s, aid modalities were under discussion. Structural adjustment programmes had introduced national reforms, which Norwegian development cooperation also had to relate to in partner countries. A shift occurred internally in Norad in the early to mid-90s when IRDPs and projects more generally fell out of favour. This also happened in other donor agencies, although many of them continued their district or regional support programmes, and transformed them into pilots for national reform (programmes).

There are few ex-post analyses of Drips or other rural development programmes. In April 2006, BMZ (Germany) published an ex-post study of four regional rural development programmes (RRDPs) (BMZ 2006). Norway funded a study of the Hambantota IRDP programme in Sri Lanka (Jerve et al. 2003), and a small study of the IRDP in Rukwa, Tanzania, which mainly focussed on one Area-Development Programme within the IRDP (Norad 2005).

District or regional level support programmes still exist, although there are only a few within Norwegian development cooperation. Examples of these include a district level programme in Laos, the Sekong Indigenous Development programme, with funding through the UNDP, which was closed down in 2005; and a community and district-based programme in Quang Tri in Vietnam, which was closed in 2007. In Mozambique, Norway continues to support decentralised capacity-building and planning systems in Cabo Delgado Province through UNCDF/UNDP. Moreover in Vietnam, Norwegian support to the Public Administration Programme (PAR) is partly given to a provincial PAR project in

Ninh Binh Province, and to two provinces through a debt-swap project with IFAD.

No proper overview exists of Norwegian support at the regional or provincial levels. However, there are reasons to believe that most of this support today is through UN agencies, especially UNDP and UNCDF, and through Norwegian NGOs.

Other countries, such as Sweden, Switzerland, Germany, and the Netherlands have had a higher level of support to district level programmes. Voices of criticism have pointed to the negative consequences of the budget and planning system, in not including and integrating these programmes in the national budget and reporting system. In Tanzania, a new financial mechanism, the Local Government Capital Development Grant System (LGCDG), has been set up to provide a venue whereby all funds, including donor funding for districts and regions, are channelled through the national budget.

## 2.1 Norwegian policy on decentralisation and development

Given that Norway has a long history of support for decentralisation and local development, it is surprising to find next to nothing on this topic in Norwegian development cooperation's white papers, guidelines or policy papers. A review of donors' position papers carried out by SIDA as part of their internal project to assess their work on decentralisation, found that Norway did not have any position paper on this topic. This report also found that SIDA, in spite of several papers on governance, operated with rather vague definitions of decentralisation, and with a different focus in the governance work versus sector work such as in natural resources management, where decentralisation, local institutions and popular participation have been central to SIDA's work (Andersen 2006).

Many donor countries have vague policy documents on decentralisation, including Norway. This has been documented both in the SIDA report (Andersen 2006), and in another recent survey of seven donors' policies on decentralisation (DEGG/NCG 2006). In contrast to this, some donors with a strong interest in decentralisation, such as the Swiss Agency for Development and Cooperation (SDC), have several policy papers and analytical papers dealing with this issue (SDC 2000, 2001, 2002). However, Norway has funded studies and evaluations, as well as formative process research, on decentralisation programmes in Zambia, Tanzania and Sri Lanka.

The reason might simply be that Norway has little tradition for policy papers and analytical papers, and that positions might be found indirectly by looking at de facto development cooperation. Norway is a "doer" rather than a "thinker". However, this might contribute to a weak culture of discussions and debates as positions are not made explicit and open for debate. This is valid for all development policy areas, not just decentralisation and local governance.

The lack of consistent work on decentralisation, and the opportunities and problems involved, may seem a paradox given the work OECD/DAC GOVNET organised in the mid and late 1990s to evaluate the work on participatory development and good governance (PD&GG), to develop common conceptual frameworks and policy guidelines within these themes. Norway was active in this work on decentralisation in the 1990s. When GOVNET, with the OECD/DAC Working Group on Evaluation, organised a comprehensive (desk study) evaluation of Participatory Development and Good Governance (PD&GG) (OECD/DAC 1998), the Evaluation Department, then in MFA, funded the evaluation of decentralisation as one of six topics in the report. NIBR carried out the evaluation (MFA 1997). Norway took an active part in several workshops organised by OECD/DAC in the latter part of the 1990s.

Today, GOVNET does not work on decentralisation; the topic closely related to decentralisation in GOVNET's current work programme is that of capacity-building. However, decentralisation and local implementation capacity are of vital importance for development cooperation, both for the implementation capacity for sector-wide programmes, and for implementation of national policies in general budget support.

Although researchers and donors alike recognise the problems involved in decentralisation, and the danger of elite capture and eroding of fragile state capacity, they also recognise that local capacity has to be strengthened if the increased development funds are to be used effectively. Bilateral donors have therefore recently organised their own forum, *the Informal Donor Working Group on Local Governance and Decentralisation*, outside the OECD/DAC framework to discuss the topic. They also commissioned a survey of the support to local governance and decentralisation (DEGE/NCG 2006).

In this context it might be important to underline the difference between decentralisation and strengthened local governance system and capacity. While everyone recognises that local governance capacity is a necessity for development, and that it is important to invest in this in fragile states, there is more disagreement on decentralisation and devolution of powers and decision-making authority to lower levels of government, especially in fragile states, and in resource-poor countries.

An analysis of the experiences of Norwegian support for decentralisation will also indirectly say something about the positions taken by Norway on this topic. Furthermore, the 1990s was the decade for public sector reform and local government reform. As we are approaching 2010, many of these programmes have ended or are approaching their end. Decentralisation and local government reform will be an area for continued reform in the public sector. The responsibilities for this will remain with partner government, and will form part of normal politics and public administration renewal.

Given that the new aid modalities are expected to increase in importance the next years, and that the Paris Declaration on Aid Harmonisation (PD) will be

operational, it might well be that future support for decentralisation and LG reform will be through GBS, where the partner government identifies their need for capacity-building and use the funding through the General Budget Support (GBS) to fund this, including identifying their own consultants and training needs. It should be expected that such an institutional and capacity-building process will be much more national and driven by local demands in the future.

This represents one future scenario; so far the support for public administration, including for local government reform, has not been included in general budget support. As we will see in the case of Mozambique, the review team of the Cabo Delgado project (UNCDF 2004) discussed this, and argued for the role of projects in the area of local government reform and decentralisation, giving considerable space to the dialogue and discussions between partners in development cooperation.



## 3 What has Norway supported?

### 3.1 Tanzania

#### 3.1.1 District Development Programmes (IRDPs) in Rukwa (RUDEP) and Kigoma (KIDEP)

##### *Project/programme history<sup>1</sup>*

In 1979, Norway started funding a water programme in Tanzania, in Rukwa and Kigoma, two remote regions in the west of the country. The Norwegian consultancy company, Norconsult, was contracted to produce a Water Master Plan for the two regions from 1979-1983, and remained the implementer of the project. Gradually it became more and more evident that development of the region needed other investments than only in water, and in the country programme discussions between Norway and Tanzania in 1983, a rural development programme for Rukwa was discussed.

The result was that the Rukwa Integrated Rural Integrated Development Programme (RUDEP) was established in 1984, and the Kigoma Integrated Rural Integrated Development Programme (KIDEP) in 1989. In 1989, the water programme in Rukwa was integrated into RUDEP, and in 1992 the Kigoma Water programme was integrated into KIDEP. Hence, for the first phase of the IRDPs, the water programme existed as a separate project.

The Water Programme (1979-1992) had a budget of 309.5 mill. NOK, of which 149.3 mill. (approximately 50 %) was spent on Norwegian consultants. In comparison, the budget was 206.3 mill NOK for Rukwa 1985-1995), and 54 mill. NOK for KIDEP (1989-1995). KIDEP's smaller budget was a deliberate decision by Norad, as many felt that RUDEP had become too large and dominant in the region. However, with such a small budget, approximately 9 mill. NOK per year, it was also difficult to reasonably expect much impact in a remote region, such as the Kigoma Region.

In 1992, during the planning of Phase II of KIDEP, opposition to Integrated Rural Development Programmes increased in Norad in favour of support to national

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<sup>1</sup> Most of this information is taken from the Evaluation of RUDEP and KIDEP in 1995 (MFA 1995).

programmes and reforms. The arguments were lack of long-term sustainability, and that Norway wanted to move away from regional programmes to support for national reform programmes. Norad and the Embassy commissioned the consultancy firm 3-E Economics to conduct an economic sustainability review of the two programmes in 1993 (3-E Economics 1993).

Finally, in 1995 the programmes were closed down by a unilateral decision by Norway in opposition to PO-RALG, which wanted to continue the programmes. The MFA commissioned an evaluation of the two programmes in 1994 (MFA 1995). The evaluation also included a chapter on the experiences with rural development programmes of six other donors. The ToR included a section on looking forward to what future support could be given to support institution-building within local government in Tanzania. NIBR carried out the evaluation.

#### *Collaboration with recipient governments and with other donors*

The institutional partner in Tanzania for the two bilateral programmes was the President's Office of the Regional and Local Government Division (PO-RALG). Other donors had similar rural development programmes in other regions or districts. The programmes were managed from the embassy by a desk officer. At the time there was no formalised donor group, but considerable informal contact between likeminded donors with similar programmes, such as Sida, Danida, Finland, the Netherlands, Ireland and DFID.

Both programmes had annual meetings (AM) where the Norwegian Embassy, advisors from the technical division in Norad Oslo, and PO-RALG, and other Tanzanian institutions, such as the State Planning Commission were represented. Field visits to both programmes before the AM were usually conducted.

Regarding ownership, in line with the aid modalities of that time, Norway had a strong say in the programmes. However, PO-RALG and the regional authorities gradually played a more active part in the programme decisions. PO-RALG was strongly against ending the two programmes in 1995, a decision that was taken unilaterally by Norway.

The evaluation in 1995 found that there were 20 other donors in Rukwa in 1991, with no authority coordinating the various programmes. RUDEP seemed to be the only programme that was administrated by the regional authorities, while other projects supported by other donors were managed by separate project management units, where the funds were channelled directly to these units, rather than through the local government structure.

#### *Norway's support and role in the programmes*

RUDEP and KIDEP were bilateral development projects. Norway was an active partner, funding feasibility studies, appraisals, reviews and technical assistance, and took an active part in the programme life through their desk officer at the Embassy in Tanzania and in annual meetings. Advisors from the Technical

Department, Norad, were actively involved in the project. Norwegian researchers entered into joint research with Tanzanian partners, and Norwegian consultancy firms were used, and individual experts were recruited to the programmes as advisors. The two IRDPs functioned as a “training ground” for Norwegian experts, and a number of the experts from RUDEP and KIDEP have been, or are, currently working in Norwegian research institutions or in Norad.<sup>2</sup>

*Objective: good governance and poverty reduction*

The two programmes were multipurpose development programmes, where the objective was to promote rural development through improved planning procedures and investment in rural development that would impact on rural livelihood and poverty reduction.

*Implementation modalities, monitoring and evaluation (M&E), and results reporting*

The programmes were managed separately from Tanzania’s budget and activities, and reported directly to Norad and PO-RALG. However, even RUDEP with a large staff did not operate in isolation from the government system and local authorities. The regional authorities were responsible for the programme, with the districts gradually taking over the implementation of the activities with support from the regions.

Considerable resources and time were spent on improving programme management, as this was also part of the institutional capacity-building. Recurring problems for the programmes, discussed at the annual meetings, were to align physical and financial planning and progress reports, and to align programme activities with activities funded by and managed by the Tanzanian government and other donors.

*Technical assistance (TA), both Norwegian TA and other expatriate TA financed by the projects and programmes, and their relevance and value for the projects*

The programmes were TA-intensive. RUDEP had up to 13 expatriate advisors, and a local staff of up to 175 people. KIDEP had five expatriate advisors and a limited number of programme staff. Both programmes had a Norwegian Programme Manager, Financial Controller, and one advisor for each of the districts. In addition, RUDEP had a number of technical experts in community participation, health and water supply, and sanitation.

*How the Norwegian support to the programmes has addressed and supported democracy and good governance*

Institutional capacity-building of local government institutions gradually became more important during the programme period. The emphasis was on capacity-

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<sup>2</sup> The IRDPs in Sri Lanka similarly worked as a “training ground” for Norwegian experts.

building and planning procedures for the local government staff. Little attention was paid to the local councils, and questions of democracy. Good governance issues were limited to the improvement of planning and implementation capacity among the LG staff, and included popular participation and community involvement in planning procedures.

In the early 1990s, however, there was an increased interest in the Technical Department in Norad (FAG) concerning local government development and capacity, and Tanzania was elected as one of the countries where more knowledge about the impact of the Norwegian support of this was desired or wanted. When planning the KIDEP programme, it was recommended that the districts and not the region should be the implementer of the programme activities. In the end, Norad found this to be too challenging and decided to use the regional level as the implementing level, while attempting to increase the capacity at the district level to take on more and more responsibility for the planning, implementation and reporting of the activities. A decision was also taken to place Norwegian advisors at district level, in addition to a financial controller and main programme coordinator at the regional level.

CMI and NIBR were contracted in 1992 to work with the Institute of Development Management (IDM),<sup>3</sup> Mzumbe, to carry out a three-year project on how the IRDP programmes impacted LG capacity and development. This research was stopped when the decision to close down the programmes was taken by Norad. A proposal from CMI and NIBR to continue the research in the phasing-out period was rejected.

*How the Norwegian support to the programmes has addressed and supported poverty reduction and improved access to services*

Economic and social development and poverty reduction were clear objectives from the start. Investment in basic infrastructures such as water supply and sanitation and health – as well as support to agricultural production and extension – were used as modalities. A baseline study was even carried out for Kigoma. The evaluation in 1995 pointed out that it was unrealistic to expect an investment of 9 Mill NOK per year to impact on social and economic development and on poverty reduction in a region of 855 000 people. No real discussion took place on the issue of poverty reduction during the project period.

*Cross-cutting issues, including gender*

No special attention was given to women and gender equality. Cross-cutting issues were not discussed as such, but the projects were concerned with the negative effects of corruption, hence the important role of the (Norwegian) financial controller. The programmes also supported natural resources management and reforestation efforts.

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<sup>3</sup> Now part of the new University of Mzumbe.

### 3.1.2 Local Government Reform Programme (LGRP)

#### *Project/programme history*

After RUDEP and KIDEP closed down in 1995, Norway entered a period of pre-project planning for future support to the local government system in Tanzania. A number of missions were sent to Tanzania, including several multi-donor missions. From the start it was clear that Norway did not want to enter into a bilateral support project alone, and initially there were plans for a Nordic support project.

This was a period with strong reform efforts in Tanzania, in the aftermath of the structural adjustment loans, and liberalisation took place. The World Bank was the leading agency in the Public Sector Reform (PSR) in Tanzania, starting with the downsizing of the staff. The PSR initially did not include a component on decentralisation; this was added later, substantially influenced by the likeminded donors with considerable experience from rural development programmes, which all had increasingly turned into support for local institutions, including LG (MFA 1995).

Norway was an active partner in the development of the LGRP. The initial idea was to try to mobilise Nordic resources to support the reform in Tanzania. However, Sweden opted out fairly early, and in the end a joint basket fund was organised with Finland and Norway as the Nordic participants along with several other donors.

A Nordic Appraisal Team (The Lund Team) carried out a review of the Civil Service Reform Programme (CSRP) with a view to the place of a local government reform related to the CSRP. A Project Document, *Local Government Reform Agenda: Components and Sub-Components*, was ready by September 1996, and an appraisal was conducted the same year by a Norwegian/Finnish team, which was presented February 1997. A regional restructuring took place in Tanzania in 1997, abolishing the regional level in the public administration hierarchy, and limiting their role in providing technical support to district implementation of programmes. Many regional staff was transferred to the district level to strengthen their capacity.

The project preparations continued with the GoT's Policy Paper on local government reform in 1998, spelling out its policy on *Decentralisation by Devolution of Power and Resources to the Grassroots (D-by-D)*, and a new joint *Government-Donor Appraisal of the Programme in April 1999*. The donors' support to the LGRP started in June 1999, when the 1999-2003 LGRP plans and budgets were approved by the partners. Norway started their support to the project *Local Government Reform Programme (LGRP) (TAN 040)* in December 1999, with a budget of 40 mill. NOK for the period October 1999 – November 2002.

An additional 40 mill. NOK was provided for the project in 2003-2005. A mid term plan 2002-2005 was developed, in which the goals of the LGRP were adjusted to include poverty reduction, which was to be achieved by the LGRP providing improved service delivery to the poor.

In 2004, a joint government-donor programme review (Steffensen et al. 2004) was carried out, to prepare input for a second phase. In June 2005, a new phase for the LGRP 2005-2008 was approved, with Norwegian support of 60 mill. NOK. A desk appraisal was carried out by the governance advisor in Norad's Technical Department (Finanger 2005). The Phase II project consists of eight components:

- Decentralisation-by-devolution
- Fiscal empowerment
- Human resources empowerment
- Legal framework
- Restructuring LGAs
- Governance
- PO-RALG and Regional Secretariats (RS) capacity-building
- Programme management

*Collaboration with recipient governments and with other donors*

The support to LGRP has been through multi-donor basket funding. For Phase II, 2005-2008, ten donors (Belgium, Canada, EC, Finland, Germany, Ireland, Sweden, UK, Norway and the World Bank) are involved, many of them supporting the basket funding while others support the Local Government Capital Development Grant (LGCDG), a new financing mechanism for district level investment funds. Norway, Finland, UK and the World Bank are the largest donors.

The government and the donors have formed a Joint Government-Donor Consultative Forum, where donors, PO-RALG and the LGRT, meet for policy discussions, progress reviews and monitoring implementation. There is also a Common Basket Steering Committee. Norway acted as the lead donor for the basket fund for the first three years 2000-2002. The committee met every six months, and it was a requirement that the decisions in the Steering Committee were to be unanimous.

The LGRP was organised under the Prime Minister's Office, the Department for Regional and Local Government, PMO-RALG. It was managed by a separate entity, the Local Government Reform Team, which was part of the PMO-RALG, but operated with its own staffing arrangements. International and national consultants were recruited to the LGRT through competitive bidding. There have been a considerable number of international consultants.

During the second phase of LGRP, the LGRT is supposed to be gradually integrated into the Department of Local Government in the PO-RALG. Initially

the second phase from 2005-2008 is expected to be the last phase of the programme, although a third phasing-out phase might be expected.

*Norway's support and role in the programmes*

Norway was a very active donor in the initiation and planning of the programme, giving support to appraisal missions, and involving Norwegian experts in the appraisals and in advisory roles in the preparations for the programme. A desk officer was recruited to the Embassy in Tanzania from the Oslo municipality for the period 1996-1999, and was replaced by the governance advisor with special responsibility for public sector reform and local government in the Technical Department (Fagavdelingen) of Norad. Norway was the lead donor for the first three years of the programme.

A formative research programme on the impact of the LGRP at the district level was funded in 2000 for a five-year period, with REPOA as lead partner, and including CMI and NIBR, the two research institutions also involved in the research in RUDEP and KIDEP in the mid-1990s.<sup>4</sup>

*Objective: good governance and poverty reduction*

The objective of the reform was poverty reduction through improved provision of social services. Both good governance and poverty reduction were explicit goals of the programme. This has been emphasised even more with the second PRSP of Tanzania, the MKUKUTA, the National Strategy for Growth and Reduction of Poverty (GoT 2005), which was approved in 2005, and which is explicit regarding the instrumental use of decentralisation and LG in the improvement of social-service provision and the fight against poverty.

*Technical assistance (TA), both the Norwegian TA and other expatriate TA financed by the projects and programmes, and their relevance and value for the projects*

Although Norwegian expertise was heavily involved in the planning and appraisal of the programme, their engagement with the LGRP has been limited to research since 2000. When the programme started up, there was a tender for TA to the programme that was won by a firm from the UK. Norwegian experts outside of Norad have not been involved in regular reviews or assessments of the programme since it started up. They have, however, been involved in a formative process research project 2000-2005.

The formative research programme based in REPOA has mainly looked at district level performance in the areas of financial management, governance and service delivery, and has not done research on the reform or the LGRP as such (Braathen, Chaligha and Kjeldstad 2005). The reports were, however, presented to the LGRP secretariat and the donors at regular intervals. An external assessment of the

<sup>4</sup> At that time with the Institute for Development Management (IDM), Mzumbe, as a partner.

research programme (Cowi Consult 2005) did not provide much information about the interaction of the research programme and the LGRP, and said little about the potential usefulness of the research. The second phase of the research programme, 2006-2010, will still be based in REPOA, and will be given as untied aid, i.e. there will be no requirement of involvement of Norwegian researchers. This second phase will only have minor involvement from Norwegian researchers (CMI).

The programme is mainly managed from the Norwegian Embassy with involvement from the governance advisor in Norad. Currently no Norwegian expertise is involved beyond the participation of one Norwegian researcher in the research programme. The research programme is limited to research on financial decentralisation and tax collection. No Norwegian expertise has been involved in joint reviews of the programme.

*Problems encountered in the implementation of the programme/project*

The various reviews of the LGRP have identified the following problems related to implementation of the programme:

- Weak political support of decentralisation by devolution, resistance from sector ministries to decentralise.
- Recent trends toward recentralising, such as abolition of local taxes, and transfer of local staff from the Local Service Commission to the central Civil Service Commission, moving the right to hiring and firing for higher level staff to central authorities.
- The Zonal Reform Teams (ZRT) have not had adequate funding and resources, and there is a need for more local consultants. It is a challenge to move the ZRT's work from supply-driven to demand-driven teams.
- There seems to have been a strengthening of the regional secretariats (RS) after the latest election; the donors are uneasy as to what this might imply, as the RS could gain/obtain a position that is stronger than the districts, which they used to have before the LGRP, relative to the districts.
- Capacity-building in PO-RALG of reform management was included in the midterm programme (MTP) 2002-2005. This is essential as the transfer and integration of LGRT into PO-RALG is going slower than anticipated.

The gender component has been weak in the LGRP. Norway therefore financed a consultancy (Schanke et al. 2006) to look into what could be done to strengthen this work. A two-year project (2006-2008) is trying to improve women's political participation and their role in the decision-making process in LG

The project is firmly placed within the PO-RALG. A pilot project is funded by Norway to see how the services to decrease maternal mortality may be improved.

Corruption is another area hardly mentioned directly in the LGRP documentation, although this is implicitly targeted through improved financial management systems and reporting.



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*How the Norwegian support for the programmes has addressed and supported democracy and good governance*

The reviews have noticed that governance aspects of the LGRP are not discussed extensively, and the LGRP is in many ways treated as a technical project to LG for the improvement of planning, implementation and reporting capacity. Governance issues are addressed through the development and promotion of a new participatory planning system, whereby sub-district level planning includes people in participatory manners. The problem has remained to link the planning system and priorities to budgets, as well as to avoid expectations that cannot be fulfilled.

The latest report (June 2006) states that the governance component is now integrated into PO-RALG and the responsibility of the Department of LG. It recognises that governance issues, such as “downward accountability, decentralisation to lower levels of local government and gender issues had not been adequately addressed”. An advisor will be recruited to support the work under this component.

*How the Norwegian support for the programmes has addressed and supported poverty reduction and improved access to services*

With the new Midterm Plan 2003-2005, poverty reduction was clearly included as a goal for the project. The new PRSP of the country clearly stated that decentralisation and local government reform was essential to provide the poor with improved services, and to achieve poverty reduction. Similarly, the MTP of the LGRP stated that the goal of the LGRP was to reduce the proportion of Tanzanians living in poverty. This should be done by improved quality, access and equitable delivery of public services – particularly to the poor, provided through reformed local authorities.

The project component, where the discussion of poverty reduction through improved service delivery is addressed, is through component 5: restructuring of LGAs. This component includes exchange visits to other LGAs, support to improve data collection (district enumerators), and improved planning procedures. One area of support is for PO-RALG to support LGA in identification of critical areas of service delivery. The councils are doing this either in preparation of their strategic plans, or implemented immediately. The Guidelines on the Outsourcing of Service Delivery in Local Government have been prepared and are translated into Kiswahili. A serious problem for this work is the shortfall in reliable statistics and data on access to, and performance of, service delivery.

*Cross-cutting issues, including gender*

Governance and anti-corruption have been integral parts of the LGRP. Until recently little attention has been given to women and gender equality related to governance issues in the LGRP. Since 2006, Norway has (Schanke 2006) been an active donor in strengthening women’s participation and gender equality in the

LGRP for the remaining two years, 2007-2008, and make the gender component in the LGRP a reality. The LGRP does not address cross-cutting issues such as environment and HIV/AIDS, but these two policy areas have a strong focus on LG and decentralisation.

## 3.2 Malawi - National Decentralisation Programme

### *Project/programme history*

Norway's history as a partner in development cooperation with Malawi started in 1996. Good governance was an obvious area of support with the support to a new regime which had come to power through multi-party elections. Support was given to human rights training, and to civil society strengthening; and decentralisation also appeared on the agenda rather quickly. The support was first given through UNDP's broader good governance programme. Norway signed the first agreement with UNDP to support the decentralisation secretariat in 1997. The UNDP project, which was implemented by UNCDF, was basically a development of district level participatory planning, developed in six pilot districts.

Bilateral state-to-state aid to the decentralisation reform came later. In 2001, Norway signed a new programme with Malawi to support the *National Decentralisation Programme Phase I* for the period 2001-2004, with 66 mill. NOK. An addendum was signed in late 2004 providing 2.25 mill. NOK for the years 2005-2006.

The latest review (Watson et al. 2004) is from 2004. In its comments to the report DFID asks the pertinent question as to what the effects of the decentralisation reform have been, and if it is suitable for Malawi at all. It also asks if decentralisation is as much a part of the problem as part of the solution to poverty reduction in Malawi. There is a lack of linkages between decentralisation and PRSP in Malawi. There is also a lack of coordination between the public sector reform and the decentralisation reform. It seems that to a great extent the decentralisation agenda operates outside the other political agendas, something that renders it ineffective and non-functional.

Malawi has implemented its National Decentralisation Programme Phase I from 2001-2004. A Decentralisation Programme Phase II from 2005-2009 has been developed, but was never made operational. In 2005, the President abolished all elected local councils, without organising new local elections. Currently, there are no locally elected councillors, only technical staff running the district administration. Due to this difficult political situation, Norway and other donors have discontinued/delayed/postponed their support to the decentralisation reform until local elections are organised, and local councillors again are in place. Only a limited amount of funds were made available during the period 2005-2006 to keep necessary items of the reform work running. The activities funded have included various consultancies, updating accounts and audits of LGAs, the assessment of

training needs and institutionalisation of M&E at the district level. Specific work has also been done on gender and women's participation in LG.

Norwegian support to the Malawi Association of Local Government Authorities (MALGA) was channelled directly from the Embassy, and not through the Ministry to ensure/secure the independence of MALGA. KS is the Norwegian partner to MALGA, but this collaboration has also been suspended due to the abolition of the local councils.

In January 2007, Norway decided to stop all support to the local government reform, as they considered the reform efforts dead, until new local elections were held.

### *Collaboration with recipient governments and other donors*

The project is owned and managed by the government, by the Department for Local Government within the Ministry of Local Government. An initial problem was that support was given to a Decentralisation Secretariat, which was outside the government structure and not part of the Ministry for Local Government. This caused confusion and frustrations as political commitment was seen as weak and progress slow in the development of the decentralisation reform. Phase I of the national decentralisation programme was also managed by the decentralisation secretariat, but the amendment from 2005 states clearly that the functions have to be taken over properly by the ministry itself.

There are few donors in Malawi, and donor coordination is firmly in place. However, donor coordination to the decentralisation reform has not been without problems. Norway has managed Sweden and Norway's funds for the decentralisation reform through a bilateral state-to-state project, which has been phased out.

There is also cooperation with GTZ and UNDP through their support to the reform. Denmark, who was the main donor to the financial decentralisation reform, terminated its development cooperation with Malawi in 2000. DFID has been unwilling to support the local government reform, and has instead opted for support to sector reforms (health and education) with substantial elements of support to decentralisation. Norway works closely with DFID in the health sector in joint basket funding programmes. The World Bank funds the Malawi Social Action Fund (MASAF). Norad has been invited to participate in MASAF review missions. Although the MASAF programme has increasingly been linked to LG procedures, there are still weaknesses in the collaboration between MASAF and the local government system.

All appraisals and reviews of the decentralisation reform and the support to the reform have been carried out by joint teams with joint donor funding.

### *Norway's support and role in the programmes*

Norway and the desk officer responsible for governance at the Embassy took a strong role in the development of the programme and in donor coordination in support to the decentralisation efforts.

### *Technical assistance (TA), both Norwegian TA and other expatriate TAs financed by the projects and programmes, and their relevance and value for the projects*

In the initial support to reform there was not any TA from Norway. In the latest programme, 2001-2004, representatives from Malawi paid a visit to Norway and Sweden to select relevant TA partners. A consortium was selected consisting of a Swedish consulting company for TA to the reform; KS for strengthening the Malawi Association of Local Governments (MALGA) and councillor training; and a group of Norwegian university colleges for institutional cooperation with similar institutions for training of staff. Since the programme was stopped due to the closing of local councils, TA has not been active, and no lessons from TA to the decentralisation reform can be summarised.

### *Project implementation and problems encountered*

The project was slow to start up, and there has been criticism of low political commitment to decentralisation in Malawi, as well as resistance from sector ministries to the reform. The progress of the implementation of Phase I 2001-2004 was slow and financial management of the programme weak. There has been a consistent lack of capacity across the board, both in the Ministry of Local Government's ability to run the programme, the local government authorities' ability to plan and implement activities, and generally in financial management. The project had almost come to a halt when the local councils were abolished in 2005.

### *Objective: good governance and poverty reduction*

The focus for the UNDP project, Phase I, was to pilot local planning systems in a few selected districts, and to develop this into a national guideline for local level planning. The project emphasised participatory planning procedures, and as such was concerned about improving the governance aspects of the planning, as well as improving the overall technical aspects of the planning system.

### *How the Norwegian support to the programmes has addressed and supported democracy and good governance*

The move to multi-party elections in 1995 created the change of regime in Malawi. Norway's development cooperation had a strong governance and democracy focus from the very start. The goal of the decentralisation programme was to *empower through local governance and development management for poverty reduction*. However, most emphasis was on developing financial and management capacity of the staff. There was also a continuation of the earlier

efforts to set up a district planning system that should result in a district development plan based on a district socio-economic profile. These plans were to be made by popular participation.

*How the Norwegian support to the programmes has addressed and supported poverty reduction and improved access to services*

The decentralisation reform in principle is seen as essential for successful service delivery and poverty reduction. Improved financial capacity at the district level is a precondition for financial decentralisation, and for allocating funds to districts in the sector reforms, and HIV/AIDS programmes. However, in Malawi there are weak links between the PRSP and the decentralisation reform. As long as the political support for decentralisation remains weak, it will also be difficult to establish a strong link between local government reform and poverty reduction.

*Cross-cutting issues, including gender*

There is no reference to cross-cutting issues in the documentation on the decentralisation programme. As Norway supports the gender machinery in Malawi, there should be possibilities for linking the two policy areas.

### 3.3 Zambia - CDD, in the Northern Province, and other minor project support to decentralisation

*Project/programme history*

Norad had a long history of support to the Northern Province in Zambia, starting with support to agricultural development in the 1970s. The support to the Northern Province was gradually changed to more comprehensive rural development planning in 1992.

In 1997 Norway signed a three-year pilot project *Cooperation for District Development (CDD)* to support the ongoing local government capacity-building programme of Zambia. The project had two goals; it should both improve district development planning and improve local democracy and increase popular participation. The project lasted 1997-2000, and was closed down when the pilot phase was completed. It covered three districts, Mbala, Luwingu and Kaputa. Similar programmes were financed in other provinces by other donors. Norad financed a Formative Process Research Project on the CDD project, undertaken by NIBR under their Framework Agreement with Norad (Braathen 2002). This research also made a comparison between the CD project and the other similar province-based decentralisation projects. Norad also financed a Midterm Review of the CDD-project (Chilese et al. 1999).

Zambia started the Public Administration Reform programme in 1993. As part of this reform, DFID had financed the *Local Government Support Programme (LOGOSP)* from 1994. It was a comprehensive programme, with a large

implementation unit run by a British consultancy company, and hired staff to its provincial support teams in the two areas of financial management and development planning. The programme ran into severe problems, partly due to their ambitious plans, but mainly because political support to the decentralisation process gradually evaporated. LOGOSP was suddenly discontinued in 1997, before starting its planned second phase. Since LOGOSP was expected to provide basic training, both in planning and in financial management, this affected the district development projects in the provinces negatively, and undermined their sustainability.

The CDD project was closed down when the pilot phase was completed in 2000. Government commitment to decentralisation was absent, and the Embassy decided that it would not continue with projects at the local level given the political situation. The Permanent Secretary (PS) of the Ministry of Local Government and Housing (MLGH) in the CDD Experience Workshop in February 2000 expressed his regret, should the project be closed down, and suggested that the results be consolidated by extending the project to other districts in the Northern Province (CDD 2000).

The Embassy did, however, continue to have an interest in decentralisation, and supported the Association of Norwegian Regional and Local Authorities (KS) and Agder University College in their institutional cooperation with Zambia Association of Local Authorities (ZALGA) and national training institutions. Also this support was closed down after a couple of years. Currently Norway supports good governance through support to national institutions such as the Auditor General's Office, but has no direct support to public administration reform or decentralisation. However, decentralisation has featured prominently as a topic in the educational sector programme.

#### *Collaboration with recipient governments and with other donors*

There were a number of similar district-based programmes, financed by other donors. In the late 1990s when CDD started up, there was a lack of forums for donors to discuss these programmes. Donor coordination, division of labour and harmonisation have generally increased after 2000. However, donors started at the same time to implement a stricter harmonisation of their aid and to develop a division of labour between donors, trying to limit the number of donors in each sector. Gradually this has developed into a Joint Assistance Strategy (JAS) for Zambia, and an emphasis on general budget support and sector budget support. Norway has also contracted other donors to manage part of their own aid funding to areas such as agriculture, where funds have been channelled through agricultural programmes funded and managed by Sida and the Netherlands.

The project was based in the Provincial Local Government Office (PLGO) in the Northern Province, where the project coordinator was also placed.

### *Norway's support and role in the programmes*

The Embassy was active in its management and support to the project. The formative process research team participated at the annual meetings of the project, and separate meetings to present the results from the research were organised, where the embassy also participated.

### *Technical assistance (TA), both Norwegian TA and other expatriate TAs financed by the projects and programmes, and their relevance and value for the projects*

The CDD project was based in the Northern Province, but targeted the district level. The provincial management unit was to serve the districts involved. There were three main districts involved, each with a Norwegian advisor. There were discussions beforehand about the possibility of hiring Zambians as advisors. The appraisal team suggested that time was ripe to recruit Zambian advisors, but this was met with resistance, not only from Norad, but also from the Zambian partners. The argument was that there was both a need for including non-Zambian experience, and also to recruit people who were less prone to pressure from outside the project. As a compromise, the appraisal report suggested that one could recruit a mix of Zambian and expatriate advisors, but this was refuted by Norad. The three advisors were recruited from the municipal sector in Norway through advertisement in the papers, and employed by Norad for a three-year period. These were the last advisors both hired and employed by Norad. Later institutional cooperation with Norwegian institutions served as a venue for hiring advisors at the project level.

### *Project implementation and problems met*

The main problem for the project was that the expected decentralisation and local government support never materialised. The decentralisation policy was stalled, and the DFID-supported project for local government capacity-building (LOGOSP) was stopped halfway as a response to this. This changed the context for the CDD project.

While other district development programmes combined local governance that was strengthened with funding for development programmes, CDD was the only project that focussed only on governance and participation. Sometimes, this placed the project in a difficult situation as people had other expectations of the project, and at least initially, it also created confusion as to what the project was about, and what people could expect of it.

The weakest links in the project design may also have been that too little emphasis was put on what the actual output and results of the project should be, and that too much focus was on designing activities. As will be discussed in chapter 5, this was a common problem for decentralisation projects in the 1990s.

There was also some confusion and uncertainty about the role of the three district advisors. The MTR (Chilese et al. 1999) points to the discrepancy between the

CDD being a project to improve transparency and accountability in local government, and the fact that the three advisors were accountable to the project PMU and Norad, and not to the elected councils. Although the documentation reviewed is not very explicit on this issue, there were also differences in the performance of the three advisors, who were new to the African context. Due to the war in Congo, the advisor in the Kaputa district had to leave the position, and was for a time stationed in Kasama, the main town in the Northern Province.

The MTR also points out that the project was overly ambitious and did not prioritise well enough what could be targeted and achieved within the short time of a three-year pilot project. The Government of Zambia was to cover 10% of the cost of the project. This never happened.

The main problem, however, was that the Government of Zambia was not interested in using the CDD project as a pilot for their decentralisation efforts, and showed little interest in the project. Decentralisation was taken off the political agenda, and the reform did not take off. Rather, it went into reverse and seriously weakened the financial basis for the districts during the lifetime of the CDD project.

*How the Norwegian support to the programmes has addressed and supported democracy and good governance*

The project was first and foremost a project to improve local democracy and local planning capacity in the direction of a more informed and participatory planning system. Civic education was one of the activities supported by the project.

*How the Norwegian support to the programmes has addressed and supported poverty reduction and improved access to services*

Poverty reduction was not directly a goal of the project, but implicitly, improved planning capacity was to make more effective use of the funds available. A major problem during the project period was that financial transfers to the district from the centre were almost non-existing. Local taxes were used to pay for local staff salaries. There were therefore no or little funds to plan for. The CDD project therefore provided a development grant fund for the local councils to make use of, but these funds were small and directed towards democratic development and improved governance. The CDD project also faced severe problems with declining financial resources to the local governments during its lifetime. Local taxes were abolished by Central Government (CG) and financial transfer from CG to LG declined and became more infrequent and unpredictable (CDD 2000).

*Cross-cutting issues, including gender*

There are no references to cross-cutting issues as such; gender was not an explicit issue in the project.



### 3.4 South Africa - Support to Local Government Capacity Building Programme, and SALGA

#### *Project/programme history*

Norway started discussions with the Republic of South Africa (RSA) in 1994 about support to local government strengthening. The project *Local Government Capacity Building Programme (LGCBP)* was implemented in two phases: Phase I (RSA-028) 1995-2000, 35 mill. NOK, and Phase II (RSA-2835) 2001-2004, 45 mill. NOK.

The programme partners were, at the national level, the department of Local Government (DPLG), South Africa Local Government Association (SALGA), and Municipal Demarcation Board (MDB); and Mpumalanga province and Nelspruit City at the decentralised level. There was also a regional component in the programme, mostly as a result of pressure from Norway who pursued the model that aids projects to South Africa should have a regional component, if and when relevant, to improve the possible learning effect in neighbouring countries of South Africa's relatively more advanced development stage, and also to improve communication between regimes, which until then, had had an antagonistic relationship during the apartheid regime.

#### *Collaboration with recipient government and with other donors*

The overall programme agreement was with the Department of Local Government (DPLG). During Phase I, DPLG was supposed to act as a coordinator for the programme, given the many separate components. DPLG was a weak department, with capacity problems, and rapid turnover of staff. It managed the programme by hiring additional staff, and did not integrate the programme into its overall work programme. This did not work very well, and during Phase II DPLG was still the programme contract partner, but its responsibility was limited to technical issues, while the Embassy itself had to do the coordination. Implementation of separate components was left to the various partners in the programme, with joint workshops.

There was no collaboration with other donors, nor any attempt from the South African side to coordinate or create forums for discussion and coordination. The LGCBP provided considerable training and capacity-building, as did many other donors in a non-coordinated manner. There was overlap, and as a negative consequence people in many training programmes spent less time on their work. DPLG, which was expected to coordinate the externally supported programmes, did not provide the necessary coordination.

The LGCBP has to be seen as a selected number of smaller interventions for local government capacity-building in the post-apartheid period. South Africa had a strong LG, but was pursuing a fundamental restructuring of their LG. The number of LGs was reduced from above 800 to less than 300. The purpose was to merge

white and black areas, and at the same time improve service provision to the disadvantaged population. New black councillors had been elected while many of the LG technical staff and council staff leaders were white.

RSA welcomed support and institutional cooperation to ease this transition and to improve the capacity of the new LGs. The support was seen as temporary in a transition period, and not as having a very strong place in the national system of LG. It is important to understand this as a background for assessing the experience (Finanger 2005).

#### *Norway's support and role in the programmes*

The Embassy had a strong role in the management of the programme, especially in Phase II. The governance advisors from Norad were closely involved in the programme, and participated in the appraisal of Phase II, as well as in regular visits and in the end of programme workshop in 2005. The embassy was an active partner in the annual meeting and participated in field visits with governance advisors from Norad. The embassy in its speech at the end of programme workshop underlined the importance of the programme, also as a means for the embassy to visit the localities and local governments in the area, which they might not have had the opportunity to do without the programme.

#### *Technical assistance (TA), both Norwegian TA and other expatriate TAs financed by the projects and programmes, and their relevance and value for the projects*

The project was an institutional cooperation project with the Norwegian Association of Local and Regional Authorities (KS) as the main partner to DPLG and SALGA and the other partners. The City of Oslo joined as an institutional partner to Nelspruit City, and later to Mbombela Municipality (renaming of Nelspruit).

The overall reviews and reports are rather positive about the role of KS as an advisor to the programme. However, there were also problems, which can be seen from the correspondence and the final programme conference documentation. KS was not always seen as an institutional partner; several of the partners regarded KS as a consultant. The notion of institutional cooperation, which was strictly valid only for SALGA, never received sufficient attention and the role was not clarified. The Embassy expected that institutional collaboration would have continued beyond the programme period, which it did not do.

#### *Implementation challenges and problems*

The programme had several implementation problems. Rapid transfer of trained people remained a problem throughout the programme period, but should have been expected given the political situation. This could have been foreseen, and more efforts spent on training more people.

The regional component was never successful, partly as a result of Norwegian pressure. Neither South Africa nor their neighbouring countries/SADC showed any interest in using these funds, and it was gradually reduced.

The most successful component was probably the Municipal Demarcation Board, with technical support from the Norwegian Mapping and Cadastre Authority. Drawing new borders for the municipalities was the main political reform in South Africa after 1995. This redrawing of borders was both to make the municipalities larger, but more importantly to create a mix of black underprivileged areas and richer white areas within the new municipalities. A political result of this redrawing was that the elected councillors were often black ANC members, while the senior staff members were white, highly educated people from the pre-apartheid period. Some reports point out that this fact was not understood well enough by the programme and the Norwegian TA.

Documents for the Annual Meetings usually came in late, and there were also problems with timely audits. A final transfer of funds to DPLG was never released as DPLG did not provide the audit of the former transfer.

*Objective: good governance and poverty reduction*

The objective was to improve the capacity of local government in a situation of political change. Poverty reduction was an implicit goal, as this was part of the overall political agenda of ANC.

*How the Norwegian support to the programmes has addressed and supported democracy and good governance*

The project was primarily focussed on strengthening institutions relating to local government in areas where they could identify their needs. Considerable focus was on improved procedures, the role of municipalities as employers, etc. This was a period where new black councillors were elected and the staff was predominantly white. It was also a period with strong pressure by the state on NGOs, giving them less space than before. Both these issues raised questions about democracy without it being addressed at the project meetings.

*How the Norwegian support to the programmes has addressed and supported poverty reduction and improved access to services*

The project(s) did not support poverty reduction directly, and poverty reduction was not a topic at the annual meetings. Partly this can be explained by service delivery not being part of the project, and not discussed in project meetings. The Demarcation Board had implicitly a strong poverty reduction effect, as the newly demarcated municipalities would include both former white and black areas, thereby improving tax income for black areas.

*Cross-cutting issues, including gender*

There was a sub-component on gender in the KS collaboration programme with SALGA. The documentation available says little about the outcome and result of these efforts.

### 3.5 Mozambique – Support to decentralised planning and finances in the provinces of Nampula and Cabo Delgado (UNDP/UNCDF)

*Project/programme history*

The current project is the “*Support to Decentralised Planning and Finance in the Provinces of Nampula and Cabo Delgado/Mozambique*” (MOZ/01/C01 – MOZ/01/001). It is managed by UNCDF through the UNDP, Mozambique. The project is a continuation of the two former projects: MOZ/93/C01 Local Development Fund Programme in Nampula Province (1995-1998), and MOZ/98/C01 – MOZ/98/001, the District Planning and Financing Project in Nampula Province. After a long period of planning starting in 2000, the new project agreement was signed in 2002 for a four-year period (2002-2005). A midterm review was carried out in 2004 (UNCDF 2004). The project period was extended due to remaining funds available, and was completed in 2007.

The project consisted of two thematic components:

- (i) Participatory planning and finance;
- (ii) Public administration capacity-building.

The two components had different provincial agencies as partners, and a challenge was provincial level coordination of these into a single, complementary programme. Another challenge was to firmly situate the programme at the province and district levels, and limit the central government’s role in monitoring and compliance with national policies (Mandate for dialogue, undated). Norad also saw it as important that there should be a complementarity between this project and the road rehabilitation project.

The project also consisted of three specific components, each funded by different donors, but under the overall project management of UNCDF. Norway funded the province-based component in Cabo Delgado and the Netherlands funded the Nampula province, both were based on earlier project support to the respective provinces. SDC and Ireland funded the central government component, which was supposed to work on developing the national decentralisation policy and strategy as well as the legal framework and system. A challenge throughout the project has been to integrate these three components. At the same time the model developed earlier in Nampula province has been tested by other donors in other provinces. The project built on earlier Norwegian support for local level capacity-building in Mozambique. Support for local level capacity-building has been prominent in

Norwegian development cooperation with Mozambique since 1991. At the end of the civil war in Mozambique, Norway decided to support rehabilitation, and started institutional support for planning and preparation for later intervention. Due to other pressing concerns from both partners, progress was slow. A workshop in 1993 identified four areas for interventions: agricultural rehabilitation, social action, public administration and provincial planning, with a centralised management unit.

The first agreement on *Rural rehabilitation in Mozambique (MOZ 077)*, with 40 mill. NOK, for the period 1993-95 was signed in 1994, but started in 1993 with activities in Cabo Delgado. Preparations for a second phase were slow, partly due to the country assistance strategy process on the Norwegian side. It was decided to focus on two areas: (i) strengthening of local public administration, and (ii) road rehabilitation and maintenance.

Due to low spending, the project was completed in 1997. In 1997, an addendum of 12 mill. NOK was signed, and a consultancy firm was hired by the government in 1999 to work out a new project document. The new project document was presented in May 2000. A review of the existing project and an appraisal of the new project document in 2001 (Ekman and Robelo 2001) presented the same criticism as already presented in a review in 1997.

An extension was granted for 1997-1998, for 20 mill. NOK, with a 50/50 share between the central and local governments. The addendum included funding for a community-development fund, where the districts were to release funds when they had identified community-based and community-led local projects. The CDF was not successful; it encountered numerous administrative problems and funds were slowly released.

A number of studies were commissioned to address administrative weaknesses and other barriers to successful programme implementation, but few of them were acted upon.

Planning for a third phase started as early as 1996. The initial decision was that the road rehabilitation and public administration components were to be expanded in the new phase.

The planning process was very slow and is summed up in the report *A Study of the Experience of the Interim Phase of the MOZ 077 – Rural Rehabilitation Programme and the Pre-Appraisal of the Next Phase of the Programme* (Ekman and Rebelo 2001).

There were also two other projects related to strengthening local institutions:

- (i) *Support to SIFAP – Public Administration Training System (MOZ/98/004)*, supported through a cost-sharing agreement with UNDP with 12.5 mill. NOK, and

- (ii) *Support to decentralised planning, finance and public management in Cabo Delgado (MOZ/01C01)*, supported through UNCDF.

In 2001, the government launched its Public Sector Reform 2001-2011. To support this reform and more decentralisation, a reform on Local State Bodies was implemented. It should be noted, however, that local government reform in Mozambique does not include a devolved local government at the district level. The provincial level is strong, and locally elected councils only exist in urban areas. In rural areas the district development committees are supposed to coordinate the sector ministries' departments and programmes at rural district level, in the absence of locally elected councils. The reasons for the Mozambique model can be found both in the history of conflict in the country, but also in its colonial traditions. Similar models of combination of devolution and deconcentration are found in French-speaking West Africa.

The project *Support to decentralised Planning and Finance in the provinces of Nampula and Cabo Delgado/Mozambique (MOZ/01/C01-MOZ/01/001)* was approved in 2003, after a field mission recommended that the PPDF Cabo Delgado and PPDF Nampula and the former UNDP support to DNPO should be integrated into a single PPDF project. The current project therefore consists of these three components. A Midterm Review (MTR) was conducted in late 2004 (UNCDF 2004).

The Embassy also provides funding for national and local NGOs; many of the developmental NGOs are located in Cabo Delgado of historical reasons. The NGOs funded are often active at a local level and promote improved participatory planning and governance systems, such as the Aga Khan Foundation and the NGO Associação Progresso.

#### *Collaboration with recipient government and with other donors*

The project is co-funded by a number of donors, in addition to UNDP and UNCDF. In the current project, Norway provides funding for the Cabo Delgado component, the Netherlands for the Nampula component, and SDC and Ireland for the central government component through UNDP.

#### *Norway's support and role in the programmes*

Norway has been strongly involved in the project and in the attempts to integrate the various components. However, available documentation says little about this involvement, as programme reviews do not include an assessment of donor performance and contributions beyond funding. We have not had access to minutes from the annual meetings (Tri Partite Meetings - TPM) or documentation potentially available at the Embassy.

*Technical assistance (TA), both Norwegian TA and other expatriate TAs financed by the projects and programmes, and their relevance and value for the projects*

UNDP/UNCDF recruited their own project staff to the project, including specialised experts. There are few references in the MTR of the TA provided, except that recruitment had been slow and that the position of the gender expert in Nampula had been vacant for one year (in 2004). The reviews and appraisal give little information about the extent of TA, or of their relevance and value for the project. There were no Norwegian advisors involved.

An interesting aspect is the use of international NGOs as TA for training communities in participatory planning. There were some concern about the sustainability and performance of this TA, and the MTR discussed the possibility of using and setting up national/local NGOs for this task.

*How the Norwegian support to the programmes has addressed and supported democracy and good governance*

The objective of the project was to develop and implement an improved and more participatory planning and financial management system in the country. In the absence of local elections (outside the urban areas), the project has assisted in developing the model first developed by UNCDF in Nampula in the 1990s, and later developed further in the current project, as well as in regional pilots funded by other donors. The project has since been adopted as the national model, and was instrumental in the development of the new Law on Local Government (LOLE, Law 8/2006) (UNCDF 2007). This effort has been rated as successful and well attuned to local context (Manor 2007). The joint review of this project and PRODER (GoM 2006) also confirm a positive picture of the contribution of this project to improved governance structures at the local level and decisive contributions to the new law and national decentralisation policy and policy debate. This work was proposed to be continued through a new project (UNCDF 2007). The Embassy has not yet decided whether they will continue to fund decentralisation projects through UNCDF.

*How the Norwegian support to the programmes has addressed and supported poverty reduction and improved access to services*

The project had a strong focus on poverty reduction. However, the MTR points to the tension between developing a new participatory planning system that is supposed to generate areas of investment and action from below through good, transparent and accountable mechanisms versus/in contrast to focussing specifically on one of the project components of innovative practices in local economic development and on natural resource management. This combination seems to be ranked high in the assessment of the project in the 2006 report (GoM 2006), and this link was strengthened in the new proposal drafted in 2007 (UNCDF 2007).

### *Cross-cutting issues*

Gender is a specific component in the project and efforts were made to improve women's participation in the local planning system. However, the gender expert position remained vacant for a long period, and women and gender issues seem to have remained the responsibility of the gender unit/gender experts and not mainstreamed into overall planning system and in project reporting.

## 3.6 Sri Lanka - District Development Programmes (IRDPs) HIRDEP and MONDEP

### *Project/programme history*

Sri Lanka launched its integrated rural development programme in the mid-1970s. Norway signed the first agreement for the *Hambantota Integrated Rural Development Programme (HIRDEP)* in 1979, having started the planning as early as 1977. The programme lasted from 1979 to 1999. In 1992, Norad contracted a team that formulated a phasing-out strategy for the period up to 1999 (Jerve et al. 2003). A second IRDP, *Moneragala Integrated Rural Development Programme (MONDEP)*, was financed from 1984 to 2003. These two programmes were two of a total of sixteen district-based IRDPs which were administrated by the Regional Development Division (RDD) under the Ministry of Planning, Ethnic Affairs and National Integration (Bond 1998). Later support was also given to a district-based programme in Batticaloa and plans were underway for a district-based programme in Tamil areas. However, due to the protracted conflict, these activities did not start up.

From the start there were differences in approach between the various IRDPs funded by different donors, and also differences in the views of the government of Sri Lanka (GoSL) and Norad as to what kind of programme this was. While the GoSL was most interested in sector projects, Norad strongly supported the concept that IDPs were about new forms of planning and institutional development.

An evaluation was carried out in 1991 by CMI (MFA 1991). In 2003, CMI and its partners carried out a larger study of the HIRDEP phase-out in the new context of Regional Economic A Programmes (REAP) (Jerve et al. 2003). Norad initiated the Formative Process research project within MONDEP in 1997 when NIBR and the University of Colombo, the Regional Studies Centre, started their research cooperation. The project was finalised in 2005 (Baklien 2005).

Changing institutional structures and policies in Sri Lanka contributed to problems in institutionalising the IRDP approach in the national planning and public administration structure. Both programmes were affected by the increasing neo-liberal policy development in Sri Lanka, and the emphasis on economic development programmes involving the private sector, REAP.



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*Collaboration with recipient governments and with other donors*

In the start-up of the programmes there were differences in the views between Norad and the Government of Sri Lanka (GoSL) of what the IRDPs should be. While GoSL wanted an efficient financial mechanism for sector projects, Norad wanted to promote a multi-sector development strategy based on integrated planning (MFA 1991). Strong disagreement between the parties about the approach taken seems to have existed at least until 1992. Norad was active in its promotion of a participatory approach in planning. This was an approach that was in focus among donors and development policy professions. Available literature, however, does not provide information as to the extent other donors also promoted this type of planning and management of development programmes, and the extent to which the common “pressure” from donors created changes in government procedures, or if planning and management procedures continued to be confined to programmes supported by the donors.

The IRDP programmes were coordinated and managed by the Regional Development Division (RDD), under the Ministry of Planning, Ethnic Affairs, and National Integration (Bond 1998). Programme administration was decentralised to a large extent, first at the district level and later from 1991 at the provincial level. None of the desk material available discusses donor coordination or cooperation.

*Norway's support and role in the programmes*

Norad took an active role in the programmes. A sub-study of the HIRDEP-evaluation of 1991 described this in some detail (Børhaug 1991). Desk officers in Norad Colombo were actively involved in finding solutions to programme design and management issues. Several of the Norad desk officers also served as programme officers in the programmes. The IRDPs served as a learning ground for many Norwegian experts, and were also instrumental in many of the technical discussions in Norad on local level development and participatory approaches.

*Technical assistance (TA), both Norwegian TA and other expatriate TAs financed by the projects and programmes, and their relevance and value for the projects*

The IRDP programmes were TA-intensive. The IRDPs had their own staff, but were gradually integrated into government structure. There was also a high number of expatriate experts, but this number was gradually reduced. The reviews and studies do not document the amount of TA invested, nor anything on their relevance and impact.

The programmes also had a substantial amount of funds for consultancies and studies. The high number of studies by different teams also caused some problems by not giving consistent advice. The experiences of the IRDPs in Sri Lanka were therefore part of the arguments in Norad for promoting formative process research, by using one team consisting of both Norwegian and national researchers from Sri Lanka, which observed the programme over a period of time

(several years). It was hoped that more consistent experience and lessons learned could be produced. The first formative process research project was on MONDEP and started in 1997, with NIBR as the Norwegian partner, and Regional Studies Centre (RDC), University of Colombo as the national partner.

*How the Norwegian support to the programmes has addressed and supported democracy and good governance*

The evaluation of 1991 (MFA 1991) concludes that the “innovative capacity of HIRDEP stands out as its main organisational achievement”, and that what is special in HIRDEP is that “the innovative processes became integrated into the established system” (MFA 1991:xv). Other studies (Bond 1998) also focus on the programmes’ process-oriented nature, with rolling plans and a set-up that encourage the ability to review experience and strengthen learning efforts for new plans.

Strong involvement of Norad headquarters and Norad Colombo was seen as instrumental in providing space for innovative practices. When discussing phasing out and sustainability the 2003 report (Jerve et al. 2003) points to the difference between sustainability of physical infrastructure, through improved management systems for operation and maintenance, and sustainability of new planning methods and procedures. Both types of sustainability were a problem in the phasing-out period, for example HIRDEP had provided up to 70% of the investment in basic social infrastructure. The review states that the lasting effect of the programme regarding new innovations in planning is the institutionalisation of new organisations, such as the Chamber of Commerce and the Social Mobilisation Foundation, who deal with micro-credit groups and merging out of the social mobilisers’ approach. Being organised makes these practices sustainable and serves needs and functions independent of donor financing.

The review concludes that HIRDEP was successful as a “development catalyst at the sub-national level”, but that it never succeeded in impacting on the general planning system at the district and divisional levels. The report does not put the blame for this on HIRDEP, but on changing government structures and reforms in the public administration system that negatively affected the IRDPs’ possible impact on the governance system.

*How the Norwegian support to the programmes has addressed and supported poverty reduction and improved access to services*

In the 1980s and 1990s, more emphasis was put on concepts such as local level development than on poverty reduction. One therefore finds few references to poverty reduction as such in programme documentation. However, both groups of poor people and areas with high poverty rates were identified and targeted in the project documentation, for example in MONDEP from the very beginning of the programme. In MONDEP, plantation workers, women and children were identified as target groups, and this selection was instrumental in selecting poor areas and villages as target areas. The evaluation refers to considerable

improvements in the socio-economic situation in the programme areas and in the same fields as the IRDPs are investing in. However, they also admit that the data is not available to prove/claim that the IRDPs are the cause of these improvements (MFA 1991).

*Cross-cutting issues, including gender*

There was a strong focus on the inclusion of women as facilitators for social mobilisation. Environmental issues and natural resources management were not included as issues.

### 3.7 Nepal - Support via UNDP to Decentralised Local Governance Support Programme (DLGSP)

*Project/programme history*

The Decentralised Local Governance Support Project (DLGSP) is a continuation of former support to the Local Government Programme/Participatory District Development Programme (LGP/PDDP). Norway supported the PDDP, and also provided some funding to the LGP. In October 2002, UNDP merged the two programmes in response to recommendations from the Norwegian Embassy and DFID. Due to the lack of elected bodies the new programme was delayed and a Bridging Phase was funded for 2002-2003 with 10 Mill NOK.

The DLGSP Programme was launched in 2004 for a four-year period, ending in 2007. Norway provided 50% of the funding, totalling 45.4 mill NOK, with UNDP providing a similar amount of funding. A new programme is expected to start in 2009.

The Programme has three outputs:

- Capacity-building of local bodies and national policies. This implies capacity-building at the:
  - national level, with support to the Ministry of Local Government and National Planning Commission on their decentralisation strategy
  - district level to the District Development Committee (DDC) staff, and to develop more participatory planning systems and improved district plans
  - sub-district level to Village Development Committees and Community Organisations. Social mobilisers are placed as extension staff at the village level to support Community Organisations, to set up saving schemes, and fund small-scale infrastructure projects through the Local Development Fund.
- Positive discriminatory Village Development Plans (VDPs) implemented in Village Development Committees (VDCs). Special efforts were made to promote women, the poorest of the poor, and disadvantaged ethnic groups

through their inclusion in VDPs and in securing access to loans for these groups.

- Issues of HIV/AIDS mainstreamed in training packages.

DLGSP is one of several UNDP programmes supporting decentralisation in Nepal, but the one covering the largest number of districts.

Initially, the programme provided credit to households through the LDFs. There were some concerns about the management of the credit system, and new funds were not provided for this component, but existing funds continue to be rotated to new credit takers.

Due to the conflict and frequent disruption of activities at the district level, the programme decided to focus its efforts on the village level and the VDPs. There has also been limited support at the national level, as further development of the decentralisation policy was put on hold, awaiting the peace agreement and new policies emerging from this agreement. The programme today therefore has many similarities to social fund programmes. Its strength is in combining institutional capacity-building at multiple levels, although due to the conflict, mainly at village level, and its concurrent focus on providing support and institutions for pro-poor work.

#### *Collaboration with recipient governments and with other donors*

The implementing agency is the Ministry of Local Development and the National Planning Commission. Norway and UNDP share the funding of the programme 50/50.

#### *Project modalities*

The project is implemented using National Execution Modalities (NEX), i.e. national systems and procedures. There is a Project Support Management Unit (PSMU) headed by a National Programme Manager, and there is a National Programme Director (NPD): These are regular implementation arrangements when it comes to UNDP-managed projects using NEX.

There are also regional support teams; Area Support Teams covering the five regions as well as two staff at the district level, a District Development Advisor (DDA) and District Programme Associate (DPA) to strengthen the District Development Committees and the Local Development Funds. There is additional support-extension staff at the village level.

#### *Norway's support and role in the programme*

Norway's support is channelled through UNDP. Norad has been actively involved in project preparations and monitoring. Norad has participated in several annual meetings since the former PDDP. Norad provided experts for the appraisal team,

and also took part in the Midterm Review of the Programme in 2006. Neither Norwegian TA has been recruited to the programme, nor any other expatriate TA.

*Objective: good governance and poverty reduction*

The project has a strong grassroot, sub-district/village focus, and a strong poverty-reduction orientation.

The objective of the project is also to support capacity in planning and development management at all levels, from the national to district and village levels.

*Technical assistance (TA), both Norwegian TA and other expatriate TAs financed by the projects and programmes, and their relevance and value for the projects*

The UNDP has set up their own Project Team, and there are also local teams. The project documentation is weak about describing the TA component, but it seems that all TAs involved in the project are nationals recruited in Nepal.

*How the Norwegian support to the programmes has addressed and supported democracy and good governance*

Due to the conflict, most of the funds have been allocated to the village level. The district level which is weak has therefore not received the necessary level of support for improved governance, i.e. participatory and democratic planning and budgeting. There are no local elected bodies in place, which is also an important barrier to improving local governance. The MTR of 2006 formulated it in this way: the context is not in place for supporting local governance; therefore for the time being, the programme should not be measured against this objective as it cannot be expected, given the conflict and that the overall framework is not in place. The MTR considers/perceives the most important results of the programme as creating the preconditions for future support to local governance, and to build local accountability systems that will provide a demand from below for improved local governance.

It should be noted that although the programme has been rather successful in achieving local level capacity building and poverty reduction, there is a long way to go before the system is institutionalised with district level capacity to continue the participatory planning system and generate the necessary revenue to continue the programme. Continued progress and results are heavily dependent on the programme. On the other hand, studies have shown that the programme provides only some of the funding for the village level. This is partly due to many donors and NGOs being present in Nepal, and that funds are often available at the local level if people are sufficiently organised. However, it is also important to note that substantial funding originates in the community itself.

During 2006, more efforts were directed at including new districts into the programme. There is a concern that programme support will be too thin if too

many districts are involved, so a decision has been taken to strengthen the districts involved, and reduce the ambitions concerning the coverage of the programme. A continued problem seems to be related to low financial management capacity at the district level, seen in the reluctance of the districts to use a new computer accounting package, partly explained as due to low ownership by the districts (DLGSP 2006). Work during 2006 also focussed on testing methods for improved accountability, by training in public hearings, and setting up teams in the districts to organise such hearings. Since there are no locally elected bodies at the district level, the programme tried to build accountability structures between the District Development Committees (DDCs) and the people, by encouraging the DDCs to use tools such as exit polls, citizen report cards, and public service audits.

*How the Norwegian support to the programmes has addressed and supported poverty reduction and improved access to service*

The programmes' focus on poverty reduction is concentrated on reaching the poor and disadvantaged people. It has little focus on providing pro-poor growth. This might be due to the character both of the country and of the situation. There is a strong need to provide social protection and improve the situation for vulnerable groups in Nepal, not least in a situation of conflict and post-conflict. The programme has developed various measurements for monitoring their impact on poverty reduction. Although there have been improvements in the situation of women, the poorest of the poor and disadvantaged ethnic groups, the progress is slow, and the MTR of the Programme in 2006 asked for a better focus and improved efforts both when it comes to recruitment of these people and for securing access for them to the programme's resources.

Securing access for the vulnerable groups has been a concern, not only throughout the DLGSP, but also the earlier local development programmes. Improved targeting as well as better recruitment of representatives of these groups in the staff is seen as necessary. Designing improved interventions for the poorest of the poor has been of special concern at the annual meetings and the programme is still working on improving its poverty-reduction design and interventions.

The programme is affected by the difficult situation the conflict has created, as well as the uncertainties in the post-conflict situation while waiting for the new institutional structure to be put in place. This has made it difficult for the programme to scale up its efforts, and secure/ensure national and institutional structures that can make the achievements more sustainable in the long run. A future challenge will also be to transform the saving groups at the village level into proper savings and credit institutions.

*Cross-cutting issues, including gender*

There is a strong focus on mobilising women, and improving both their economic and social situation, and their participation. There is also a focus on HIV/AIDS in the programme.

### 3.8 Vietnam - Public Administration Reform (PAR)

#### *Project/programme history*

Norwegian support to the *Public Administration Reforms (PAR)* was first signed in 1998, after several years of preparations. The reform of public administration was initiated by the government of Vietnam in 1990, and in the mid-1990s, UNDP was asked to prepare a number of possible PAR pilot projects that the donors could support. The result was that donors supported two types of projects: (i) provincial PAR projects to test the reforms at the provincial level, and place the local level experience on the table for the national programme; and (ii) projects at the national level in the various institutions involved in the public administration reform, such as the Office of the Government (OOG), the Government Committee of Organisation and Personnel (GCOP), later renamed the Ministry of Home Affairs (MOHA) and the National Academy of Public Administration (NAPA), the training school for government staff. UNDP's development of projects to be funded by donors was in particular directed towards the provincial level.

Norway started negotiating support for the provincial pilot in Ninh Binh Province and to the Local Government Department in GCOP in 1994, and the agreements for both projects were signed in 1998. The project lasted until 2002/2004. A midterm review was carried out in 2001, and a final review and pre-appraisal of a possible Phase I was carried out in 2004 (Prestgard et al. 2002).

Many of the like-minded countries had been supporting provincial PAR projects as well as projects at the CG level. By 2002, the frustrations over slow implementation of the reform, and cumbersome and time-consuming management of the projects led to support for UNDP to again be given a larger role in managing support to PAR.

Norway has supported Phase I of the UNDP PAR Support Project 2002-2006. The project has had both a Midterm Review in 2004 (Vasavakul 2004), and an end review in 2006. The donors have been waiting for an appraisal of the final Phase II document before deciding on reviewed financing. There has been an increasing frustration about the project, including serious doubts as to UNDP's capacity and competence in managing the project. However, it is likely that support will continue, as the donors have few alternatives if they do not want to be directly involved in cumbersome and time-consuming procedures and management issues.

The Ninh Binh Phase I project ended in 2004. After a two-year preparation period, the agreement for Phase II was finally signed in mid-2006, for a four-year period. TA was recruited and an inception period started. The inception report is expected in March 2007, with full plans for the remaining period in place.

*Collaboration with recipient governments and with other donors*

Since 2002 and the start of the UNDP support programme to PAR, the UNDP project has operated as a framework for donor coordination and discussion. In addition, there has been a broader governance forum where the various reforms (financial, public administration and legal) are/were discussed.

It should be noted that Norway no longer has direct contact with the Ministry of Home Affairs (MOHA), except through events organised by the UNDP PAR Support Project. However, MOHA does participate in the annual meetings of the provincial PAR project in the Ninh Binh province.

*Norway's support and role in the programmes*

The first two projects, 1998-2002/2004, were bilateral projects managed directly by the Embassy. Norway provided Norwegian TAs to the projects and followed the projects closely.

The Ninh Binh Provincial PAR project Phase II started up with an inception report meeting in 2007. In the UNDP PAR Support Project, Norway is one of several donors, with Swiss Development Cooperation (SDC) as the lead agency. Norway has taken an active role in the donor group.

*Problems encountered in the implementation of the programme/project*

The management of the Phase I projects, and also of the support via UNDP has been time-consuming for the Embassy. The Vietnamese system is not very transparent, and language barriers as well as difficult access to information easily create communication problems. The lack of a result-based management culture has led the projects to focus mainly on carrying out activities with less focus on results. The review from 2003 (Aasen et al. 2003) points to these problems, which are a barrier to the partners being able to discuss the projects' impact on the reform and the progress of the reform. Instead, considerable energy has been used on discussing activities and the progress of the activities.

As PAR is a highly political process, separating the state from the one-party system, the donors face difficulties getting access to the internal discussions about the PAR in Vietnam. PAR has proceeded slowly and the National Assembly itself has also criticised the government for the slow progress of PAR.

*Technical assistance (TA), both Norwegian TAs and other expatriate TAs financed by the projects and programmes, and their relevance and value for the projects*

When recruiting TAs to Norwegian-funded programmes in the 1990s, Norad made extensive use of Framework Agreements with state institutions in Norway, for winning agreements for institutional strengthening, in particular in the energy sector. Although not a state institution, the Norwegian Association of Local and



Regional Authorities (KS) was selected as the institutional partner for the PAR projects in Vietnam. The experience with TA to Vietnam has not been a history of success, which is also the case with the TA to the PAR projects. The TA to the GCOP project left after a year. Neither of the two TAs had any prior experience from Asia, and one of them did not have any overseas experience at all.

Many aid projects are moving away from full-time expatriate TAs, and for the Phase II of the Ninh Binh PAR project, a solution with two part-time TAs with considerable/extensive experience from Vietnam, were selected. This has just started up, so it is too early to say how it works.

Moreover, UNDP has had problems with TA, the slow manning of the project and efficient use of TA. Most aid programmes and projects in Vietnam have faced problems using an expatriate TA, not least due to the lack of transparency and difficult access to information on the Vietnamese side, and lack of experience and skills in the Vietnamese language on the side of expatriate TA (van Arkadie 2001). This seems to have improved somewhat recently by use of more Vietnamese TA, and more experienced expatriate TA, but no overall study of TA has been conducted during the last years.

*How the Norwegian support to the programmes has addressed and supported democracy and good governance*

The Phase I projects focussed on making the PAR programme operational at the provincial and department levels in the ministry. A strong limiting factor is the character of the PAR itself, which is more focussed on capacity-building than on making reform as such in the system of governance. Important aspects of governance are addressed in other programmes related to more participatory planning and implementation of programming.

*How the Norwegian support to the programmes has addressed and supported poverty reduction and improved access to services.*

Poverty reduction was not an issue during the first phase of the Norwegian support to PAR. During the next years, Vietnam developed their version of PRSP, the Comprehensive Growth and Poverty Reduction Strategy (CGPRS). While the CGPRS makes several references to the importance of an improved public administration system and governance, the new PAR programme for 2005-2010 makes few if any references to poverty reduction. From the government's side there is therefore little focus on linking improved public administration to poverty reduction. PAR is seen first and foremost as a way to establish and strengthen a state system separate from the party, i.e. as bureaucracy with proper bureaucratic procedures, planning systems, accounting and reporting, and proper personnel policies and recruitment procedures.

The donors' renewed focus on poverty reduction as part of their aid programme has become increasingly frustrated with the absence of poverty reduction focus in

PAR, and therefore many donors attempted to increase the place for poverty reduction in the Phase II programmes, but without much success.

*Cross-cutting issues, including gender*

Inclusion of women in policy-making and elected offices, as well as efforts to improve gender equality in governance, are included in the Ninh Binh Phase II PAR project. The UNDP project has not dealt with women's empowerment and gender equality in Phase I, but it is expected that this will be an area of focus in Phase II of the project which started up in 2007.

## 4 Lessons learned

### 4.1 Programme history, challenges and problems in planning, start-up, implementation and reporting

Decentralisation and local government reforms are about changing the political decision-making structures. It can be highly contentious. An uneasy process with delays and resistance can therefore be expected. It is not surprising that the preparation for donor programmes to support such reforms may take a long time. New legal frameworks and systems need to be in place, and these have to be discussed and decided by the national political system, parliaments included. The process might be one of frustration and lack of insights into internal discussions in the political system.

The planning period for a first phase of a local government reform programme usually takes considerable time. In Tanzania, it took three years from when the first local government reform document was presented and appraised until donor funding was agreed and the programme started. In Vietnam, it took a similar amount of time from initial planning until the project became operational.

In Tanzania, it was due to the time it took to develop the necessary and relevant policy paper(s) and legal changes to effectuate the local government reform. In Vietnam, it was also because Vietnam was a new partner country for development cooperation and the public sector reform was a new area for many donors, Norway included.

Previously establishing support to the IRDPs in Tanzania and Sri Lanka was demanding, with initial studies and project management system to be determined before the programmes could be operational. The IRDPs in Tanzania were developed on the basis of earlier water sector programmes; similarly the IRDPs in Sri Lanka were developed based on aid practices with infrastructure projects related to sectors, such as water, transport, etc. IRDPs therefore were in response to earlier aid modalities and practices, and IRDPs were concerned with developing new participatory planning methods in a multi-sectoral context.

In the Northern Province in Zambia, the pilot programme on decentralised democracy and decentralised planning (CDD) emerged gradually out of 20 to 25 years of engagement in the Northern Province by Norad, starting with support to agricultural development and moving into multi-sectoral rural development

programmes, before focussing on decentralised planning and democratic development. When the CDD was closed, Norway also terminated nearly 30 years of cooperation in the Northern Province of Zambia.

One trend in Norwegian aid has been to abandon the district-based programmes and pilots and to fund national decentralisation reforms. Tanzania became an important case for Norwegian development cooperation in the field of decentralisation. When public sector reform appeared on the aid agenda in the early 1990s, Norad explicitly chose to support local government and decentralisation reforms, and unilaterally closed down the IRDPs in Tanzania. Other donors, such as Sida, the Netherlands, SDC and GTZ continued with district-based programming in Tanzania, as potential learning grounds for the LGRP. Similar attempts were made in Sri Lanka to move from IRDPs to support of LG reforms and national decentralisation, with initial support to KS to collaborate with research and training institutes on capacity development for LG and decentralisation. However, as the decentralisation policy never materialised,<sup>5</sup> to a large extent due to the political conflict in the country, the support to national decentralisation efforts was cancelled.

Support for Malawi was also a response to concerns with the democratic development, where one initially gave support to civil society and gradually to the decentralisation secretariat once it was established. Support for decentralisation and public administration efforts in Tanzania and Vietnam came as a response to multi-donor support to both reform processes, and the need for capacity-building. In Tanzania, this support should also be considered on the basis of misgivings about the earlier support to IRDPs that only had local effects and seemingly no impact on the national system. South Africa is in many ways the odd case out. The support was a response to the post-apartheid aid programme, where Norway as well as other donors crowded in to be part of the local government support activities.

It seems that the trend has been to move from district-based programmes combining planning and investment, to LG reforms focussing on getting the national system in place. However, when looking more closely at the project portfolio, and also including cases not discussed in this report, one can see that the picture is more blurred. Here are at least three other tendencies:

- many programmes and projects still combine some level of decentralised planning and funds for investment in basic infrastructure or livelihood improvements, such as the UNDP decentralisation programme in Nepal;
- district-based programmes still exist; in Angola and Mozambique support to decentralisation is channelled through UNDP/UNCDF to specific provinces and regions. In Pakistan, a new district-based programme for decentralisation and basic infrastructure investment is under planning in the North Western Frontier Province;

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<sup>5</sup> No decentralisation policy was approved, but public administration units and provincial and local levels were strengthened.

- an area not covered by this report is the use of NGOs for capacity-building at the decentralised level, especially in participatory planning and management. The UNCDF project in Mozambique made use of European NGOs in capacity-building in participatory planning at the community level, and the project contemplated involving national NGOs in this work. Projects may become instrumental in establishing professional NGOs in countries in the South with this training capacity. However, Norwegian NGOs can also be used in strategic partnerships by embassies to increase LG and local institutions' capacities. Such an example is the strategic partnership that the Embassy in Ethiopia has entered into with the Development Fund (U-fondet), to work on agricultural development, food security and decentralisation in the Afar Region.

## 4.2 Collaboration with recipient governments and with other donors

With the move from IRDPs and district-based programmes to support of national reform programmes and activities came also the need for stronger donor coordination. That does not imply that there was no donor coordination before, but donor coordination, national ownership and harmonisation of aid for improved aid effectiveness has gained strength in the last ten years among the donor community. The support to PAR reform in Vietnam, including support to decentralisation is partly provided by individual bilateral donors and in parallel a project has been funded by the like-minded group of donors through UNDP for coordination and assistance to the recipient PAR secretariat. The UNDP project is to serve as strengthening of the PAR secretariat to coordinate the donors, to improve oversight of the various donors' programmes, and funding of piloting and lessons learned exercises.

It is of interest to observe that UNDP/UNCDF are used increasingly as a channel for support to decentralisation and local level capacity-building. The programmes funded through UNDP seem to be more on the capacity-building side, than support to reform process, although these two areas do overlap. UNDP has also been used by Norway in a number of countries not covered by this study, such as in Indonesia, in Angola, in Cameroon, and in Mali (earlier).

UNDP/UNCDF is also used for funding of decentralisation and local level capacity-building programmes in situations of conflict and post-conflict, such as in Nepal, Indonesia and Angola. There are currently plans for Norway to support a decentralisation programme through UNDP in Afghanistan. More analytical work could be done on conflict and support to decentralisation programmes in a post-conflict situation, as a mechanism for peace-building and conflict management.

The only review that discusses how support to decentralisation programmes could relate to overall harmonisation efforts and general budget support is the Mozambique review (UNCDF 2004) from 2004. The review team argues that

there are cases such as Mozambique where project aid probably creates a better and more relevant framework for the needed work on local governance reform than GBS. Reform programmes need piloting, technical support, monitoring and learning experiences organised by the project, and a project organisation is a better way of organising such work than GBS.

On the other hand, experience from programmes supporting decentralisation reforms points to the importance of political will to decentralise, and decentralisation as a central political issue. While capacity-building and procedures and systems for participatory planning and improved local level financial and development planning management can be institutionalised, decentralisation reforms are by their nature political reforms, and the design and pace of the reforms are in the end a national political issue to be decided by the national political system, including parliaments.

### 4.3 Norway's support and role in the different programmes

Norway has kept a strong overall involvement in the programmes and projects that they have funded to support decentralisation and local government reform. During the earlier IRDPs Norad was strongly involved in discussions with recipient government and project owners, and had also extensive contact with experts participating in the projects. Norad and the Embassies have continued to be strongly involved in most project and programme support for decentralisation and local government reforms, and see their role much as a partner in this work.

Norway has also funded substantial analytical work on decentralisation efforts. During the IRDPs the programmes funded a number of studies. Norad has also funded a number of formative process research projects on decentralisation in Sri Lanka, Zambia and Tanzania, and also an ex-post study of HIRDEP (IRDP) in Sri Lanka.

### 4.4 Implementation of the projects and programmes, problems experienced and reasons for these

There has been an unspoken and unresolved balance between the need for reform and for capacity-building. Although most actors agree that reform is what is needed, and that new procedures and practices are what need to be developed, the focus in actual programming has to a large extent still been on traditional capacity-building activities, workshops, training, and formal training programmes.

Reform programme organisation in relationship to government structures remains unresolved. Usually, reform secretariats are built up as semi-autonomous units, under the leadership and control of ministries. Semi-autonomous units are usually recruited from outside, and have capacities and salary structures that go beyond those present in government ministries. In addition, they are usually given greater freedom to test and pilot activities that go beyond current government regulations. The challenge has been to institutionalise such units within the ministries, and

transfer activities, planning and monitoring of reform processes into government bureaucracies, without being bogged down in everyday procedures. A further challenge is to institutionalise the ability to continue to carry out reform-oriented and innovative work.

## 4.5 Technical assistance (TA)

Little is documented as to the investment in TA in the projects and programmes and the effects of this support and impact on programme activities and LG reform capacities in public administration. IRDPs were expert-intensive programmes, i.e. a substantial part of the funding was for Norwegian or other foreign experts on long-term contracts. However, there is little documentation or discussion of their role and effects of their use in the project reports and reviews. Beyond the Drips, Norwegian experts have not been made much use of. In the Zambia CDD programme, Norad hired three Norwegian district advisors, since then the Association for Local and Regional Authorities (KS) was used as a consultant and agency for hiring short-term and long-term experts to projects in South Africa and Vietnam, and as partner in twinning arrangements with Malawi and Zambia. Currently KS is not involved directly as TA in national decentralisation programmes, although they are under contract to Christian Michelsen Institute (CMI) in a study on local government reform and gender-mainstreaming related to the provision of reproductive health services at the district level in Tanzania.

TA to national LG or PAR reform programmes has been organised by contracting international and local consultants through international bidding. When funding is done through UNDP, consultants are hired by UNDP to be part of the project management team and their experts (Vietnam). UNDP still has a large element of project implementation, even in countries with National Execution Mechanisms (NEX), such as Vietnam.

An interesting case of TA is the provincial level support through UNCDF in Mozambique, where NGOs are contracted by the projects to provide civic education and training in participatory planning and management. The challenge with this, as with prior systems of TA, is to have the experts and NGOs transfer and develop skills and capacities, versus the TA doing the job and being less able to build up the local capacity to make the experts and NGOs dispensable. In Mozambique, the evaluation report (UNCDF 2004) raises the issue of whether local NGOs could replace foreign NGOs in this work, and to what extent the programme can support the creation of local NGOs for such training capacities.

## 4.6 Addressing and supporting democracy and good governance

All the projects and programmes are concerned with good governance and the support to improved capacity for planning and management of development activities and budgets. Democracy issues are less clear in the project documentation.

The IRDPs were initially concerned about promoting more democratic and participatory planning methods, and that new groups of the population should participate in the planning, including women, the poor and marginalised groups. This concern about improved capacity and inclusion in planning activities was also present in the project activities in the CDD project in Zambia, in Nepal and in South Africa. In the national decentralisation and LG reform programmes much focus has been on institutionalising national systems and procedures for local government, including LG financing, planning and reporting.

Developing and implementing improved systems of participatory planning has been difficult to reconcile with the work of local government reforms, even when there has been a strong focus on the reform programmes in this regard. However, many LGRPs, such as in Tanzania have invested in developing such participatory planning systems. New legal documents have been produced to support such new procedures, and various piloting exercises have been carried out. A problem has been the cost effectiveness of such new planning exercises, as they tend to be costly with a huge input of consultants and facilitating agents. There has been an increasing interest in developing social accountability systems and mechanisms, whereby information is made public and shared, and transparency increased to allow for more demands from below for accountability.

Developing good and relevant planning and budgeting systems as well as M&E systems are still a strong challenge in the decentralisation reform programmes. This might be an argument for continued support to decentralisation reforms through project support, rather than through general budget support (GBS), and an emphasis on development of relevant and context-specific governance institutions at local level, and learning arenas for experience-sharing and new innovative practices.

#### 4.7 Addressing and supporting poverty reduction and improved access to services.

The IRDPs had a strong focus on poverty reduction, understood as inclusion in participatory planning systems of marginalised groups and women. There was, however, no analysis of the poverty situation and poverty reduction strategies when the IRDPs were not well developed. In Tanzania, the IRDPs took place in regions that generally were viewed as poor, disadvantaged and marginal. The annual budget of IRDPs such as KIDEP in Tanzania was very low (9 mill. NOK per year), and it was unrealistic to expect measurable effects on poverty reduction of such a small budget. However, one could have expected that procedures and governance institutions had been asked to address the issue of poverty reduction more. This was not the case. One of the reasons for this was that the IRDPs took place in the age of “recipient group orientation” or “target group”. The challenge was seen as one of including marginal groups and supporting their participation in local planning activities.



The move away from IRDPs and the emergence of support to decentralisation reform programmes took place in parallel with the renewed discussion of poverty reduction in development cooperation in the late 1990s, and the development of the poverty-reduction strategies (PRSPs). Initially, there were few links between LG reforms and poverty reduction. LG reforms were seen as providing the new planning and governing systems for local level planning and implementation. LG reform documents had few, if any, references to poverty reduction beyond general lip service to the important task of reducing poverty.

However, PRSPs usually had many references to the importance of LG reforms and the need for stronger planning and implementation capacity for poverty reduction and service delivery at the local level. Gradually a stronger link has been developed between poverty reduction and LG reform programmes in some countries, such as Tanzania, where the poverty-reduction element is strongly linked to improved capacity of local level service provision to serve sections of society as well as poor and marginal groups on the programmatic level. However, the funding modalities of the sector support for service delivery are worked out between the sector ministries, LG ministries and Ministries of Finance. The focus on poverty reduction still has a tendency to “evaporate” the closer one gets to programming and development of activities, and not least in monitoring and reporting.

In the UNDP/UNCDF programmes in Mozambique and Nepal poverty reduction is addressed both through participatory planning systems, but also by providing funds for basic social infrastructure or livelihood improvement activities. Therefore the programmes are simultaneously reporting on implementation of decentralisation programme activities and on poverty reduction and can more easily address the relationship between the two.

## 4.8 Cross-cutting themes

Cross-cutting issues, such as gender are not, or to a limited extent, addressed in decentralisation and LG reforms programmes. In the Drips, inclusion of marginalised groups and the poor also focus on involvement of women, but then as participants in local planning processes and beneficiaries of the programmes, not so much on women being politically active in the decision-making position.

However, the IRDPs in Sri Lanka also focussed on organising women, and in that way accessing micro-credit and improving livelihood and organisational capacity. The UNCDF project in Mozambique has gender and women’s participation as one of the programme components. However, the position was vacant for a long time, and the gender training seems to have been separate from the core programme activity. Gender is also included as a sub-component under the governance section/component in the LGRP in Tanzania, but actual performance and activities have not been forthcoming. Empowerment of women and gender equality seem to have “evaporated” the more one moves from programmatic statements to activities that produce results on the ground. However, as the review

of the Mozambique project demonstrates, field visits also showed considerable strength among women in raising issues in the village and community meetings. The overall impression is that the position of gender as an issue has been weakened when one moved from IRDPs and projects to national reform programmes. This happened at the same time as one moved from target-group orientation to national ownership and harmonisation of aid.

New aid modalities are a real challenge in addressing cross-cutting issues such as gender, but also offer opportunities (Aasen et al. 2005, Aasen 2006) of better addressing gender, and positioning it on the political arena. The last years have also seen a trend from a focus on involving women in local participatory processes and as beneficiaries, to addressing female leadership, and women's participation in decision-making at all levels, also in formal positions, as well as addressing basic gender imbalances in society.

## 4.9 New challenges: new aid modalities

Norwegian development cooperation moved from IRDPs and district-based project support to public administration reform and local government reforms in the early 1990s. The focus shifted from projects to national reforms and reforming national systems. In Norad, little interest was given for the use of ongoing district-based projects as pilots to gain information and knowledge relevant for national local government reforms supported by Norway. In other countries at the same time, Norwegian support continued to be directed to district-based or province-based projects and programmes.

This is also in clear contrast to, for example, how Norwegian NGOs and the UN system are used for piloting in the national sector programmes in health and education (SWAPs) by Norway.

LG reform is part of broader public sector reforms. Norwegian support for LG Reforms needs to continue taking into consideration the need to situate the support to LG reform into the broader public administration reforms. It is important that any support to LGR is informed about the developments in civil service and personnel management reform, and in budget reform and financial management reforms.

Support for LG reforms is most likely to be a time-bound support, to ease and speed up reforms in management systems, procedures, capacity-building, and system analysis. When the transition to a new decentralised local government system is in place, the governments will be expected to address the gradual improvement and incremental changes in their local government systems themselves. Development cooperation will still be provided to sector support and through budget support.

Donor harmonisation is more prominent today. Aid effectiveness, national ownership and support through new aid modalities relate to the implementation of

the national poverty reduction strategies which set a new context for how to work on decentralisation and support to local government reforms. National reforms tend to become very comprehensive, and can easily lead to very complex reform processes, grounded in modern liberal reform thinking on public sector reform. There is little consideration of fit into traditions and social realities in the recipient countries. The reforms become technical; i.e. performance systems and M&E systems among other things have to be in place. However, their link to governance systems and power and legitimacy are less developed.

New aid modalities might entail/produce new challenges to how donors may support local government reforms. How decentralisation and local government capacity are addressed in the new aid agenda is an under-researched area, and an area where surprisingly little debate is going on. Different sector programmes approach decentralisation in different ways, and one may easily end up with a complex and inefficient local government system, where transparency and accountability is low. Budget support and its triggers and performance matrices presuppose that the public sector performs well, and that decentralised service delivery systems function on the ground to produce the expected results. At the same time, budget support provides little space for assessment of the decentralised public sector and local governance systems in their assessment guidelines. The multi-donor and multi-country evaluation of general budget support (GBS) did not address these questions (ref.). In theory, partner countries are supposed to identify institutional weaknesses as part of their budget support analysis and budget for the necessary technical assistance and capacity-building. Thus far local governance strengthening has not been part of this work.

#### 4.10 Areas for further investigation

We suggest the following areas for further investigation, as these are areas where current documentation is not well developed, as many of these are new policy areas and merit more attention:

- Local government reforms and new aid modalities. What is the future for support to local government reform and decentralisation in a situation of aid harmonisation and general budget support?
- Area-based development programmes and rural and regional development. There seems to be a renewed interest in multi-sector interventions for rural or regional development. This opens the venue again for combining assistance to development programming with support to improved local governance. One issue of interest here is public-private collaboration.
- Sector support and decentralisation. Although some studies have been done on sector support, SWAPs and decentralisation, there still seems to be an area where more work needs to be done, not least in a situation of sector budget support coming up.
- NGOs as a channel for area-based support, and for local governance support. NGOs increasingly have to relate to elected local governments in

their work, and may potentially be important allies in the work to improve local governance and democracy.

- Cross-cutting issues have not been adequately addressed. Empowerment of women and gender issues should be more systematically addressed in decentralisation programmes. The local level also serves as a training ground, and more women who are active at local level can also contribute to more female leadership in the countries involved.
- UNDP as a channel for support to decentralisation. Currently, more decentralisation projects are funded by Norway through UNDP than as bilateral state-to-state projects. UNDP therefore has become an important channel of funds in this work. However, in many countries there is substantial frustration about the role of UNDP and the quality of the dialogue and with UNDP's performance. It might be useful to have more in-depth studies in this area.
- Decentralisation and LG reforms in post-conflict situations. Decentralisation design varies, and may be a powerful instrument in conflict management, if relevant and driven by local actors interested in conflict management. Many of the countries receiving support from Norway are in a post-conflict situation, and more effort should be invested into analysing the relationships between conflict management, peace-building and decentralisation.

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# Terms of Reference

## **Experiences gained from NORAD's support to local government reform and decentralisation NIBR, March 2005**

### **1. Background to, and purpose of, the assignment**

For several years, NORAD has granted support for local government reform and decentralisation in many of its partner countries. Based on an increasing desire and a need for measurement of the effect of the support granted to such reforms, it is of essence to gain some insight into the experiences gained from these efforts to date. Therefore, NORAD has taken the initiative to summarise and systematise the Norwegian efforts in this field, and to establish a comparative overview.

The assignment will place its focus on bilateral development aid projects, funded by country-specific programmes or the regional grant, and that have been administered by NORAD and the Norwegian embassies. Some of the cases will also comprise projects funded by several donors, and may comprise aid channelled through UNDP and UNCDF. Support to regional development programmes will be considered where relevant, in order to elucidate key problem areas related to support for decentralisation.

### **2. Focus for the summary**

The summary will mainly be undertaken in the form of a desk study of previously published appraisals, reviews and evaluations/final reports from programmes and individual projects, as well as other material, including archive studies. In addition, interviews will be made with informants who have been in charge of, or have participated in, the programmes, and opportunities will be provided for selected embassies or embassies concerned to provide their observations and input. The summary aims to provide an overview of the efforts to date, to collect experiences gained from this type of development aid, and to provide recommendations concerning key issues that ought to be taken into consideration in the context of further support in this field.

### **3. Scope and content**

The following countries and projects are comprised by the study (the list is not exhaustive):

*Tanzania:* The Local Government Reform Programme (LGRP), as well as the regional development programmes RUDEP and KIDEP.

*Zambia:* CDD in the Northern Province and other minor projects aimed at strengthening local government.

*Malawi:* The National Decentralisation Programme.

*Mali:* Norwegian support through UNDP to the process of decentralisation.

*Mozambique:* The Cabo Delgado project.

*South Africa:* Support granted through the Local Government Capacity-Building Programme, to the Ministry, the provincial and city level, and to SALGA.

*Sri Lanka:* The regional development programmes HIRDEP and MONDEP.

*Vietnam:* Public Administration Reform (PAR), including support to the PAR pilot project in the Ninh Binh province.

The study should comprise:

a) A descriptive review of the programmes/projects in each country:

- an introduction to the support granted to various types of decentralisation projects and local government reforms, which should form the basis for a framework for the subsequent analysis;
- a short summary of the prevailing principles for support to local government reform and decentralisation;
- a presentation and a classification of existing Norwegian support to local government reform and decentralisation.

b) Analysis of the experiences gained across different programmes and countries, pertaining to:

- Norway's role and contribution to the various programmes;
- cooperation with authorities and other donors, types of activities in joint donor forums;
- implementation of the programmes, recurring problems and their causes, interconnections with forms of organisation, political leadership and other governmental reforms;
- expert aid, both Norwegian and other expert aid financed by the programme, and its benefits and relevance for the programmes;
- monitoring and reviews, how these are being used;
- reporting of results in relation to goals;
- how Norwegian support to the programmes has addressed and contributed to democracy and good governance;
- how Norwegian support to the programmes has addressed and contributed to poverty alleviation and improved access to services.

c) Conclusions and recommendations with regard to:

- challenges and problems to be taken into consideration during planning, start-up and implementation of this type of reforms/programmes;
- monitoring, evaluation and reporting of results;
- addressing and contributing to democracy and good governance;
- addressing and contributing to poverty alleviation and improved access to services;
- viewpoints regarding previous and future approaches to support for decentralisation.

#### **4. Financial framework and reporting**

This assignment is approved for the annual work plan for 2005 under the framework agreement between NORAD and the Norwegian Institute for Urban and Regional Research within a resource limit of 30 man-days. At the mid-point of the assignment, the parties will assess whether further time will be required for completion of the study, including possible field visits. The assignment will be undertaken in close cooperation with NORAD's advisers on institutional development and decentralisation.

At an early stage, a decision will be made as to which countries, at a maximum of two, will be selected for visits and more in-depth assessments of experiences, and with regard to the scope of this work. Possible countries are Tanzania, Zambia, Mozambique and Vietnam.

If found to be appropriate, a working seminar could be arranged during the project period, with participation by other institutions that have framework agreements and that are engaged in assignments related to decentralisation, like the Norwegian Association of Local and Regional Authorities (KS), NORAGRIC, the Christian Michelsen Institute (CMI), the Centre for International Education (LINS) and the Centre for Health and Social Development (HESO).

The study will be undertaken by Berit Aasen, with contributions from Trond Vedeld and Einar Braathen, in close cooperation with NORAD/SSØ.

The assignment has a budget of 30 man-days.

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**Norad**

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