MALAWI:
Final Evaluation of the
UNDP & UNCDF’s
Local Development
Programme

Annexure 1:
Terms of Reference

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Prepared by:
Maple Place North
Woodmead Business Park
145 Western Service Road
Woodmead 2148
Tel: +2711 802 0015
Fax: +2711 802 1060
www.eciafrica.com
## LIST OF ACRONYMS

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<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>ADB</td>
<td>African Development Bank</td>
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<tr>
<td>ADC</td>
<td>Area Development Committee</td>
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<td>ADMARC</td>
<td>Agriculture Development and Marketing Co-operation</td>
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<td>AEC</td>
<td>Area Executive Committee</td>
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<td>AfDB</td>
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<td>Association of Progressive Women</td>
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<td>AS</td>
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<td>CAD</td>
<td>Computer Aided Design</td>
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<td>CBO</td>
<td>Community Based Organization</td>
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<td>CBR</td>
<td>Crude Birth Rate</td>
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<td>CCF</td>
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<td>District development plan financial management system</td>
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<td>District Planning and Financial Management System</td>
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<td>Director of Public Works</td>
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<td>Abbreviation</td>
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<td>DS</td>
<td>Decentralization Secretariat</td>
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<td>DSER</td>
<td>District State of the Environment Report</td>
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<td>Group Village Head man/women</td>
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<td>HIPC</td>
<td>Highly Indebted Poor Country</td>
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<td>Integrated Financial Management Information System</td>
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<td>LDF</td>
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<td>Medium Term Expenditure Framework</td>
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<td>Mid Term Review</td>
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NAO | National Audit Office  
NDP | National Decentralization Program  
NEC | National Economic Council  
NGO | Non Governmental organisation  
NLGFC | National Local Government Finance Committee  
NORAD | Norwegian Agency for Development Cooperation  
NRA | National Roads Authority  
NRM | Natural resource management  
PD | Programme document  
PEM | Public expenditure management  
PMAS | Poverty Monitoring and Assessment Systems  
PMC | Project Management Committees  
POP | Program Operations Plan  
PPP | Public private partnerships  
PPT | Project Preparation Team  
PSC | Program Steering Committee  
PSD | Program Support Document  
PSIP | Public Sector Investment Programme  
PWP | Public Works Programme  
RFP | Request for proposal  
RLSP | Rural Livelihood Support Programme  
SCF | Save The Children Fund  
SDI | Staff Development Institute  
SEP | Social Economic Profile  
SF | Social Funds  
SSP | Sponsored Sub-Project  
SWAP | Sector wide approach  
TA | Technical assistance  
TCP | Technical Cooperation Program  
TNA | Training Needs Assessment  
TOR | Terms of Reference  
UNCDF | United Nations Capital Development Fund  
UNDP | United Nations Development Programme  
VAP | Village Action Plan  
VDC | Village Development Committee  
VHC | Village Health Committee

"The analysis and recommendations of this report do not necessarily reflect the view of the United Nations Capital Development Fund, its Executive Board or the United Nations Member States. This is an independent publication of UNCDF and reflects the views of its authors"
ANNEX 1: TERMS OF REFERENCE

TERMS OF REFERENCE FOR THE FINAL EVALUATION OF THE MALAWI DECENTRALISED GOVERNANCE PROGRAMME (MDGP)

MLW/02/CO1; 013619

COVER PAGE

Country: Malawi
Programme Number: MLW/02/CO1; 013619
Programme Title: Malawi Decentralised Governance Programme (MDGP)
Executing Agency: Ministry of Finance
Implementing Agencies: Ministry of Local Government and Rural Development
Programme approval date: 2002
Programme Start Date: 2003
Programme End Date: 2006, extended to 2007
Total programme cost: US21,274,820
Financing breakdown: UNDP: US$6,000,000
UNCDF US$6,000,000 reduced to approx. US$1.5m
Government of Malawi: US$7,006,120
Mid-Term Evaluation date: November to December 2004

1. PURPOSE AND TIMING OF THE EVALUATION

1.1 Purpose of the Evaluation

The objectives of the Final Evaluation (FE) are:

1.1.1 To assist the Government of Malawi, in particular the executing agency (Ministry of Finance), the implementing agencies (Ministry of Local Government and Rural Development, National Local Government Finance Committee, and the District Assemblies) and the concerned co-financing partners (UNDP and UNCDF), to understand:

a) the efficiency, effectiveness, relevance and impact of the programme,
b) the sustainability of programme results,
c) the level of satisfaction of programme stakeholders and beneficiaries with the results, and

d) Whether UNDP and UNCDF were effectively positioned and partnered to achieve maximum impact;

1.1.2. To contribute to UNDP and UNCDF learning from programme experience.
1.1.3. To help programme stakeholders assess the value and opportunity for broader replication of the programme.

1.1.4. To help programme stakeholders determine the need for follow-up on the intervention, and general direction for the future course.

1.1.5. To ensure accountability for results to the programme’s financial backers, stakeholders and beneficiaries.

1.1.6. To comply with the requirement of the programme document/funding agreement and UNDP and UNCDF Evaluation Policy.

1.2 Evaluation timing

This final evaluation is coming at a time when UNDP Malawi is repositioning itself to contribute more effectively to the Malawi Growth and Development Strategy—Malawi’s recently developed development plan approved in December 2006 and the new United Nations Development Assistance Framework (UNDAF) –2008 to 2011 to be implemented in the context of ‘ONE UN’, and a new UNDP Country Programme. It is therefore expected that this evaluation will feed into the formulation process for the new programme under the new UNDAF. The Evaluation follows a one year extension to the MDGP which started in 2002 and was expected to end in December 2006. It is also happening at a time when a number of developments are taking place in relation to the national decentralization programme. These include:

Ongoing efforts to develop the ‘Local Development Fund’ (LDF) which is expected to be Malawi’s commonly agreed funding mechanism for local development in Malawi.

Ongoing efforts to develop a universal ‘Capacity Building Programme’ to support decentralization in Malawi.

Efforts to review the inter-governmental fiscal transfer system which had been approved by cabinet in 2002 and was expected to be revised after three years.

Recent decision by UNCDF to pilot local economic development initiative in two districts of Ntcheu and Thyolo that could pave way for a fully fledged local economic programme within the context of the next UNCDF programme of support to local development/decentralization in Malawi.

The continued postponement of local government elections which were expected to take place in 2005.

NDP II was developed in 2005.

The evaluation is expected to last 4 weeks beginning 1st June and ending 30th June 2007.

Evaluation collaboration

This is an evaluation to be conducted jointly for UNCDF and UNDP Malawi on the one hand and for the Government of Malawi (Ministry of Local Government and Rural Development) on the other.

2. PROGRAMME PROFILE

A) Country context/status of decentralization in terms of strategy, policy and implementation:
The implementation of the decentralization process in Malawi was founded on the basis of the new constitution in 1995, the adoption of the Decentralization policy and the new Local Government Act in 1998. The National Decentralization Policy backed by the Local Government Act 1998, devolves political and administrative powers, responsibilities, to the Assemblies. The Decentralisation process therefore aims at empowering the grassroots in local development through participatory decision making, ensuring accountability and good governance. The implementation of the Decentralisation process also contributes significantly to the economic empowerment of the local populace in line with the Malawi Growth and Development Strategy (MGDS) which is Government’s overarching development policy. The MGDS is a follow-up to the Poverty Reduction Strategy Paper (MPRSP) that was launched by the Head of State on 24th April 2002.

In order to operationalize the decentralization policy, the Ministry of Local Government and Rural Development developed in 2001 the first National Decentralization Program (NDP I) to guide the decentralization process, but also ensure the necessary financial support by external donors. The first NDP contained seven components: legal reforms, building of a democratic culture, institutional development, fiscal decentralization, local development planning and financing mechanisms, devolution of functions, and accounting and financial management. A Technical Cooperation Program based on a Medium Term Implementation Plan of the NDP for the period of 2001-2004 was developed and approved by the Donor Round Table Conference in August 2001. Following the review of NDP I in 2004, the Government of Malawi in collaboration with development partners developed the second phase of the National Decentralisation Programme (NDP II) in 2005 to cover the period up to 2009. The NDP II defines the future direction to take for the decentralization process in the light of the lessons learned from the experiences made in the past. NDP II contains four components: institutional development and capacity building, fiscal decentralization and financial management, local development planning and financing mechanisms. These components are designed more specific in their strategic relevance for the devolution process, the synergy and complementarities of the different areas of action, and taking into account the implementation capacity of local actors involved. NDP II has however not been officially launched despite its completion in 2005.

Three of the notable developments related to NDP II include ongoing work to establish the Local Development Fund (LDF). In the implementation of the Decentralisation process, the need for a common and standardized financing mechanism of the Local Authorities has become apparent. The Government of Malawi has therefore adopted the Local Development Fund (LDF) as a common financing mechanism of the Local Authorities. The Government of Malawi has decided that the LDF should be within the National Local Government Financing Committee (NLGFC). This is in recognition of the major role that the NLGFC has to play in the decentralisation process as it was set up as an institution at the centre of fiscal decentralisation—an essential component for the decentralization program that Malawi is implementing.

The purpose of the LDF is to establish and provide a nation-wide, sustainable, standardized and transparent financing mechanism, which is open for financing by Government and Development Partners (DPs), so that Local Governments in Malawi can support decentralized and sustained development. The LDF is therefore being designed and implemented as a measure for bolstering the decentralisation process. It is a mechanism that has evolved from the District Development Fund (DDF)—a facility that Government established with support from UNCDF and UNDP Malawi.
The other notable development is the ongoing work to develop a capacity building programme. The review of the National Decentralisation Programme (NDP I) in 2004, highlighted the need for a capacity building strategy based on a needs analysis for both District Assemblies and central Ministries/Departments involved in the devolution process.

A recent obstacle to local governance in Malawi has been the postponement of Local Government Elections. Local Government Elections were due in May 2005 and there is no immediate prospect of their being held. This has affected services delivery in that the law requires that Development Plans, Assembly Budgets and By-Laws need the approval of the elected Councillors.

B. Government Strategies and Reforms

Regarding the programme strategy, the NDP was perceived as a strategic coordination framework for development partners who are committed to support the decentralization process. Malawi is now in Year Six of the initially planned ten-year NDP process. A joint Malawi Government/Donor review of the implementation process of the NDP took place at the beginning of 2004. The main objective of the review was to assess the progress made in the implementation of the NDP for the 2001 – 2004 period, but also to assess how existing key government policy instruments, especially the Malawi Poverty Reduction Strategy (MPRS), the Public Sector Reform Programme (PSRP), the Medium Term Expenditure Framework (MTEF), the Malawi Social Action Fund (MASAF), Sector Investment Plans (SIPs), and Sector Wide Approaches (SWAP) are being implemented in relation to the decentralization process. The review identified some successes, substantial gaps, emerging issues and challenges that are briefly compiled below:

‘Drivers’ not in place: There was evidence of entrenched reluctance amongst some key central ministries to put into practice the devolution of functions and resources to Assemblies. Political or bureaucratic incentives for the intended changes and the devolution process were missing.

Legal Reforms: The Local Government Act and the laws that govern sector ministries functions are inconsistent with the decentralization policy. The required amendments were behind target because of the low capacity of Law Commissions

Institutions and Co-ordination: Institutional arrangements were appropriate, but not functioning adequately. In order to achieve improvements, the Ministry of Local Government and Rural Development (MoLG & RD) would be needed to be effectively ‘in the driving seat’ to facilitate the devolution process. But the Ministry was overburdened in part with tasks that were not strategic to its core business.

The DLG/Decentralization Secretariat (DS) Relationship: The actual tense relationship needed an immediate support for organizational development with the view to clarify a) roles and responsibilities, and b) an exit strategy for the winding-up of the DS. It is important to note that the DS has since 2005 been closed and all its functions institutionalized in the Ministry and other relevant organizations such as the National Local Government Finance Committee (NLGFC).

Fiscal reform: The good functionality of mechanisms for fund allocation to assemblies is the backbone of any decentralization policy. In Malawi, current volumes of fund transfer to Assemblies are low. Under the lead of the Ministry of Finance, but in close collaboration with the MoLG & RD and National Local Government Finance Committee, clear guidelines for the devolution of sector budget were urgently needed. Have they been produced yet? It is also important to note that work to establish the Local Development Fund (LDF) is now in progress.
Sector Devolution: It is difficult to see how the whole process could be driven forward without firm leadership from MoLG & RD. The Office of the President and Cabinet needed to develop guidelines for the new role of line ministries.

Local Planning and Development: While significant progress could be achieved in producing District Development Plans based on Socio-economic Profiles, it was not evident how communities were actively involved in the planning process, nor the consistency of these plans with the local budget framework, PRSP and national planning requirements.

Institutional Development and Capacity Building: In this regard, there is no strategy at all developed and therefore neither in place. However Government in collaboration with its development partners is now in the process of developing a capacity development programme in support of decentralization aimed at building the capacities of the communities, the district assembly and other government institutions involved in the decentralisation process.

Civic Education and the Information, Education and Communication Component: There is now an IEC strategy, but lacking the consideration of gender and HIV/AIDS both crucial factors for the successful implementation of the NDP. The past two years have however seen a lot of progress in the implementation of the IEC strategy which has successfully popularized the programme.

One of the main conclusions of the joint review was that there was the need for a fundamental re-affirmation of commitment to the decentralization policy – first by the Government, then by the donors – to pave the way for a renewed drive to NDP implementation and its detailed planning.

C. Donor support for decentralization

A variety of donors have played a major role in the formulation and implementation of the NDP 2001 – 4. According to sources of the NDP review, UNDP has a budget commitment of US$ 6 million (2002 – 6), and UNCDF of US$ 1.5 for the same period out of US$ 4.5 planned. NORAD/SIDA contributed with US$ 4.5 million (2001 – 4); GTZ/KfW allocated US$ 17.0 million (2003 – 7), and ADB US$ 14.1m (2002 – 7). There is evidence, that the implementation of NDP I utilized only 57% of the budgeted resources over the period Jan 2001 to Dec 2003.

The perspectives of the donor on the result achievements during the first phase were expected to influence their future commitment to the NDP II. Their main concerns were: lack of leadership to steer and monitor the effectiveness of the decentralization process, the backlog of external audits, absence of clear patterns of responsibility and authority over decision making between the MOLG & RD, DS and NLGFC etc. among many others.

Compared to the broad support expressed on the Donor Round Table Conference on Decentralization in August 2001, the present situation changed substantially: the only donors with strong support for decentralization appear to be NORAD/SIDA, UNDP/ UNCDF, GTZ and ADB. However, NDP donors have difficulties to harmonize their funding conditions and approaches. Only NORAD/SIDA contributed unconditionally to basket funding. Along with GTZ, their funds are not allocated to specific Districts. UNCDF only contributes to DDF. UNDP could not channel its funds through the Basket fund arrangements, and attributed them to twelve Districts. It appears that Donor financial support has declined over the past few years.

The coordination of NDP II has somewhat improved in the past two years with a grouping of development partners actively sharing information on developments related to the NDP.
3. PROGRAMME SUMMARY

In the early 1990’s through the UNDP 5TH Country Programme UNDP and UNCDF supported the initial decentralisation initiatives using the District Focus approach in 6 pilot districts of Nkhatabay, Mchinji, Dedza, Nsanje, Thyolo, Mangochi. Lessons derived from the decentralised management of local development in the six pilot districts fed into policy formulation and approval in 1998 and subsequent Local Government Act in the same year (1998) that and subsequently fed into the formulation of the first country wide “Local Governance and Development Management Programme (LGDM)”1997 to 2001 that was meant to replicate the lessons from the pilot phase to all districts in Malawi. The MDGP now under review is a direct follow-up to the LGDM.

The current UNDP/UNCDF support to NDP has been through the Decentralized Governance Program (MDGP) with earmarked funds to an amount of US$12 million out of a total estimated Program budget of US$ 21,274,820.0. The total GoM contribution in cash and kind is US$7,006,120.00. The Midterm review of the MDGP was carried out between November and December 2004.

3.1 Development Objectives, Immediate Objectives and Outputs

**Development Objective:** To empower local communities through local governance and development management for poverty reduction

**Component 1**

**Immediate Objective:** to strengthen the management and technical capacity of central and local government institutions in relation to their roles and responsibilities

**Project outputs:**
- DLG strengthened for effective implementation of the NDP
- Decentralization Secretariat strengthened for effective implementation of the NDP
- Decentralization Secretariat functions institutionalized in relevant institutions
- District Assemblies strengthened for gender mainstreamed development and effective service delivery

**Component 2**

**Immediate Objective:** to strengthen mechanisms for financing local governments in order to increase locally generated and mobilized revenues in support of decentralized service delivery responsibilities
**Project outputs**

An intergovernmental Fiscal Transfer System operational
Capacity to mobilize, generate and allocate revenues in all Assemblies improved
Enhanced financial transparency and accountability in DAs

**Component 3**

**Immediate Objective:** to strengthen the capacity of central & local governments & communities in the planning and management of development and service delivery

**Project outputs**

A revised District and Development Planning and Financial Management System developed
DDP&FMS implemented in focus districts
Districts Assemblies’ capacity for service delivery enhanced

Following the amendment of the project document in 2006 which allowed for the extension of the project to 2007, the forth and fifth outputs were added to benefit the two districts of Ntcheu and Thyolo. The amendment is also expected to pilot UNCDF support to local economic development (LED). This evaluation is not expected to make any assessment of the two outputs which are as follows:

**Output 4:** Pilot districts promote a business supportive environment in rural areas and provide technical and financial assistance to local, micro- and small-scale enterprises.

**Output 5:** Activities and results of the project are fully assessed, reviewed documented and disseminated.

**3.2 Project Description**

Government in collaboration with UNDP and UNCDF have developed the Decentralized Governance Programme – MDGP for the period of 2002 – 6 focusing on institutional development and capacity building, fiscal decentralization, and local development planning and financing mechanism as areas of support in the NDP. Besides UNDP/UNCDF, other development partners like the NORAD/SIDA, the German Government and the ADB are supporting the NDP. Until December 2004, DS had overall management responsibility. The Inter-ministerial Technical Committee on Decentralization with representatives from LGFC, NAO, LASCOM, MALGA, UNDP and UNCDF and chaired by the Principal Secretary of the MoLG & RD, had been mandated to oversee the implementation of the Program through quarterly meetings (list of acronyms see Annex).

**3.3 Institutional Arrangements**

The relevant institutional bodies for steering the Program are presented below.

**INTER-MINISTERIAL TECHNICAL COMMITTEE ON DECENTRALIZATION**

The mandate of this Committee includes coordination and providing technical support to the implementation of the decentralization policy. The Committee works through Task Forces established and reports to the Cabinet Committee.

**3.3.1 Ministry of Finance**
The ministry of finance is responsible for government authorization of the programme, policy guidance and management of the broad relations between government and the donors.

3.3.2 Department of local Government (DLG)

Located in the Office of the President and Cabinet, the Department of Local Government is responsible for the coordination and management of the whole decentralization process. It does this by working with line ministries, at the centre in preparing for the devolution of their functions to Assemblies and by providing administrative support and guidance to Assemblies. Note that the DLG was later elevated to Ministry of Local Government and Rural Development.

3.3.3 Local Government Finance Committee (LGFC)

The provisions for a NLGFC are provided in the constitution of Malawi and they focus on determining financial relationships between the centre and local governments.

In January 2004, the DS transferred all DDF activities to the LGFC, addressing a major challenge noted in the October 2003 report. This had been done to realign the allocation and transfer of finances form Central Government to local Authorities function with the mandate of the National LGFC as provided for in the constitution of Malawi. The Finance Section of the DS then focused on systems development, monitoring, training and mentoring until its closure in December 2004.

3.3.4 The Decentralization Secretariat (DS)

The DS was established as a temporary institution to assist the DLG to develop systems, test procedures and to support the DLG in a relatively non-bureaucratic manner in the implementation of the decentralization programme, and to provide managerial and technical support to the implementation of NDP. The Secretariat has been supported by UNDP/UNCDF since 1994. In accordance with the review in 2001, the DS wound up its operations in December 2004.

4. PROJECT IMPLEMENTATION STATUS

Major achievements as of June 2004 ahead of the Mid-Term review of the MDGP in November 2004 were summarized as follows (Fact sheet submitted by PO).

Staff of the Ministry of Local Government (13) have been trained in decentralization management

Approved recommendations on property rates and business licensing study are being implemented in 5 (Mchinji, Thyolo, Dedza, Kasungu and Chiradzulu) District Assemblies

24 (6 Directors of Finance, and 18 Accounts Assistants) Accounting staff have been trained in integrated financial management systems (IFMIS) from Mzimba, Mchinji, Thyolo, Dedza, Kasungu and Chiradzulu district Assemblies

District development plans that mainstream gender and HIV are being developed. (DDPs were prepared in 2002, now they are under review. The DS has completed review of the annual investment plans in all 12 UNDP supported districts)

Assembly committees are being trained in their respective roles (Procurement, Development and Finance committees from the 12 districts were trained)

Data base and dissemination mechanism (computerized M&E is being developed). Computerization of M&E has been completed and piloting is being done in Thyolo, Lilongwe and Blantyre District Assemblies.

Formula for inter-governmental fiscal transfer system established.
More progress following the Mid-term Review has been recorded as follows:

I. The DS has been successfully closed since December 2005 and the MoLG & RD has assumed some of its responsibilities. Other responsibilities have moved to NLGFC. The Ministry has been capacitated through a computer network and technical assistance through the services of four experts in the areas of IT, Data Analysis, IEC and Accountancy.

II. The decentralization process in Malawi received high publicity through implementation of the MDGP’s IEC strategy. 20 radio programmes on relevant decentralization themes have been produced and aired on the national broadcasting station and others; and road shows have been done in three districts while focus group discussions on decentralization have been held in four districts of Thyolo, Nkhatatab, Ntcheu and Phalombe districts. In addition, 3,900 booklets on the Malawi Decentralisation Policy have been printed and are now accessible to various stakeholders.

III. Eleven District Commissioners have been trained on team building at ESAMI—Blantyre

IV. A fiscal transfer system for ceded revenues and user charges has been developed.

V. An officer from the Ministry of Finance has been trained in fiscal decentralization at Duke University in the US.

VI. Five officers from the Assemblies are undergoing training at the Malawi College of Accountancy. In addition, the project supported capacity building around the new IFMIS through financial support for a study tour to Tanzania.

VII. A computerized data bank system has been installed in the four districts of Kasungu, Mzimba, Ntcheu and Chiradzulu.

VIII. Four officers attended training in fiscal decentralization and Financial Management at Duke University in the US, and 2 officers attended training in project management at RIPA in the UK.

The midterm evaluation of the MDGP took place between November and December 2004. An aide memoire containing achievements, constraints and recommendations is attached to the TORs.

5. CONTENT AND SCOPE OF EVALUATION

a) Key Evaluation Questions

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

1. Results Achievement

1.1 Has the programme made satisfactory progress in terms of achievement of programme outputs (as per logframe indicators and annual workplan targets) and related delivery of inputs and activities? How effectively and efficiently have results been achieved, and to what quality? (analysed by output and to refer to specific development and immediate project objectives)

1.2 Given output achievement and related delivery of inputs and activities, what is the evidence that the programme has or is likely to attain its Immediate and Development Objectives? Specifically in this regard what is the evidence/likelihood that the programme will achieve its intended contribution, including to:
- Alleviating programme-relevant dimensions of poverty
- Improving access to infrastructure and services
- Achieving more equitable participation and distribution of benefits across gender, and socio-economic groups
- Influencing policy reforms and implementation that support effective decentralization
- Replication of the approach by Government and/or other donors.

1.3 Assess the performance of the programme with regard to the High-Level Outcome Indicators in the UNCDF, local governance culture and accountability, etc. in the Strategic Results Framework.

1.4 Are the results reported through the programme’s monitoring/Management Information System validated by evaluative evidence? Analyse any discrepancies.

1.5 Assess the significant changes (positive and otherwise) in the country relating to decentralization and local development during the programme lifetime and assess the programme’s contribution to these changes (i.e. the criticality of programme results). What level of value added and consequence can be attached to the programme in the area of decentralization in the country?

1.6 Assess the relative effectiveness and efficiency (cost-benefit, value for money) of the programme strategy compared to other strategies pursued by the Government, other donors or actors to achieve the same outcomes? Is there evidence of any unintended negative effects of the programme?

1.7 What is the level of satisfaction of various programme stakeholders with the programme and the results achieved?

1.8 Have the agreed recommendations of the mid-term evaluation of the programme been implemented? How has this affected programme performance, relevance, management etc?

Evaluate any other critical issues relating to results achievement (for example, time and cost effectiveness of infrastructure delivery, quality of infrastructure, operations and maintenance, provision for recurrent costs, quality of participation in different phases of planning and infrastructure delivery, linkages between investment planning and budgeting and from local to regional/national planning frameworks, contribution of the programme to co-ordinated multi-sector planning, local resource mobilisation

Sustainability of Results

2.1 What is the likelihood that the programme results will be sustainable in the longer term, independent of external assistance, in terms of systems, impact on policy and replicability, institutions, capacity, local governance culture, infrastructure and services delivered, financing, and in terms of benefits at the individual, household and community level?

2.2 Is there sufficient funding available (from the Government and/or donors) to support programme innovations in the pilot area, and the wider adoption or replication of the model or aspects piloted by the programme? (e.g. LED, etc)
2.3 Are UNCDF and UNDP strategies for exit/further engagement appropriate with regards to promoting sustainability?

Factors Affecting Successful Implementation and Results Achievement

3.1 Was programme implementation and results achievement according to plan, or were there any obstacles/bottlenecks/issues on the UNCDF and UNDP/Government/programme partner side that limited the successful implementation and results achievement of the programme?

3.2 External Factors:

- Has the policy environment had consequences for programme performance?
- To what extent does the broader policy environment remain conducive to further future pilots related to the current programme?
- Are there any other factors external to the programme that have affected successful implementation and results achievement, and prospects for policy impact and replication?

3.3. Programme-related Factors:

3.3.1 Programme design (relevance and quality):

- Were the programme logic, design and strategy optimal to achieve the desired programme objectives/outputs, given the national/local context and the needs to be addressed?
- In assessing design consider, among other issues, whether relevant gender issues were adequately addressed in programme design.
- Is the programme rooted in and effectively integrated with national strategies (e.g. poverty reduction strategy) and UN planning and results frameworks (CCA, UNDAF) at country level?
- Have the programme’s objectives remained valid and relevant? Has any progress in achieving these objectives added significant value?

Institutional and implementation arrangements: Were the programme’s institutional and implementation arrangements appropriate, effective and efficient for the successful achievement of the programme’s objectives? Were there any institutional obstacles hindering the implementation/operations of the programme?

Programme management:

- Were the management arrangements for the programme adequate and appropriate? How effectively has the programme been managed at all levels? Is programme management results-based and innovative? Has financial management been sound?
- Have the programme’s management systems, including M&E, reporting and financial systems functioned as effective management tools, and facilitated effective implementation of the programme.
- Have the programme’s logical framework, performance indicators, baseline data and monitoring systems provided a sufficient and efficient basis for monitoring and evaluating
programme performance? Has the M&E system supported effective programme management, corporate decision-making and learning?

*Technical backstopping:* Is technical assistance and backstopping from programme partners appropriate, adequate and timely to support the programme in achieving its objectives?

## 4. STRATEGIC POSITIONING AND PARTNERSHIPS

4.1 Have UNDP and UNCF, through this programme and any other engagement in the country, optimally positioned themselves strategically, with respect to:

- Other UN/donor/government efforts in the same sector in the country?
- Implementing national priorities, as reflected in national development strategies?
- UNDP and UNCF corporate priorities

4.2 Have UNDP and UNCF leveraged their comparative advantages to maximum effect?

4.3 Have UNDP and UNCF leveraged their current/potential partnerships to maximum effect?

## 5. FUTURE UNDP AND UNCF ROLE

What are the remaining challenges and gaps in the area of decentralization in the country? How are various actors positioned to address these? Is there a conducive environment for further progress on decentralization? In light of the above, is there a future opportunity for UNDP and UNCF to add value following the end of the current programme? In what capacity?

Analyse and comment on any emerging vision, strategy and measures proposed for disengaging or continuing UNDP or UNCF’s programming in the country.

What are findings and lessons from the Final Evaluation of the current programme that should influence any decision on a future role(s) for UNDP and UNCF and its partners?

## 6. EVALUATION METHODOLOGY AND INSTRUMENTS

To be incorporated by outsourced firm (based on design contained in Manual for Use by Team leaders being finalized by ECI) However, a proposal is provided below:

a) **Regional Office/HQ Phone Briefing**

The Evaluation Unit and the Portfolio Specialist will brief the Team Leader via telephone

b) **Review of relevant project documents and files**

As there has been several evaluation and study missions conducted recently that are related to this project, the evaluation team should utilize the data and information already available from these missions. Critical documents include -

i. Project documents

ii. Relevant backstopping reports from the RTA

iii. Project Reports - Annual Progress Reports, Audit reports, etc.

iv. Inception reports


vii. NDP II

viii. Any additional relevant documentation that will be handed over to the consultant team upon arrival.

ix.

c) In-Country Consultations

Briefing by UNDP and UNCDF, representatives of relevant Government ministries, and Decentralisation Unit staff and review of the project files in the field. The staff of UNDP and UNCDF will assist the team. Field trips and site visits to conduct the evaluation will be planned in consultation with UNDP, GoM and Decentralisation Unit staff, to meet with the relevant project-related authorities and the beneficiaries/users, as well as population groups outside the project areas. These should include local authorities, women representatives/groups, community leaders, and poor community members, Ministry management, national and technical staff, NGOs and donors. The mission should visit an appropriate, representative sample of Districts and communities. Wherever possible, all evaluation data should be disaggregated by gender.

d) Drafting of Aide Memoir

On the basis of their findings, the mission is expected to draft an Aide Memoir, which will be shared with key stakeholders (GoM, UNDP and UNCDF in Malawi and other relevant partners) prior to the mission "wrap-up" meeting, where stakeholders can comment on the missions' findings.

e) Mission Wrap-Up meeting

The Mission Wrap-Up meeting is held and comments from participants are noted for incorporation into the final report. The UNCDF PO and a representative of the Government of Malawi will record the minutes of this meeting for submission to the mission, all relevant stakeholders, and UNCDF HQ/Regional Office.

f) In-country Debriefing session with the UNDP Resident Representative or DRR (P) and GoM focal point

g) Debriefing of UNCDF

h) Finalization of the Report

7. COMPOSITION OF EVALUATION TEAM

7.1 Profile specifications for Evaluation Team Leader

International consultant with strong international comparative experience in the field of decentralization and local development including:

fiscal decentralization;
decentralized infrastructure and service delivery;
local government capacity building for decentralized public expenditure management and operationalization of decentralized systems of planning and budgeting;
policy, legal and regulatory reform related to decentralization;
rural development.
Experience leading evaluations of decentralization and local development programmes, including experience using a range of qualitative and quantitative evaluation methodologies to assess programme results at individual/household, institutional, sector and policy level.

Sound knowledge and awareness of issues related to gender and social inclusion.

Thorough understanding of key elements of results-based programme management.

Demonstrated capacity for strategic thinking, and excellent analytical and writing skills.

Strong task management and team leading competencies.

Country/regional experience relative to the programme to be evaluated an advantage.

Language skills relevant to the evaluation.

7.2 Profile specifications for Evaluation Team members:

Local decentralization specialist, with experience in fiscal decentralization and good understanding of decentralization history, process, and issues in the programme country.

Civil engineer/chartered surveyor, with specialised knowledge of infrastructure and service delivery, design and construction of small-scale infrastructure projects, assessing technical quality and cost-effectiveness of infrastructure and services, appropriateness and quality of procurement processes, provisions for recurrent costs, operations and maintenance, community participation in procurement, delivery, operations and maintenance of infrastructure and services delivered.

Socio-economist, with specialised knowledge of PRA and evaluation methodologies, to lead evaluation of programme results at the individual/household/community level.

Specialist on gender, social inclusion, participation, to assess programme performance with respect to participation and inclusiveness of the various stages in the planning and infrastructure and service delivery process, level of satisfaction with the process and results, and outcome and impact of the programme, disaggregated by gender, socio-economic, ethnic status etc.

8. WORKPLAN FOR THE EVALUATION MISSION

The assignment will be undertaken in June 2007 for a period of 4 weeks. A tentative, initial schedule is as follows:

HQ/Regional Office Briefings (by phone) - 1 day (Team leader only)

Pre-Mission document familiarization - 1 day

3rd June 2007: Arrival

4th June 2007: Orientation, initial briefings by UNDP CO and project team, document familiarization, team building and methodology formulation, and meetings with GoM and other stakeholders in Lilongwe (3 days)

June 7-8, 2007: Exchange with donors

June 11-20: Field data collection in xxx (8 days)

June 21-22: Aide Memoire preparation

June 25th – Evaluation Wrap-up session in Lilongwe)

June 29th: First draft report available
United Nations Capital Development Fund
MALAWI LDP EVALUATION: FINAL REPORT

July 13th First draft of final Report.
July 30 Final Report ready.

9. Mission Costs and Financing
US$ 91,000 (ref. UNCDF Evaluation Plan) is to be financed by UNCDF, on the programme budget.

ANNEXES:
Annex 1: Indicative documentation list

(1) UNDP/UNCDF DOCUMENTS
All relevant programme-related documentation will be provided to the Evaluation Team. Documentation will include, at minimum:
- Programme document
- Technical studies
- Mission reports
- Annual work plans, progress reports (Management Information System reports) and financial reports
- Programme Audits
- Documentation, guidelines, studies produced by programme
- UN Common Country Assessment and UN Development Assistance Framework for the programme country
- UNCDF Strategic Results Framework
- UNCDF (2005) Delivering the goods: Building Local Government Capacity to Achieve the MDGs - A Practitioner’s Guide from UNCDF Experience in Least Developed Countries
- UNCDF (2003) Empowering the Poor: Local Governance for Poverty Reduction

(2) Other relevant Non-UNCDF Documents
- The Local Government ACT (1998)
- MTR 2004
- NDP Review 2004
- NDP II Programme Document

Annex 2.
1. REPORTING (Deliverables)
The Consultants shall work as a team and report to UNCDF Evaluation Unit. In the field, the mission should report to the UNCDF representative (i.e. the Resident Representative UNDP or his appointee).
Near the end of the mission (upon completion of information gathering and assessment), the mission should draft an **Aide Memoire** briefly stating their key findings. Ideally, time should have been allowed for discussion of findings in the field with the project beneficiaries during the in-field consultations. The Aide Memoire becomes the basis of discussions at the Evaluation Wrap-Up meeting, to which representatives of key stakeholders are invited. UNCDF HQ should receive a copy of the Aide Memoir as well prior to the meeting. At the Wrap Up meeting, the mission should discuss its main findings and recommendations with the UNDP Resident Representative or his/her appointee, government authorities, and other project partners concerned. While the consultants are free to raise any subject relevant to the evaluation of the project, the mission is not empowered to make any commitments on behalf of UNDP, UNCDF, and GOM.

The **Minutes of the Evaluation Wrap-Up Meeting** are to be prepared by the UNCDF Programme Officer and submitted to the mission team, all relevant stakeholders, and the Evaluation Unit at UNCDF HQ.

The comments of the Government, the UNDP Resident Representative, and other relevant stakeholders on the Aide Memoire and at the Wrap Up meeting should be incorporated or addressed appropriately in the **Draft Evaluation Report**. The mission should submit the Draft Evaluation Report 4-5 days after completion of the Evaluation Wrap-up meeting. An electronic version of the Evaluation report, including the "summary of project evaluation", should be submitted to UNCDF headquarters for review and comments, ideally at least 5 days prior to the Evaluation Debriefing of UNCDF HQ by the team leader.

After the evaluation debriefing, the team leader should then finalize the **Final Evaluation Report and Summary** as per the format outlined (Annex 2), including the Evaluation Summary, which should be prepared as per the outline below. One bound copy and an electronic version of the report should be submitted to UNCDF-HQ. UNCDF-HQ will share with the Malawi Country Office for distribution to all parties concerned.

In summary, the outputs required of the evaluation team are –

**Evaluation Methodology and Work plan**

**Aide Memoire**

**Evaluation Report and Evaluation Summary**
II. FORMAT FOR THE EVALUATION REPORT

The evaluation report should follow the outline provided in the Detailed Terms of Reference below:

DETAILED TERMS OF REFERENCE

1. Contents of the Evaluation Report

The evaluation report should include the following items: (Reference should also be made to Evaluation Manual, pages 17-20 to be provided by the UNCDF Programme Officer)

Table of contents

Executive Summary, 2-3 pages providing an overview of the report, and a summary of the main findings and recommendations.

List of abbreviations

Project data sheet, providing key facts and figures on a single page

Introduction to the Evaluation, briefly stating the purpose of the mission, composition of the evaluation team, a schedule of activities carried out, the methodology used, and the structure of the report.

Chapters as per sections 2 outlined below

List of persons interviewed

List of documents and references used in the evaluation

An Evaluation Summary; a 4-5 page annex to the main report. This is distinct from the Executive Summary, and should serve as a self-contained summary that may be read without reference to the main report. The evaluation summary should follow this outline:

Basic project data

Background of the project

Description of the project

Purpose of the evaluation

Findings of the evaluation mission

Assessment of the project design

Policy implications and lessons learned

Recommendations of the mission

Members of the evaluation team

UNCDF will provide examples of Evaluation Reports and Summaries to the team leader if necessary.

2. EVALUATION REPORT CHAPTERS

The report should include chapters on: Introduction and background, Project Preparation, Design and Relevance and Status and Performance of Implementation, Results and Potential Impact as follows:

A. INTRODUCTION AND BACKGROUND
The evaluation report should include a brief description and overview of the MDGP (including the phase from inception to the present, focusing on changes that may have occurred since inception). It should indicate briefly:

The country and sector; the situation existing at the time the project started; selected data to illustrate prevailing conditions in the areas targeted by the project; the origin and evolution of the project. The project rationale; the substantive approach; the development objectives; immediate objectives; expected results (outputs); activities; project inputs; implementation arrangements; costs and financing, including the Government's funding commitments; plan of operations; and arrangement for monitoring and evaluation (M&E).

B. PROJECT PREPARATION, DESIGN, AND RELEVANCE

Preparation
Analyze the appropriateness of the project preparation (including baseline data, key performance indicators, feasibility studies, implementation arrangements, etc.)

Assess the design and quality of the project formulation process, based on the Project Document. Were all the necessary components/elements taken into account? Were the original assumptions and risks still justified and valid?

Design
Assess the approach adopted to solve the problems identified. Is it the most effective?
Are the objectives and outputs well defined, realistic and quantifiable?
Are beneficiaries and users of project results properly identified?
Assess the planned sequence of implementation of activities vis-à-vis supporting implementation arrangement such as allocation of funds (amount, channel of disbursement, accountability), and staff requirements. Establish the extent to which achievement of the activities envisaged is commensurate to logistical arrangements (vehicle and office equipment)

Relevance
Assess the relevance of the project and its strategy given the current context. Are the objectives realistic and appropriate given the current context? Re-examine previous efforts to re-align the project objectives.

C. STATUS AND PERFORMANCE OF IMPLEMENTATION, RESULTS, AND POTENTIAL IMPACT

Describe all facts that reflect the status and performance of implementation, the results achieved and their potential impact upon the development objective. The evaluation should discuss here their findings in terms of the causes and effects of project actions, as well as the internal and external factors, which have had an effect upon the attainment of the results and the immediate objectives. This should be followed by the related recommendations to solve or improve the current situation as necessary; such as specific recommendations for improved utilization of the produced outputs and of the established systems and procedures, etc. In addition, the evaluation should also extract policy lessons learned that will be discussed with the Central Government, be incorporated in the operation of the project, and be useful for the development of future projects.

1. Status and Performance of Implementation:
a. Status of Input Delivery

State the factual delivery of project inputs and implementation of project processes versus the planned inputs and processes should be documented, describing the procedures, activities, and timing, of the different project stages; covering formulation, inception, and implementation, including the operational processes therein. In this respect, the quality and timeliness of inputs of the various parties to the project should be assessed.

In addition, the following information should be documented and assessed -

Financial Information:

Financial contribution of each partner, total disbursements and utilization of funds; including related, complementary support, such as the GoM funding. This should include a discussion of the procedures involved and the timeliness of funding.

Equipment

Inventory of project-related equipment, construction materials, spare parts and facilities (number, type of equipment, location, etc.); including an assessment of the quality of the equipment and tools procured, appropriateness of construction materials, timeliness of delivery, and actual use on site, their working condition, procurement methods, availability of service and repair, contracting systems and documents, and the quality and adequacy of their maintenance and operation.

b. Programme Management and Systems Performance

This section of the report should provide an evaluation of the means, processes and procedures used to implement the MDGP, and its overall performance in terms of economic efficiency, equity, transparency, timeliness, participation and effective management.

This includes specifically assessment of the management system, the administrative procedures, and overall teamwork. In this context, the evaluation should assess factors, both internal and external to the projects, which have contributed to or limited the efficiency of the project. An assessment of the effectiveness of the implementation arrangements should also be included. The mission should highlight and describe any changes in the mode of implementation compared with the project document.

c. Implementation Arrangements

Assess the programme organigram in terms of its effectiveness and efficiency for project management. The current institutional arrangements involve many parties with different roles and responsibilities. Assess these to ascertain the extent to which it is beneficial, or detrimental, to the project.

Assess the respective roles and responsibilities of, and the coordination mechanism between, the MoLG & RD, LGFC, UNDP/UNCDF CO and UNCDF HQ.

Assess the flexibility and responsiveness of the management to change

Assess the functionality of the interaction between the programmes funded by other donors.

d. Management Issues
Assess the overall effectiveness of project management; i.e. quality of work planning, supervision of staff outputs, staff performance appraisal and feedback, competency development planning, management style, management-staff relations, etc.

Assess the accountability of project management to donors, government and other stakeholders; e.g. is there regular reporting and communication between project and stakeholders, etc.

e. Procedures and Systems
Assess the quality (adequacy) of the project financial management systems, personnel recruitment, contracting and procurement procedures and documents and forms developed.
Assess the efficiency of the procedures for financial disbursements established
Assess the functionality, effectiveness and efficiency of the operational linkages and procedures established between the District Councils and

f. Capacity issues
Management capacity, competency and innovation in implementation of the projects.
Staff qualifications and its relation/impact on the quality of outputs produced.

g. Monitoring and Evaluation
The evaluation should assess the status and effectiveness of the project Monitoring and Evaluation system. Specifically, the system as it exists should be described, with special attention to both operational M&E as well as to the monitoring and evaluation of project results

For operational M&E -
Assess the effectiveness of the existing monitoring system for work supervision and regular reporting purposes; with attention to the linkages between the individual work plans and the project work plans.
Assess the effectiveness of the monitoring system for quality control of inputs and outputs, in relation to road and infrastructure construction as well as capacity building activities
Assess the adequacy of the inventory monitoring system

For the M&E system at Programme level
Verify the availability and quality of baseline information
Assess the relevance of agreed upon indicators and the level of their acceptance as well as extent to which other key actors are aware of and agree with them
Review and compare project performance indicators with corporate performance indicators; i.e. the UNDP and UNCDF Strategic Results Framework
Check on the regularity and accuracy of data collection
Comment on the usefulness and extent of actual use of M&E data collected by project staff, key actors and beneficiaries
Assess the strengths and weaknesses of the current monitoring and evaluation system with view to ensure improved service delivery and capability of learning from experiences and best practices.

2. Results
This section provides a discussion of the results - the outputs attained so far, and the potential attainment of remaining outputs, outcome and impact.

a. Outputs

The results attained so far should be presented with regard to delivery of all outputs (both physical and process oriented); timeliness, quantity and quality, costs, utilization of outputs, etc.

The evaluators should describe the outputs relative to targets in the project document and workplans, using the established performance indicators as well as any additional relevant indicators.

Technical Assistance

Assess the various types of technical assistance provided by the project, from different sources - UNCDF, UNDP, and other partner agency.

In all the above assessment of outputs, the relevant indicators should be specified and reviewed. (This should include a comparison with corporate indicators as specified in the UNCDF Strategic Results Framework. Please note that the results levels in the SRF may be different from that of the project. Nevertheless, the important thing is to compare the indicators, regardless of the results level where they are placed).

The evaluators should then assess the progress in achieving the outputs in relation to the potential for attaining the immediate and development objectives as stated in the project document.

b. Immediate Objectives

The mission should assess the attainment, or likelihood of attainment, of the projects immediate objectives as per the outcome indicators established by the projects.

c. Impact -

Early indications of programme impact should be identified as a total Impact assessment may not be possible at this point in the project implementation, however,

The evaluation team can do the following:

- Assess whether and how the inclusive participation, efficiency and effectiveness of the local governments have enhanced improved delivery of services and accountability in general.
- Assess how the project has enabled the institutionalization of dialogue between the communities, civil society, private sector and the local governments.
- Assess the progress made by the Project in empowering different categories of civil society in local governance and development management.

It is important that, wherever possible, all data gathered should be disaggregated by gender, socio-economic and social groupings.
3. CRITICAL ISSUES

The following are some critical issues that have been identified for special attention. To avoid repetition, if any of the following are covered in the above sections (for example, under the results section), they should either only be covered here, or in the above.

1. Institutionalization and Sustainability

Institutionalization has been defined as introducing something that is qualitatively new, by way of institutional practices or organizational arrangement, such that it can be sustained as a normal part of those practices and arrangements. This definition also includes resource investment and maintenance. In this section, assess the prospects and conditions for future sustainability of the projects benefits (technically, financially, institutionally and otherwise). The issues that have implications for the sustainability of the results are -

a. Policy Environment

Review and assess the policy environment to determine if it is conducive for attainment of MDGP goals; i.e. assess the extent to which policies are supportive or are a deterrent for project implementation. Relevant donor policies (including UNCDF and UNDP policies) should be reviewed as well as government policies.

b. Institutional Issues

• Review the institutional bottlenecks of the central and district administration that are affecting the effectiveness of the programme in the context of its overall objective

• Assess the ownership and actual support provided by relevant central and local government officials for the MDGP; e.g. assess understanding and ownership of the MDGP by officials at all levels; indicate actual supportive actions taken, timeliness of support, etc; e.g. are officials that are trained by the project retained in relevant positions to utilize their training?

c. Sustainability of Financing

• Assess local financing of capacity building; percentage of capacity building / training costs covered by the Districts, central government or any other alternative source.

• Assess the potential of local financing for operations and maintenance.

d. Replicability

• Assess the replicability of the project interventions

State findings and recommendations.

2. Operational Capacity

Assess the capacity and efficiency of the Government to manage and implement the project, the suitability and availability of staff in the District Councils and their motivation (civil service, salaries), the quality and timeliness of reporting (progress, audit etc.);

• Assess the technical supervision, financial management, staff management, equipment operation and repair of equipment capacity of district supervisors

• Assess the suitability, quality, efficiency and durability of the technical assistance provided by UNDP, UNCDF and other technical assistance providers, including the quality and suitability of the experts and the training methods utilized;
State findings and recommendations

4. Gender issues

The mission should assess the extent to which gender issues are mainstreamed into the project, and identify issues that need to be addressed -

For example - the following should be reviewed -

How do men and women feature in the decentralization policy

How do men and women feature in the implementation of the decentralization policy as piloted in the project? For instance, how does the local level project formulation, establishment and implementation phases take into account the different needs of women and men, so that both can serve in a complementary manner to enhance the outputs of the project? What are the strength and gaps?

- To what degree has the project and the local level planning process facilitated dialogue between women and local governments and to what degree are District and Village administration responsive to the needs of women and gender issues.

State findings and recommendations.

5. Partnerships and Coordination Role of the Project

The evaluation should assess the nature and quality of the partnerships the project has forged with local actors, as well as the effectiveness of the coordination role the project plays in aligning the efforts of different players towards the project objectives. This should not be limited to government and donor partners, but should include a discussion of the role of civil society partners.

State findings and recommendations.

6. Externalities/spillovers

The mission should assess whether there were any externalities, which affect the project negatively or positively, for example, are there any adverse effects on the environment due to project activities? This review of externalities should include an examination of the implementation of other projects, which have implications to the project.

7. Any other critical issues identified

The evaluation should raise here any other critical issues that need to be addressed.

8. CONCLUSION AND KEY RECOMMENDATIONS

Summarize the key findings and recommendations of the evaluation.

9. LIST OF ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<tr>
<td>DA</td>
<td>District Assembly</td>
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<tr>
<td>DDF</td>
<td>District Development Fund</td>
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<tr>
<td>DDP</td>
<td>District Development Plan</td>
</tr>
<tr>
<td>DEC</td>
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<tr>
<td>DLG/DoLG</td>
<td>Department of Local Government</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>DS</td>
<td>Decentralisation Secretariat</td>
</tr>
<tr>
<td>GTZ</td>
<td>German Agency for Technical Cooperation</td>
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<td>GoM</td>
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<tr>
<td>IFMIS</td>
<td>Integrated Financial Management Information System</td>
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<td>Inter-Ministerial Technical Committee</td>
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<tr>
<td>LED</td>
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