



Mid-Term Review:

Poverty Alleviation Oriented Governance Programme;

Red Sea State

Sudan

**June – July 2009**

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**Author's Note**

This Mid-Term Review was conducted to assess progress towards expected results as stated in the project document, and determine whether or not changes were needed in such areas as the project concept, strategy and plan of implementation, and management arrangements. Consequently, the emphasis throughout the review is on identifying areas in which UNDP can improve and provide more effective project support.

This should by no means be perceived as a lack of appreciation of the impressive and unique achievements of the project. It is true that the project has faced numerous challenges and many of its targets were not achieved, some were not even started. But this project is more than just numbers and targets, it is about changing the way local authorities conduct business. The Red Sea State is now the first state in all of Sudan to establish development planning at locality level. This in itself is a phenomenal achievement and accomplishment by UNDP and the government of the Red Sea State. The locality development plans are not only an important development management tool for local authorities, but are also a useful donor coordination mechanism. This achievement alone represents project success, by far exceeding any of its shortcomings.

If however, due to the forward-looking and needs-based approach of the review, this accomplishment may sometimes seem not to be appreciated, this is certainly not the case.

I would also like to thank all the individuals in the Red Sea State, in UNDP and other key partners who provided invaluable information and perspectives on the current state of achievements, lessons learned and challenges. I however take full responsibility for any errors of fact or analysis that may be made in this report.

## **A. EXECUTIVE SUMMARY**

The United Nations Development Programme (UNDP) is in partnership with the Government of Sudan and the Danish International Development Agency (DANIDA) in undertaking the Poverty Alleviation Oriented Governance Programme (PAOGP) in the Red Sea State in eastern Sudan. The objective of the programme is to ensure that the local government in the Red Sea State is able to deliver adequate public social and economic infrastructure and services, based on participatory, pro-poor, gender-sensitive, responsive and transparent planning procedures. The Programme has two components of state capacity building and civil society component. The state capacity building component focused on building planning and budgeting capacity in the state Ministry of Finance and Economy; and to strengthen its directive and coordinating role, as well as its ability to transform poverty reduction policies and strategies into plans and budgets. Technical assistance would be provided through a Public Expenditure management (PEM) expert and Strategic Planning expert who would be recruited to work with the state Department of Planning, Development, Expenditure and Revenue. A Local Development Adviser (LDA) would also be recruited to work with the local authorities in the localities.

The state capacity building component (hereafter referred to as the project) was launched in January 2007 with a budget of US\$ 1, 874,000 over a three-year period from 2007 – 2009. A mid-term review (MTR) was scheduled for the third quarter of 2008, but was delayed and finally undertaken in June 2009. The present report is the report of the MTR, which was intended to cover the period from project inception to November 2008.

The purpose of the MTR was to assess the Project contribution towards achievement of expected results, with a view to fine tune current UNDP interventions as well as inform future programming in the Red Sea State. The Review focused on; (a) assessing whether or not the expected results were achieved, and if not, whether any progress had been made towards achievement of results, and to identify the challenges to achievement of results; (b) analysing the underlying factors beyond UNDP control that may have influenced results, while distinguishing substantive design issues from key implementation and/or management issues; (c) assessing whether or not UNDP partnership arrangements were appropriate and effective; and (d) identifying lessons learned and best practices.

Relevant data was collected from multiple sources, including through document review, interviews and site visits to the Red Sea State and three localities of Suakin, Sinkat and Haiya. The information was analysed, culminating in a rating of the Project concept, Outputs and Work plan activities on three aspects of Clarity (whether issues were articulated without ambiguity), Relevance (whether issues were appropriate to the challenges) and Mid-term progress( extent to which intended results were achieved). The rating was done on a scale of 1 to 3, with (1 = Low) indicating major revision required; (2 = Medium) representing minor adjustments required; and (3 = High), representing Acceptable with no further improvement.

Based on this rating, the Review found that the project context, intervention strategy and implementation plan were articulated without ambiguity. However, the project design as represented by the Results and Resources Framework in the project document did not put sufficient emphasis on the main output areas of state capacity in planning and public expenditure management. This led to difficulties in articulating relevant and sufficient output indicators based on the project activities. The project was therefore rated medium on Clarity. On Relevance, the Review found that the

project contributed to the Country Cooperation Framework (CCF) 2002 – 2006; the UNDP Bridging Programme; and Millennium Development Goal (MDG) 1. Senior leadership and staff in the localities visited also confirmed that they were better able to establish locality priorities, and link locality development plans to budgets. The project was rated high on Relevance.

The Review found that the project had made significant progress towards achievement of its intended results of building state capacity in planning, budgeting and public expenditure management. All of the state's ten localities had completed their development plans, with three already finalised and seven in various stages of review. For the first time in Sudan, localities had their own local development plans, which outlined the community priorities and could be used as the locality blueprint for donor coordination. All stakeholders in the state now accepted the concept of planning at locality level. Planning Information Units (PIUs) were established in all ten localities and were provided with essential tools and reference materials, including: (1) Guidelines on Project preparation for Local Development; (2) Data Collection manual; (3) Financial Appraisal manual; (4) Budget manual; and (5) Operations manual. There was however a need for more depth in organisational development and continued support to the Core and Budget Groups in the Ministry of Finance (MoF), as well as strengthening of planning capacity in the state Department of Planning and sector Ministries. Only two Ministries of Education and Health had specific planning units. The project was rated Medium on Mid-term progress.

On project Outputs, Clarity and Relevance were rated Medium, mainly due to the misaligned objectives and the consequent difficulty of defining relevant and sufficient output indicators. Mid-term progress on the Outputs was rated Low, partly for the same reason above, and also partly because some of the major indicators had not been achieved. For example, staff in the MoF and sector Ministries had scored below satisfactory levels on assessments made on their understanding of concepts such as linking budgets to plans, using Government Finance Statistics (GFS) classification, and cash flow analysis, that was undertaken at the end of their second training session in November 2008. In addition the Local Development Fund Adviser (LDFA) that was to have been recruited by May 2008 to work closely with the LDA had still not been hired by June 2009.

Some project partners were concerned that they were either not receiving all due reports or that the reports were not being produced or distributed on time. The review also observed some inconsistencies in reports on financial data, which needed to be streamlined. On project governance and management, the project document outlined a comprehensive plan, which was adequate to provide effective project coordination. However, some of the key members of the various Committees established to manage and coordinate the project were not aware if there were specific Terms of Reference (TORs) developed for their respective Committees. Consequently, there were some irregularities in the procedures and conduct of business by the various Committees. For example, the Steering Committee had only met twice in 2008 when they should have met quarterly; and the Component Management Committee (CMC) had only met five times, when they should have met every month. As the CMC was mandated to approve selection and recruitment of Technical Advisers and consultants, their lack of meeting cannot be due to lack of a substantive work agenda, as the recruitment of the LDFA has been pending for over a year.

On crosscutting issues, the project had successfully achieved the intended results on participatory planning. Working Groups composed of technical staff

members of the sector Ministries were established to support the PIUs in coordinating community participation in the localities. However, comprehensive training on gender-responsive planning and budgeting had not been done. The Core Group had only received one week of gender training, while Planning officers in the localities did not get any gender training. Furthermore, the envisaged Gender manual had also not been produced. There was also no specific Monitoring and Evaluation (M&E) plan for the project, although the project document had a section dedicated to the M&E narrative. {UNDP commented that the Country office had an M&E plan for the entire programme; and it was not necessary for a project to have separate M&E framework}

While the present partnership arrangements were found to be sufficient, the review noted that there were opportunities for expanding the partnerships and building internal synergies with other UNDP units, particularly as the project progressed into implementation of the locality development plans. For example, the capacity that was developed in the PIUs could be harnessed in other UNDP programmes such as MDG reporting at local level, while other UN agencies and development organisations may also base their data collection for M&E in the PIUs. The project needed, however, to develop a specific strategy for the civil society component. Five leading Non-Governmental Organisations (NGOs) had recently formed an umbrella organisation for Civil Society Organisations (CSOs) and were now developing their draft Charter. The Charter would outline the goals and strategies for the CSOs, and should provide specific answers on how civil society can hold the local authorities to account.

Several lessons learned were provided in the project annual reports, which were all found to be useful and relevant. However, the following four were found to be particularly critical and strategic, especially if and when the project is replicated in other states:

- (1) Project objectives should not be too broad and should be defined in the context of what is realistic and feasible within the constraints of the project timeframe and resources;
- (2) At project inception, critical conditions for success should be identified and addressed with priority (e.g. Proposed Budget Reforms);
- (3) Contracts for Technical Advisers and Consultants should be sufficiently long to enable them to make a meaningful impact; and,
- (4) Project governance should be anchored at two levels, (a) technical level based in the field, and (b) strategic level based in UNDP (country office).

The review made an overall recommendation that the project should be continued for a further two years, in order to monitor and assess the actual roll-out and implementation of the locality development plans. This would enable UNDP to identify any remaining gaps and emerging challenges to further strengthen the Governance Programme. The review also made the following eleven specific recommendations:

- §     **Recommendation 1.** UNDP should review the project Results Framework to ensure that project main output areas are sufficiently reflected.

- § **Recommendation 2.** UNDP in collaboration with the Red Sea State should develop strategies for the state to more accurately predict federal resources to the state.
- § **Recommendation 3.** UNDP should review its procedures to ensure timely hiring of consultants and disbursement of funds.
- § **Recommendation 4.** UNDP in collaboration with the Red Sea State should ensure that the agreed Budget Reforms are implemented.
- § **Recommendation 5.** UNDP in close coordination with the Red Sea State should strengthen planning and budget capacity in the state, including particularly the Planning Department and Sector Ministries.
- § **Recommendation 6.** UNDP should ensure that the contract duration for Technical Advisers is sufficient for them to have an impact.
- § **Recommendation 7.** UNDP should streamline its reporting guidelines.
- § **Recommendation 8.** UNDP in coordination with the Red Sea State should ensure that Management Committees are effectively engaged in the project.
- § **Recommendation 9.** UNDP should ensure that gender is more effectively mainstreamed in the project. UNDP should review its partnership arrangements to identify opportunities for expanding the scope of the project.
- § **Recommendation 10.** UNDP should review its partnership arrangements to identify opportunities for expanding the scope of the project.
- § **Recommendation 11.** UNDP should develop a specific strategy for the civil society component and establish specific entry points for linking it with the state capacity building component.

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**C. ACRONYMS**

CCF	Country Cooperation Framework
CMC	Component Management Committee
CMU	Component Management Unit
CPA	Comprehensive Peace Agreement
CPR	Crisis Prevention and Recovery (Unit)
CSO	Civil Society Organisation
DANIDA	Danish International Development Agency
DMFA	Danish Ministry of Foreign Affairs
FAO	Food and Agriculture Organisation
HDR	Human Development Report
IFMS	Integrated Financial Management Systems
INC	Interim National Constitution
GFS	Government Finance Statistics
GRB	Gender Responsive Budgeting
JAM	Joint Assessment Mission
LDFA	Local Development Fund Adviser
M&E	Monitoring and Evaluation
MDG	Millennium development Goal(s)
MIS	Management Information System
MoEA	Ministry of Economic Affairs
MoF	Ministry of Finance
MoLGCS	Ministry of Local Government and Civil Service
MTR	Mid-Term Review
PAOGP	Poverty Alleviation-Oriented Governance Programme
PEM	Public Expenditure Management
PIU	Planning Information Unit(s)
SC	(Project) Steering Committee
TOR	Terms of Reference
TRMA	Threat Risk Mapping Analysis
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children Education Fund
UNIFEM	United Nations Development Fund for Women
VAU	Village Administration Unit
WFP	World Food Programme



## **I. INTRODUCTION**

### **Development Context**

1. The Red Sea State in Eastern Sudan covers approximately 10 percent of the area of Sudan but has estimated total population of only 725,000. Almost half of the population live in Port Sudan. Many of the people in Red Sea State live in extreme poverty. The State actually has some of the worst socio-economic indicators in the country. For example, access to drinking water is limited with only one in three households having access; and the mortality rate for children aged five years and under is almost double the national average.

2. The signing of the Comprehensive Peace Agreement (CPA) on 9 January 2005 and the adoption of the Interim National Constitution (INC) created an opening for addressing structural inequalities across the country. The Joint Assessment Mission (JAM), a strategic planning exercise conducted jointly by the parties to the CPA, the World Bank, and the United Nations identified the Red Sea State as one of four most disadvantaged states in North Sudan in terms of the quality and access to public services. In order to address the needs of those states, the JAM recommended that the decentralised administrative structures and processes in Sudan be strengthened.

3. The United Nations Development Programme (UNDP) has been actively working in the Red Sea State since 2005 when it started the Poverty Alleviation Project in partnership with the Red Sea State government. The Dutch government funded the initial stages of the project, which aimed to work with both state level government and civil society organisations (CSO), mainly in the area of capacity building.

### **Programme context**

4. After the signing of the CPA in 2005, the Danish government decided to support the peace process in Sudan. An Identification Team was fielded by the Danish Ministry of Foreign Affairs (DMFA) to outline a support programme. The outcome of the mission was presented in a Concept Note (November 2005), and included support to education, rule of law, institutional capacity building, national population census, lands commission and conflict prevention planning. It was also proposed that part of the support should be used to address root causes of secondary conflict fault lines in other parts of Sudan, since the CPA was mainly focused on the north-south conflict.

5. Due to the severe poverty and marginalization of the people of eastern Sudan, it was recommended to support the UNDP managed Poverty Alleviation –Oriented Governance Programme (PAOGP) for the Red Sea State. However, after a visit to the Red Sea State, the Danish Team found that the Programme was focussing too one-sided on capacity building of the civil society sector. The Team further stated that if the Programme's objectives were to be achieved, more focus would be needed to build the State's capacity to direct development activities and build the capacities of local authorities. UNDP agreed with the recommendation and requested the DMFA to field a team to assist the Red Sea State government and UNDP in designing a capacity building component targeting state and local authorities. This culminated in the

Capacity Building Component of the PAOGP for the Red Sea State, with the following overall objective:

***Overall objective of the Poverty Alleviation-Oriented Governance Programme***

*“To ensure that local government in the Red Sea State is able to deliver adequate public social and economic infrastructure and services, based on participatory, pro-poor, gender-sensitive, responsive and transparent planning procedures”*

6. The specific results of the Capacity-building component of the PAOGP, are:
- (1) Improved capacity of the state in performing its overall role of participatory policy-making, regulation and coordination; and in managing pro-poor policy development policies; and
  - (2) Strengthen capacity of local government for poverty reduction and good governance.

**Intervention strategy**

7. The Component would focus on building planning and budgeting capacity in the state Ministry of Finance and Economy; and also strengthen its directive and coordinating role, as well as its ability to transform poverty reduction policies and strategies into plans and budgets. The Departments of Planning, Development, Expenditure and Revenue would be the focal points for the capacity building activities at state level. Technical assistance would be provided to these Departments through a Public Expenditure Management (PEM) expert and Strategic Planning expert, who would be recruited to train and work with a core group of 8 to 10 department staff during the period of implementation. The Ministry of Local Government and Civil Service (MoLGCS) would also contribute staff to the core group to coordinate and lead work at locality level.

8. Tools on participatory planning approaches, pro-poor and gender-responsive planning and budgeting would be introduced and applied so that planning and budget training would serve as a vehicle for organising local government processes with the Ministry of Finance (MoF) and other line ministries.<sup>1</sup> In addition, gender disaggregated data would be collected to identify existing gender inequalities in order for them to be included in locality profiles and addressed in their respective development plans and budgets.

**II. PURPOSE, SCOPE AND OBJECTIVES OF THE MID-TERM REVIEW**

**Purpose of Mid-Term Review**

9. The overall purpose of the Mid-Term Review (MTR) was to assess project contribution towards the achievement of expected results, with a view to fine-tune current UNDP interventions as well as inform future programming in the Red Sea State and in other states if and when the project is replicated in other states. The

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<sup>1</sup> See Project document, Chart 1 page 9 for Organisation Structure of the Red Sea State.

review will support the project in assessing its delivery of results and activities against the project document and work plan that was approved by the Project Steering Committee (SC). This would include, (a) review and assessment of the achievement of intended results and work plan stated in the project document; (b) providing advice and support for future and unfinished activities; and (c) advising on the smooth phase-in/out of governance and rule of law areas for Eastern Sudan generally, and Red Sea State in particular.

### Objectives of Mid-Term Review

10. The MTR assessed the project achievement in fulfilling its objectives and work plan; and provide recommendations that would help the project to address and bridge any limitations and gaps that may be found, in the project design, methodology, governance structure and management.

11. The specific objectives of the MTR were to:
- (1) Review the effectiveness of the methodology and overall structure of the project.
  - (2) Review the effectiveness in achieving results and impact, as well as the remaining gaps in capacity building, raising awareness and advocacy.
  - (3) Review the sustainability of the capacity building achievements.
  - (4) Develop recommendations on how the Programme can most effectively continue to support the good governance and Civil Society capacity for Red Sea State and in other states.

### Scope of the Mid-Term Review

12. The mid-term review was conducted in relation to the Governance and Rule of Law Unit, covering the project period from its inception up to November 2008, in the Red Sea State. The review examined the extent to which objectives were achieved, with specific focus on the following:

- **Results status.** To determine whether or not the expected results were achieved, and if not, whether any progress had been made towards achievement of results; and also to identify the challenges to achievement of results. The review would also identify any innovative approaches and capacities developed through UNDP assistance, as well as assess the relevance of UNDP outputs to outcomes.
- **Underlying factors.** To analyse the underlying factors beyond UNDP's control that may have influenced the results. The review would also distinguish any substantive design issues from the key implementation and/or management capacities and issues, including the timeliness of outputs, the degree of stakeholders' and partners' involvement in the completion of outputs, and how processes were managed and carried out.
- **Partnership strategy.** To ascertain whether or not UNDP's partnership strategy had been appropriate and effective, including identification of the partnerships that were developed, and the role of UNDP in the partnership. The review also assessed the contribution of partners to achievement of results, including stakeholder participation.

- **Lessons learnt.** To identify lessons learned and best practices, as well as related innovative ideas and approaches in incubation, and in relation to management and implementation of activities to achieve related results.

### III. METHODOLOGY

#### Approach

13. The methodology for the mid-term review was based on a comparative analysis of the status of outputs as measured by the output indicators, to baseline data as measured at the beginning of the project and recorded in project documents. An assumption that the project was initiated by a comprehensive needs assessment based on actual baseline data was made, and also that the implementation plan included specific benchmarks and targets defining annual goals that were to be achieved through the life of the project. The main focus of the evaluation was therefore on reviewing and collecting data on output indicators to (a) determine the progress made towards results; (b) determine whether or not the outputs were likely to lead to desired results; and (c) provide the analytical tools to triangulate quantitative and qualitative data.

#### Data collection

14. The following tools were used for data collection:

- *Review of background documents.* Review of official government and stakeholder documents and reports that were relevant to the evaluation.
- *Project document review.* This included an examination of relevant Program documents, budgets and reports that contained pertinent program information. This was important to trace the progress of the program and corroborate information on the perceptions and information from program staff. The list of documents reviewed is at Annex A.
- *Key informant interviews.* These were one-on-one consultations with individuals who were directly involved in one or more aspects of the program to get their perspectives on the nature and scope of the program, implementation processes, partnership arrangements, intended results, and lessons learnt. The list of individuals interviewed is at Annex B.
- *Stakeholder interviews.* These were interviews with relevant staff of national and strategic partners, groups and individuals who had a direct or indirect interest in the program or its evaluation.
- *Focus group discussions.* These were group interviews with a small number of people selected for their knowledge or perspective on a specific aspect of the programme, such as gender mainstreaming that was convened to discuss the topic in an informal atmosphere.
- *Project site visits.* Visits to specific project sites were undertaken to validate and triangulate the information obtained from other sources. This was also useful to get the perspective of the project beneficiaries on programme processes and determine the extent to which they were participatory and human-rights-based.
- *Planning workshop.* This brought together key partners to review lessons learned and brainstorm future programming goals and strategies.

## Data analysis

15. Data obtained from all sources was analysed and culminated in a rating of the programme outputs and related elements on three levels: (a) Clarity – whether issues were articulated unambiguously; (b) Relevance – whether issues were appropriate for the challenges; and (c) Mid-Term Progress – the extent to which intended results were achieved. The rating was done on a 3-tier scale of (1) Low – major revision required; (2) Medium – minor adjustments required; and (3) High – no further improvement required.

## Limitations

16. The MTR was faced with some limitations on data collection. First, some individuals interviewed in the state and locality offices did not speak, or chose not to speak English. Consequently the Consultant had to rely on translations, by project staff. This posed two kinds of problems – firstly, that some critical information could have been lost in the translations; and secondly, the project staff were directly involved in the activities, and may have inadvertently added their own perspectives to the issues raised by respondents. The second limitation was that some of the critical documents, such as the locality development plans were in Arabic and had not yet been translated into English. The Consultant was therefore unable to independently verify the contents.

17. The output indicators were not clearly articulated in the project document, and the Consultant had to make assumptions and in some case develop proxy indicators in order to assess the progress achieved. In addition, some of the indicators did not have baseline data.

## IV. EVALUATION FINDINGS

### A. Overall Concept

	Clarity	Relevance	Mid-Term Progress
Overall Concept (including definition of long-term objective, project design and overall results achievement)	Medium 2	High 3	Medium 2

**Note: The summary of key results contributing to the ratings is at Annex C.<sup>2</sup>**

<sup>2</sup> The overall rating was based on an average score. 13 elements were assessed with highest possible score of 33. A score of 1 -10 was assessed low; 11 – 20 was assessed medium and 21 -33 was assessed high. For example, the assessment for clarity of the overall concept was assessed as follows: # of observations rated high = 8; # of observation rated medium = 4; and observations rated low = 1. Average score =  $(8 \times 3) + (4 \times 2) + (1 \times 1) / 3 = 11 = \text{medium}$ .

## **Clarity**

18. The Overall concept was clear and unambiguous. The context also established clear linkages between the Programme and the socio-economic situation in Sudan, and more specifically in eastern Sudan. Having established a clear context, the Programme also articulated a logical proposition of how it would be implemented, clearly outlining the long-term objective, which was directly derived from the Bridging Programme Outcomes. The presentation of the programme concept was also found to be clear and logical. The intervention strategy and plan of implementation were also clearly linked to the situational analysis, and therefore were directly addressing the perceived gaps.

19. The review noted, however, that the project design and the Results and Resources Framework did not sufficiently focus on the main project outputs. The intervention strategy clearly stated that the component would focus on building planning and budgeting capacities and strengthen the state ability to translate its development strategies into plans and budgets. The emphasis was on the state and locality functions of development planning and budgeting. In the situation analysis, it was noted that state and localities' budgets were not linked to their development plans. Indeed, key interviewees also acknowledged that in the past they would submit arbitrary numbers that were not supported by any statistical data. For example, a locality might submit a requirement for 10 new schools, without providing the statistical justification such as number of households at each proposed school location, number of children of school going age, or population growth trends to extrapolate future needs.

20. The project was therefore about bridging the gap between planning and budgeting, by providing localities with the capacity for development planning, as well as enabling them to prepare results-based budgets and develop capacity for managing the budgets. However, an analysis of the outputs as stated in the Results Framework suggests that the focus of the project placed more emphasis on poverty reduction and pro-poor policy-making. Instead of widening the scope, the project probably required more depth in organisational and institutional development, and engaging the federal government on revenue issues. For example, the decentralization of planning to state and locality levels may have required strengthening state legislative councils and establishment of appropriate policy and legislative framework. In contrast, by widening the project scope, outputs tend to be misaligned with activities and it becomes more difficult to develop appropriate and sufficient output indicators. For example, there are no specific indicators for Output 2 on "strengthened capacities of localities for poverty reduction and good governance". In addition, some of the key outputs such as the Budget and Financial Appraisal manuals were not included as key indicators. On the other hand, the output indicators in the project document were not sufficient measures of the stated outputs.

## **Relevance**

21. The Programme was consistent with the priorities contained in the UNDP Corporate Strategic Plan 2008-2011, which includes (among other priorities), "democratic governance, capacity development and institutional building". The Programme also has relevance in the context of the UNDP Country Cooperation

Framework 2002-2006 (CCF), whose two themes include: (1) improving governance and environmental management for poverty reduction, and (2) promoting peace and social inclusion for poverty reduction. The first of these two themes is particularly relevant, as it includes, "...capacity building for decentralised governance, encompassing planning and financial resource allocation to states".

22. The UNDP Bridging Programme Outcomes and Targets for 2007 had Outcome 3 on, "institutional capacity of local government (is) improved to adequately plan, set priorities, manage revenue and expenditure, and deliver basic services in an equitable manner". The accompanying targets for North Sudan in 2007 established three priority states – South Kordofan, Kassala and Red Sea State. The project was also consistent with the National goals of a decentralised government system, in the framework of the Interim National Constitution (INC). The project is part of the UNDP support to this goal and contributes to the United Nations Development Assistance Framework (UNDAF) Outcome 2.3; Output 2.3.1: "*National, sub-national, state and local government institutions have improved decentralised planning, budgeting, financial management, and public service delivery*". Within this framework, UNDP Governance objectives are to (provide) "***support to decentralised governance to expand capacities to manage the equitable delivery of public services***".

### Mid-Term Progress

23. Overall, the project made significant progress towards achievement of intended results. Some of the notable benchmarks that were achieved included (a) the successful establishment and training of locality Planning Information Units (PIU); (b) the setting up and training of the Core Group and Budget Group to lead the budgeting and public expenditure management; and (c) on-going support to the delivery of locality development plans, with three localities having completed their development plans by end of 2008. After some initial uncertainty and anxiety, key stakeholders in the localities, including local authority leadership and the community, now accepted the idea of PIUs. The Planning Officers were all university graduates from the locality.<sup>3</sup> They all received training in basic planning concepts, and five reference manuals were developed and issued to all localities in both Arabic and English – (1) Guidelines on Project Preparation for Local Development; (2) Financial Appraisal (for use by Core Group); (3) Data Collection Manual; (4) Budget Manual; and (5) Operations Manual for the Component Team. With completion of the locality development plans, localities will for the first time in Sudan, have a specific document outlining their priorities, which can be used by prospective donors and development agencies to decide on the projects that they would want to support.

24. However, the project still faced substantial policy and institutional challenges that affected achievement of intended results. Firstly, effective fiscal management entails comprehensive planning and control of both the revenue and expenditure sides of the equation. However, the state still faced some challenges in planning the revenue side as Table 1 below illustrates.

**Table 1: Budget and Actual Accounts for Red Sea State for the Years 2007 and 2008**

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<sup>3</sup> Dourdaib locality had not been able to identify a suitable graduate to fill the post.

## Mid-Term Review of the Poverty Alleviation Oriented Governance Programme

	2007		2008	
	Budget	Actual	Budget	Actual
Local revenues	131.7	118.5	150.7	130.9
Federal revenues	435.8	101.7	435.0	118.4
Other sources (loans)	133.3	7.2	275.6	1.9
<b>Total revenues</b>	<b>700.8</b>	<b>227.4</b>	<b>861.2</b>	<b>251.2</b>
Development expenditure	530.0	158.6	685.2	146.7

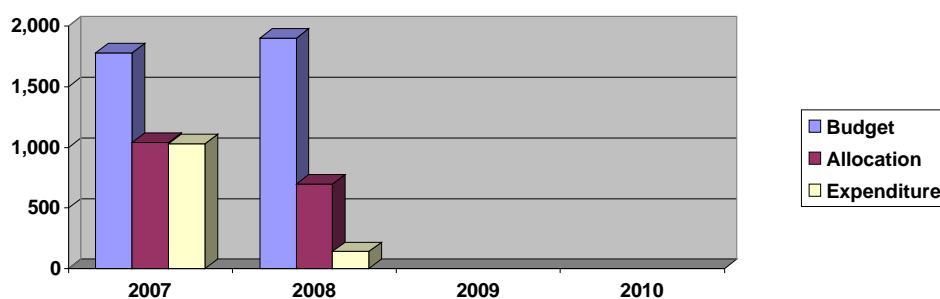
Note: All figures in millions Sudanese pounds

Table 1 demonstrates the gap between state expectations of federal resources and actual support provided to the state by the federal government. In 2008 the state had predicted its own revenues with about 90 percent accuracy, but was 75 percent off the mark with federal revenues. As a result, its expenditures were also 78 percent below expectations. This environment not only slows down development in the state, but also creates frustration and a lack of confidence in the planning process.

25. The Programme was also beset with delays in implementing some of its key activities that were actually conditional to effective delivery. For example, there were delays in hiring of key Project staff both in Khartoum and in the field (Red Sea State). Government counterparts also noted that transfer of funds from UNDP to the state was usually very slow and affected their activity schedules. These delays were mainly due to lengthy UNDP procedures as well as turn over and slow replacement of UNDP staff. Consequently, at the time of the mid-term review (which itself was delayed) the Project was running one year behind schedule. In addition, the project had only been able to deliver basic training, consisting mainly of introduction to concepts. The staff in the PIU units that were interviewed in the three localities visited all agreed that they needed advanced training in such concepts as feasibility studies, project preparation, internet and English as a second language.

26. The Project budget performance was high in 2007 but very low in 2008 as shown in the Figure 1 below (in US\$000).

**Figure 1: Project Budget, Allocation and Expenditure**



**Note: Financial summary figures are shown at Annex D.**

The low delivery in 2008 also reflects the lack of progress on some key activities due to delays in the hiring of key project staff and consultants; including delay on the implementation of the Locality development Fund, which constituted 60 percent of the project budget for 2008.



**B. Project Outputs**

	Clarity	Relevance	Mid-Term Progress
Project outputs	Medium 2	Medium 2	Low 1

**Clarity**

27. The project outputs did not clearly reflect the nature of the capacity gaps that were defined in the situation analysis, as already stated above. For example, Output 1 states: *Improved capacity of state in performing its overall role of participatory policy-making, regulation and coordination; and in managing pro-poor development policies*. The emphasis for this output appeared to be on participatory policy-making. Consequently, an assessment of results achievement would seek to establish first of all, if any policies were developed, and where policies existed, whether they were refined to function more effectively. Clearly this distracts from focusing on the main project output areas of creating locality capacity for development planning and delivering tools for planning and budgeting. One consequence of this was that some of the key activities that should have been undertaken at the beginning were only identified much later in the life of the project. For example, the Results Framework did not include activities for setting up a Budget Policy Coordination framework, which was a key component of an effective budget management system. Furthermore, at the beginning of the project, it was also found that there were inadequate policy and institutional structures such as clear Local Government Act.<sup>4</sup> Specific activities to establish necessary policy and institutional changes would have been undertaken early on in the project life to facilitate smooth implementation of the changes that were consequent to the decentralisation process.

28. The review noted that the Output indicators were stated as Output Targets in the Results and Resources Framework. However, some of them were also worded as activities. It was also observed that the “output targets” covered the entire project period of 2007-2009, thus further making them more of output indicators, since activity targets are usually developed on an annual basis and used as milestones for tracking annual progress. Some consistency in the use of terms would enhance the presentation of project documents. The Programme also emphasised gender-responsive planning, but did not clearly articulate the specific gender indicators to measure performance. In addition, there were no specific baselines established, making it difficult to measure progress towards results. Some interviewees noted that the Threat Risk Mapping Analysis (TRMA) tool developed by the Crisis Prevention and Recovery Unit (CPR) was used as baseline, but this was not clearly evident in the project document. Moreover, while it may have been a useful starting point for

<sup>4</sup> The current Local Government Act was enacted before the current constitutional framework, and is therefore does not address some of the roles and responsibilities in state and locality administration under the new dispensation.

developing the project concept, the TRMA data was found to be insufficiently detailed as a basis for planning at locality level.<sup>5</sup>

29. The indicators for Output 2 were focused on “just delivery of basic services”, suggesting that project performance would be assessed on whether or not access to basic social services by the poor had improved. However, this result could not be realistically expected to be achieved in the short period of three years. To be realistic, the project performance should be measured by its ability to build locality planning capacity on one hand, and public expenditure management on the other hand; as well as establishing a structured budget process with requisite standards, including budget and expenditure classification, cash flow analysis and controls. Delivery of “just basic services” is in this sense, a second-level outcome that will only result from effective application of this capacity. In addition, the indicators for Output 1 were insufficient to measure performance as stated. For example, it was not clear what indicators would be used to measure the state’s capacity in “managing pro-poor policies”. Since capacity in managing pro-poor policies would not be a development end in itself, a relevant indicator for it would be based on assessment of changes in income or consumption levels of a targeted group. For example, prior to the design and launch of the state capacity building component, UNDP had been running pro-poor community based projects, including an agricultural project in Haiya Locality on Fruit trees. Project beneficiaries acknowledged that their incomes and consumption patterns had indeed changed when the project was operational. However, not being part of the state capacity building component, this project could not be used as an indicator for any of the outputs.

## **Relevance**

30. In line with its strategy in Governance and Rule of Law, UNDP was rationalising its projects into three clusters. This project falls under Component 2 on Local Government Development and Public Expenditure Management. The project outputs however, were not specifically aligned with the key issues that were identified in the component.<sup>6</sup> Figure 2 below shows the key issues that could have been translated into project outputs, in order for the project to adequately contribute to the intended results.

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<sup>5</sup> Based on participatory interviews, TRAM data indicates the availability of basic services in a given locality (e.g. borehole), but does not provide other pertinent details such as number of households using the service; distance of farthest users; exact GPS locations; etc.

<sup>6</sup> The project precedes the strategy of grouping the projects into clusters, but the observations are still relevant from the perspective of strengthening the project design.

**Figure 2: Key issues from UNDP Governance strategy not addressed in Outputs**

Area of Intervention	Key Issues	Comments/remarks
Devolution of Power	<ol style="list-style-type: none"> <li>1. Review of Financial legislation guiding public expenditure management.</li> <li>2. Obscure formula for determining intergovernmental transfers to individual States.</li> </ol>	There were no specific project outputs on legislative reforms. Some reforms were subsequently agreed with the state MoF, but were all at activity level, and most were still not implemented.
Strengthening public coordination and Target setting at state level	<ol style="list-style-type: none"> <li>3. Need to strengthen the link between policy, planning and the budget.</li> </ol>	This issue was addressed in Output 1. However, there were no specific output indicators on state to locality transfers, or management of state revenues; etc.
Area of Intervention	Key Issues	Comments/remarks
	<ol style="list-style-type: none"> <li>4. Time for budget preparation at state level, in relation to planning process.</li> </ol>	
Institutional strengthening for policy analysis, planning and budget management	<ol style="list-style-type: none"> <li>5. Clear linkages between state plans and National strategic Planning and key policy frameworks.</li> <li>6. Appropriate engagement by sector Ministries and localities for improved policy analysis, planning, implementing and accounting.</li> </ol>	There were no specific outputs and indicators on organisational and institutional development. The Planning Information Units should be included as one of the key indicators.

### Mid-Term Progress

31. Some notable progress was reported for the two years – 2007 and 2008. Three localities had completed their development plans by the end of 2008 (development plans for the other seven localities were under review by the time of the mid-term review in June - July 2009). The locality development plans were actually reported to include some elements of pro-poor and gender-responsive planning in basic services.<sup>7</sup> In addition, senior staff of the Planning Department also noted significant improvement in the locality development plans, which they said were mere laundry lists in the past, but were now more consistent with development plans. Further, under Output 1, a budget classification manual was designed and completed based on the federal classification, which was expected to improve the state's capability to allocate and account for the use of funds.

32. Some key elements of the Proposed Budget Reform Action Plan developed in January 2008 had still not been implemented. Some of these elements were critical to

<sup>7</sup> The Consultant was unable to verify this as all the plans were in Arabic and were yet to be translated into English.

the smooth implementation and management of the state and locality budgeting systems. For example, it had been agreed that: (a) by March 2008, a Reform Committee chaired by the General Manager of the MoF would be established to lead the agreed reforms; (b) by March 2008, to review and clarify the roles of the Legislative Council, Council of Ministers and sector Ministries and localities; and (c) By June 2008, develop a strategy to address the predictability and timelines of revenue flows from the Federal government. These targets were all missed and were still not done by the time of the MTR. In addition, capacity for budgeting and expenditure management in the state and localities was still a long way from being realised, and the plan to establish a Budget Unit in the MoF as the lead unit in budgeting and expenditure control that had been agreed with the Ministry was still to be implemented.

For example, at the end of the training of core group and budget group that was completed in September/November 2008, an evaluation exercise was administered to all participants to assess their assimilation of the material covered. The expected passing mark was 4 points, but all participants scored below 2 points on average, way below expectation. This was mainly attributed to the insufficient time in which participants had to learn and grasp the new concepts. Figure 3 below shows the detailed scores for the progress rating.

**Figure 3: Progress rating on Budget Training (September -November 2008)**

Area of evaluation	Pass mark = 4	Localities	Ministries
Approved budget linked to its plan	2.7	2.8	2.7
Using the GFS budget classification	1.5	1.6	1.4
Using the Work Plans	1.0	0.7	1.3
Using the Cash Flow	0.1	0.3	-
<b>Average score</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>

The project staff noted that there was low appreciation of the new budget reforms among the Chief Executives of the Ministries and Localities. This was considered a high risk because their support was critical to the application of the new tools.

33. The project was not sufficiently focused on the state's institutional structures, and there was no specific organisational development strategy to change the structure of local government in line with the changes needed to support the decentralisation process. For example, it was noted that there was a need for more qualified planners in the Planning Department; while only two line Ministries of Education and Health had specific Planning Units of their own. There was therefore a gap in capacity at the state level and in Sector Ministries, as well as a requirement for additional training and mentoring.

34. There was relatively less progress under Output 2, where some of the major indicators had not been achieved due to delayed start to activities. The Local Development Fund Adviser (LDFA) had not been hired by the end of 2008, and consequently the projects under the local development fund were stalled.<sup>8</sup> In the absence of the consultant for the local development fund, it was not clear how this fund would be used. It was also not clear whether the fund would be structured as a grant or as a revolving fund. Given that the LDFA would only be on a three-month

<sup>8</sup> The LDFA had been hired at the time the MTR was done, and was due to start work in July 2008.

contract, there were some concerns if this was sufficient time for a detailed feasibility study, design of appropriate structure and system as well as actual launch of its operations. Also the design and implementation of the Management Information System (MIS) had not been started as the external consultant to lead the work was yet to be hired.<sup>9</sup>

### C. Work Plan Activities

	Clarity	Relevance	Mid-Term Progress
Work plan activities	Medium 2	High 3	Medium 2

#### Clarity

35. The design and articulation of project activities in the work plan were unambiguous and sufficiently descriptive. The work plan activities also included specific timelines by which the activities were to be completed. The narrative section of the work plan also provided clear and precise details of the activity to enable adequate planning and implementation by individuals who may not have participated in the planning. However, there were some activities that appeared to be incomplete (albeit in hindsight). For example, a more focused analysis of the work and outputs of the PIUs in localities would require follow up activities and outputs such as development of a database to store, process and manage the information. The PIUs have potential to collect massive data that would have multiple uses in other areas such as local MDG reporting. A review of the TOR for the PIUs however, did not show any plans for the creation and maintenance of a database. This could be a gap that may prove to be a problem in the future if the data collected continued to be stored in hard copy or as simple word documents.

36. The activity schedule did not provide an indication of the annual targets that were to be achieved for all activities. For example, the project document clearly stated that selection of 8-10 core group members would be identified and trained. That was a specific target, which was good. However, other planned activities did not have the same level of detail. For example, one of the planned activities in 2007 was “drafting locality development plans” but there was no indication as to the planned annual target in terms of the number of localities with completed development plans at the end of the planning period. Three localities had completed their development plans by end of 2008. However, without a clear target, it was not possible to assess this performance as adequate or under-achievement. Another example was on the activity “training on participatory, gender sensitive planning, budgeting and management of development projects”. Again, this activity would require that a specific annual target be specified to inform future tracking and monitoring of progress. There was also no mention of baselines in the activity plans.

<sup>9</sup> The planned budget for this activity could not support hiring of a consultant, and accordingly, the Steering Committee decided that the funds would be used to purchase MDSL to enhance internet connectivity..

## **Relevance**

37. Some additional activities at the inception phase of the project, to establish the necessary policy and institutional framework as a pre-requisite for developing an effective budgetary planning system would have been desirable. For example, the establishment of a Budget Unit in the MoF, mentioned above would have created a more conducive environment for smooth roll-out of subsequent activities.

## **Mid-Term Progress**

38. Many of the work plan activities were successfully completed. At the time of the MTR, nine localities had completed their development plans and the tenth and last one was undergoing revision. (Note however, that only 3 localities had completed their development plans by the end of 2008). The Planning Information Units (PIU) were established in all 10 localities. The Strategic Planning Adviser had already been separated after completing the activities specified in his Terms of Reference (TOR). It should be noted however, that many of the TOR for the Strategic Planning Adviser were not delivered due to changes in the programme context. For example, when the National Strategic Planning Council approved the new 5-Year Strategic Plan, the planned activities on finalising the state strategic plan had to be changed. The Project Team was still able to plan and embark on new activities that were equally relevant and were eventually completed successfully. The evaluation noted, however that the project had two Strategic Planning Advisers; the first was hired for a six-month period, followed by another who served a two-month term.<sup>10</sup> It would have been more prudent to extend the term of the first Adviser in order to enable continuity.

39. The project also completed many of its planned activities on budget training. The Core and Budget Groups had been trained and had in turn completed training officials in Ministries and localities, while also the Budget Manual was completed and disseminated. In the beginning, the project plan had envisaged the creation of a Core Group of 8-10 members selected from the staff of the MoF, MoEA and MoLGCS. However, this group was later found to be too small for the workload, and another group – Budget Group – of 15 members selected from the staff of the MoF was established as a technical arm of the Core Group. The Budget Group required additional training and support, as it was established after the Core Group.

40. The Gender Framework to guide gender responsive budgeting had still not been completed. In addition, the planned activities involving the Village Administration Units (VAU) and traditional leaders were not undertaken, as no expenditure was recorded against these activities in 2008.

## **D. Project Reporting**

41. Project reports were provided regularly. A review of the annual Strategic Partner's reports for 2007 and 2008 indicated that they were sufficiently detailed to provide relevant information on progress of activities and their contribution to

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<sup>10</sup> The contract for the first Strategic Planner was terminated before completion of any locality development plans, although he had developed the methodology. The challenge was to complete three plans between October – December 2008, which was eventually achieved.

outputs. There were however some minor inconsistencies in some financial data, which requires more careful scrutiny and streamlining. For example, the project document indicates that the total project budget was US\$ 1, 874,954; while in the annual reports, the same figures are US\$ 1,783,912 for 2007; and US\$ 1, 900,000 for 2008.

42. Some concerns were also expressed that the reports were not distributed on time or to all the required recipients. Some of the key stakeholders claimed that they had not seen some of the reports. However, it was later established that these reports had been circulated to all concerned. The issue therefore, was on strengthening report distribution procedures, and establishing a log for recipients to sign and acknowledge receipt of reports.

### **E. Governance, Management and Coordination**

43. The project document outlined a detailed governance and management structure, which included a Steering Committee and Component Management Committee (CMC). However, some of the key members of these Committees were not aware if there were specific TORs for the respective bodies. A copy of the specific TORs were made available to the MTR, and they contained adequate details on the membership, role, procedures and the work agenda for the Committees. With members not being aware of the TORs, the review noted that by end of 2008, the Steering Committee had only met twice when they should have been meeting every quarter. Some of its members noted the lack of formal procedures as the main reason why the Committee had failed to meet, adding that it was not always clear whose role it was to call for the meetings.

44. Although there were also specific TORs for the CMC, some key members of the Committee were not aware of their existence. The CMC had only met five times out of a scheduled 12 meetings by the end of 2008. Project staff attributed this to absence of key technical staff and officials. However, this affected coordination of various key tasks over which the CMC had oversight responsibility, including the timely approval and hiring of key staff and consultants. The project document also mandated the establishment of a Component Management Unit (CMU) to provide support to the CMC. The distinction between the CMC and CMU was not evident on the ground. In fact, there was only one organ known as the Component Team, whose roles and membership resembled that of the CMC. The Technical Advisers, however held weekly meetings with Director of Planning, who is also the Chair of the Component Team, and Component Manager to debrief on the previous week activities and plan for the coming week.

45. After the launch of the state capacity building component of the project, the state MoF, which was the central coordination unit in the state government, was split into two Ministries of Finance and of Economic Affairs. This had the effect of separating the state functions of Budgeting and planning into the two ministries respectively. However, this presented the project with some minor coordination problems. The MoEA was given overall management and coordination responsibility for the project, while the MoF was considered only as providing “Treasury” support. In addition, the state *wali* also delegated his responsibility as Chair of the Steering

Committee to the newly created MoEA. However, staff members of the MoF continued to have overarching roles in the Budget and Expenditure process. The resulting functional dynamics between the two ministries and the respective roles of their senior staff in the project were not always conducive to good coordination. Many of the issues were resolved after a visit by senior UNDP staff with direct access to the *wali*. UNDP staff at appropriate levels should therefore move fast to intervene on behalf of project staff in order to streamline coordination arrangements when such anomalies arise. Some of the reforms that were alluded to earlier would also help to define respective state Ministry roles and address some of these coordination issues.

## **F. CROSS-CUTTING ISSUES**

### ***Participatory approaches***

46. The project successfully incorporated participatory approaches in its activities. A Working Group comprised of technical staff from Sector Ministries was established to provide support to the PIUs, and to work directly with the communities in deciding the development priorities for their localities. The Working Groups provided the mechanism for community participation in the locality development planning process, while at the same time ensuring that the resultant plans were aligned with the Sector Ministry plans. The review also noted that on average, individual Planning Officers had the opportunity to contribute to three locality plans, through a rotation and exchange programme that was initiated in order to ensure that the Planning Officers gained experience quickly. This process also ensured that ideas from other localities across the state were infused into individual locality development plans.

### ***Gender***

47. One of the key elements of the project was its emphasis on gender-sensitive planning and budgeting. The Core Group did receive some gender training as planned in the 2007 work plan. The review observed, however, that the resources allocated for this training were insufficient.<sup>11</sup> However, the Planning officers interviewed in the localities visited said that they had not had any training on gender. In addition, the Gender manual was not produced as planned. The review observed that there were women participants in the Working Group on Social Affairs. However, gender mainstreaming should go beyond the mere presence of women, but should ensure that the development needs of women and men are adequately addressed, prioritised and resourced both during planning and implementation of development projects. The review also noted that there were no specific gender indicators in the project document.

### ***Building partnerships and internal synergy***

48. The project was undertaken with partnership of UNDP, the Government of Sudan, Red Sea State government, and the Danish International Development Agency (DANIDA). While this partnership arrangement had successfully established capacity

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<sup>11</sup> In the 2007 work plan, US\$1,050 was allocated for one week of training. The Annual reports indicates that US\$3,000 was actually spent on the week -long training.



for locality development planning in the Red Sea State, this had also opened doors for more broad based partnership within and outside the United Nations system, with other players seeking to address the priorities outlined in the locality plans. For example, in the area of Basic Education, Health and Sanitation, the project could pursue partnership with the United Nations Children Education Fund (UNICEF), while the World Food Programme (WFP) and the Food and Agriculture Organisation (FAO) could be engaged in the area of Food Security. There is also scope for partnership in continued capacity building of the local authorities; for instance in Gender-Responsive Budgeting (GRB), an area in which UNIFEM has particular expertise. The locality development plans also provide a donor coordination mechanism for building partnerships outside the United Nations system.

49. Internally within UNDP, there were also opportunities for developing synergies with other Units. For example, the PIUs already had a brief to update the TRAM database that is managed by the CPR Unit. The PIUs also have potential and capacity to provide the platform for establishing MDG reporting and Human Development Report (HDR) at the locality level. By collaborating in this way and establishing projects in the localities that have established PIUs, UNDP could leverage its resources by eliminating the need for initial capacity building that usually precedes its programmes.

### ***Monitoring and Evaluation (M&E)***

50. While the project document addressed M&E in the narrative section, there was no specific M&E framework. A specific M&E plan containing a detailed outline of targeted M&E responsibilities, timeframe, criteria and resources would ensure that no details are overlooked during project planning; as well as ensure that specific baselines, activity targets and adequate output indicators are included. *{UNDP commented that the Country Office had a comprehensive M&E plan, and it was not necessary for a project to have an independent M&E Framework of its own. They also observed that given a comprehensive results framework, there would be no need for additional project M&E framework}.*

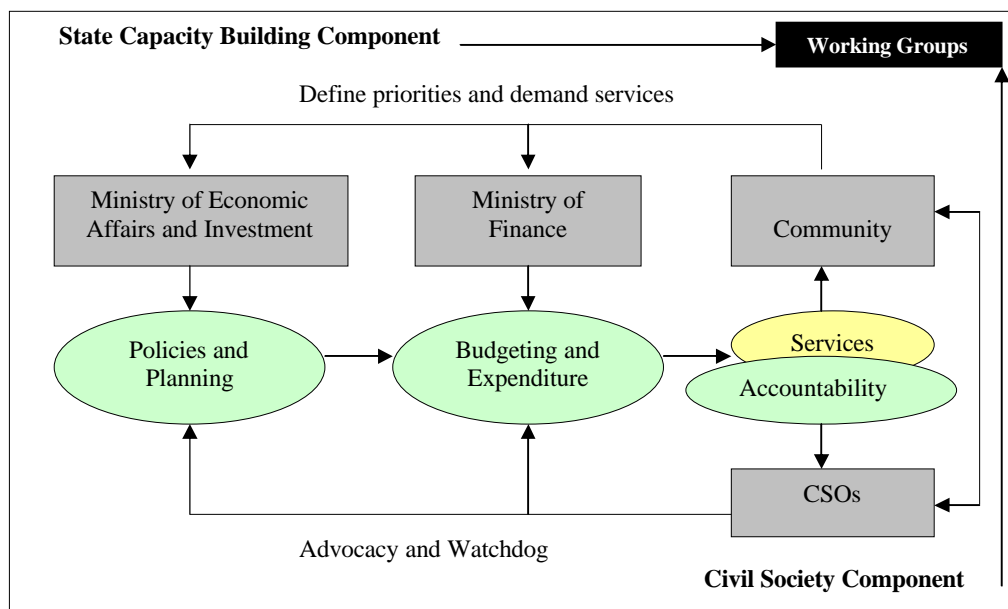
## **G. LINKAGES WITH CIVIL SOCIETY COMPONENT**

51. The two components, state capacity building and civil society component, were running parallel to each other with no apparent linkages. Project staff also acknowledged that the linkages between the two components had not been adequately thought through. As a result, there was no specific strategy for selecting the civil society organisations (CSOs) to partner with, and some of the activities that were undertaken did not have any particular relevance to the overall Programme objective. For example, one Non-Governmental Organisation (NGO) had facilitated training for 14 CSOs on fundraising for civil society. The objectives of the training were to build capacity of CSO on writing project proposals and resource mobilisation. While this training would strengthen CSOs, its relevance in the context of the overall Programme objective is remote. On the other hand, about 20 CSOs participated in training on how to design questionnaires for data collection that was conducted in collaboration with the Red Sea University. Clearly, this training would be much more relevant in contributing directly to the intended results of a civil society that will actively demand accountability from the government.

52. There was some progress on defining the specific roles of the civil society component and establishing linkages with the state capacity building component.<sup>12</sup> Five of the leading NGOs in Port Sudan met and agreed to form an umbrella organisation to be called Development Partners Group. They appointed a Working group to prepare a draft Charter for the organisation, which will be presented to UNDP. The Charter, once adopted, will establish and define the role and code of conduct of CSOs and outline how they will work with the state government and other partners in ensuring good governance and accountable government. This will be the basis for their participation in the PAOGP. In subsequent interviews with other stakeholders, it was noted that the government would also consider forming a Committee to coordinate and provide oversight to the civil society component. Any coordination mechanism that is established should however, ensure that the civil society maintain their independence in order to enable them play their watchdog role effectively.

53. UNDP should be prepared to provide technical support and inputs into the civil society Charter, as well as outline specific guidelines of its objectives in the civil society component and the linkages that it seeks to establish with the state capacity building component. Specific strategies on how the civil society can hold local authorities to account should be developed and answers provided to questions on whether the civil society should engage at sector level, or whether it should be part of the planning cycle. As a starting point, a theoretical model showing where and how the two components converge is shown in Figure 3 below.

**Figure 3: Linkages of State Capacity Building and Civil Society Components**



The model illustrates that state and locality authorities develop the policies and plans, and utilise public resources to provide basic services to their communities. On the

<sup>12</sup> These are developments that occurred in 2009 after the MTR period, and are therefore, in a sense not relevant to this review; but nonetheless, they have to be taken into account in future programming.

other hand, working together with CSOs, the communities define their priorities and the services that they need. The CSOs act as the community watchdog, providing oversight on transparency and accountability of government and local authorities, as well as lobbying and advocacy for specific policies and projects. The model shows that civil society can be engaged in sectoral approaches and participate directly in the planning process in the framework of the Working Groups. This can provide a basis for linking the two project components.

## **V. LESSONS LEARNED**

54. The PAOGP was a groundbreaking project in that it was the first ever to result in the decentralisation of government planning and public expenditure down to the locality level. Needless to say, some mistakes were expected to be made and some important lessons to be learned from the experience. These lessons should be carefully and accurately recorded in order to inform similar projects in other states, if and when the decision is made to replicate the programme to other states; and in order to avoid the same mistakes occurring even in the Red Sea State as new challenges that may require similar solutions emerge.

55. Some of the key lessons learned from the project are presented below.

- q It is important that project outputs are defined in the context of what is realistic and feasible within the constraints of the project timeframe and available resources. When the desired results are defined and stated too broadly, this can lead to ambiguity in developing practical and sufficient indicators; and may distract beneficiaries from recognising and celebrating the successful accomplishment of results when they are achieved. (See paragraphs 19 – 20).
- q There will always be some conditional precedents to successful project delivery and implementation that require early attention at the beginning of the project. In this regard, it is critical to engage both the federal and state governments in introducing necessary reforms in planning and public expenditure management at state level, in order to ensure that appropriate policies and legislation are developed and enacted in time to support smooth project implementation. (See paragraphs 24 – 27).
- q The impact of technical inputs such as Technical Advisers and Consultants is curtailed if they are not given enough time to examine, assess and fully understand the project context and its requirements. The issues that need to be addressed by Technical Advisers are usually much broader than would have been originally anticipated, such that if they are not given enough time to implement the needed interventions, the entire project may be derailed. (See paragraphs 37 – 38).
- q The project is much more likely to be smooth if its governance and management is pitched at two levels; (a) the technical level in the field should only have to interact with their technical and operational counterparts; while (b) the political side is handled by UNDP staff with appropriate seniority. This includes interaction with senior state authorities such as the wali, sector

Ministers and General Managers of Ministries. Political leaders are more likely to respond promptly to senior UNDP staff than project staff in the field. (See paragraph 44).

56. As mentioned earlier, there are likely to be a lot of lessons to learn from the project. The four lessons presented above are considered to be the most critical and strategic lessons. Other operational level lessons can be discerned and are discussed passively throughout this report.

## **VI. CONCLUSIONS**

57. Had the MTR been done by mid-2008, there would have been limited progress by then. The training of PIUs on basic concepts of strategic planning and project cycle management only began in August 2008. By the end of 2008, however, three localities of Agieg, Toker and Sinkat had completed their development plans. At the time of the MTR (in June 2009) all ten localities had their development plans in various stages of completion. This in itself represented phenomenal success for the project, as for the first time in Sudan, planning was being done at locality level. Localities would now have their own blueprint for local development, outlining the priorities decided by the community. The locality plans also represent a major step forward in donor coordination, as now the local authorities can assess and approve donor proposals based on the localities' own priorities.

58. The MTR singled out three project elements: (i) Overall project concept, including project design; (ii) project Outputs; and (iii) Work plan activities; to be rated on three aspects of clarity, relevance and progress at mid-term. Thirteen specific issues fell within these three categories and were rated on a scale of High, medium and Low. On clarity, nine of the 13 issues were rated High and three were rated Medium, indicating that the project had a clear strategy and plan of implementation. Ten of the 13 issues were rated High on Relevance, indicating a high degree of project consistence with UNDP mandate, strategy as well as national goals as reflected in the MDGs and JAM reports. On mid-term progress, six issues were rated Low and only three each were rated High and Medium. This indicated that project progress was moving slowly. This was exacerbated by the delays in hiring of the Local Development Fund Adviser and the MIS Consultant, which resulted in all activities under those areas not being started.

59. The project expenditure against allocations was low in 2008, compared to 2007. In 2007, the project expenditure was slightly over 90 percent of allocation, but just over 33 percent of allocated funds in 2008. This was due in part to the activities that had been delayed pending the hiring of respective Advisers. However, there was also relatively low delivery on activities under Output 1, which were largely ongoing but were affected by other factors such as slow disbursement and transfer of funds from UNDP to the project.

## VII. RECOMMENDATIONS

60. The Review acknowledged that the project was successful in delivering the overall objective of building state capacity for development planning and public expenditure management. The Review further recognised that this was a ground breaking project, in the sense that development planning had never been done at locality level in Sudan before. In view of this, the Review recommends that the project should be continued for a further two years, at the very least, in order to further strengthen the results that have been achieved so far.<sup>13</sup> This would provide UNDP and its partners with the opportunity to monitor and assess the actual implementation of the locality plans, in order to identify any emerging challenges and further improve the state capacity building programme.

61. The Review further makes the following specific recommendations.

### **Recommendation 1.**

**UNDP should review the project Results Framework to ensure that key output areas of building state capacity for planning and public expenditure management are sufficiently reflected.**

62. The Outputs outlined in the Results Framework did not place sufficient focus on the key output areas of building state capacity for planning, budgeting and public expenditure management. The project also required more depth in areas such as organisational development to align the local government structure for the new responsibilities that would come with the decentralisation. The project also requires to develop capacity of the state to engage with central government on revenue issues.. (Paragraphs 19 – 20).

### **Recommendation 2.**

**UNDP in collaboration with the Red Sea State should develop strategies to more accurately predict federal resources to the state.**

63. The gap between state expectations of federal revenues and the actual revenues provided to the state was too large, thus making it difficult for the state to plan and manage its delivery of basic services. The state should engage the federal government to explore ways to predict federal revenues, including through “multi-year rolling budgets” (Paragraph 24).

### **Recommendation 3.**

**UNDP should review its procedures to ensure timely hiring of consultants and disbursement of funds.**

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<sup>13</sup> The planning period for the locality development plans was 2009 – 2011. A period of two years would enable the project to continue through the implementation of the plans.

There were delays in the hiring of key project staff and technical advisers; and Government counterparts also noted that transfer of funds from UNDP to the state was usually very slow (paragraph 25).

**Recommendation 4.**

**UNDP in collaboration with the Red Sea State should ensure that the agreed Budget Reforms are effectively implemented.**

64. The Proposed Budget Reform Action Plan was agreed with the state MoF in January 2008, including the establishment of a Reform Committee to be chaired by the General Manager of the MoF. This Committee should be established as a matter of priority to lead the implementation of the Reforms (Paragraph 32).

**Recommendation 5.**

**UNDP in close coordination with the Red Sea State should strengthen planning and budget capacity in the state, including particularly in the Planning Department and Sector Ministries.**

65. Much of the capacity building on planning was focused mainly at the localities. However, there apparently was also a capacity gap in the state Department of Planning and Sector Ministries. Only two line Ministries of Education and Health had specific Planning Units (Paragraph 33).

**Recommendation 6.**

**UNDP should ensure that the contract duration for Technical Advisers is sufficient for them to have an impact.**

66. Many of the issues that Technical Advisers have to tackle are usually more complicated than would have been initially anticipated at the inception of the project. They should therefore be given enough time, not only to make an independent assessment, but also for them to be effective as agents of change (Paragraphs 38-39).

**Recommendation 7.**

**UNDP should ensure effective dissemination of its reporting guidelines.**

67. Clear reporting guidelines should be developed and disseminated to all project partners, outlining what reports are to be produced, when these reports are due, and responsibilities for disseminating them (Paragraph 42).

**Recommendation 8.**

**UNDP in coordination with the Red Sea State should ensure that Management Committees are effectively engaged in the coordination of the project.**

68. The lack of awareness of the specific TORs for the project governance and management Committees results in uncertainties about the responsibilities of the Committees and its procedures. The project document only provides the general mandate for the respective Committees, while its specific tasks, procedures and work agenda are detailed in its TORs (Paragraphs 43 – 44).

**Recommendation 9.**

**UNDP should ensure that gender is more effectively mainstreamed in the project.**

69. The review observed that there were women participants in the Working Group on Social affairs. However, gender mainstreaming should go beyond the mere presence of women, but should ensure that the development needs of women and men are adequately addressed, prioritised and resourced during both planning and implementation of projects (Paragraph 47).

**Recommendation 10.**

**UNDP should review its partnership arrangements to identify opportunities for expanding the scope of the project.**

70. As the project moves towards implementation of the state and locality development plans, there are opportunities for developing more partnerships and building internal synergies. While some emerging challenges will require new partnerships, there will also be scope to expand the breadth and depth of the project building on the capacity that has already been developed (Paragraphs 48 – 49).

**Recommendation 11.**

**UNDP should develop a specific strategy for the civil society component and establish specific entry points for linking it with the state capacity building component.**

71. UNDP should provide technical assistance to the newly established NGO umbrella group to enable them develop and articulate specific goals and strategies for governance, decentralisation and advocacy. The main focus of the strategy should answer the question how civil society can hold government to account. With clear goals and strategies for the civil society, UNDP will be able to find an entry point to strengthening their capacity and link the two components (Paragraphs 52 – 53).

**List of Documents Reviewed**

Government of Sudan and UNDP Sudan (2007); Programme Document for the PAOGP for Red Sea State: State Capacity Building Component.  
International Poverty Centre (2007); Analysing and Achieving Pro-Poor Growth.  
Ministry of Finance, Red Sea State (2009); The Budget Manual.  
Ministry of Finance, Red Sea State (2009); GFS Based Financial Charts of Accounts.  
Poverty Alleviation Oriented Governance Programme (2008); Minutes of Steering Committee meeting held on 19 August 2008.  
Red Sea State (2009); Data Collection Manual.  
Red Sea State (2009); Financial Appraisal Manual.  
Red Sea State (2009); Guidelines on Project preparation for Local Development.  
Red Sea State (2008); Operations Manual for the State Capacity Building Component.  
Sudan, Red Sea State PAOGP (2008); Review of the Budget Process, Workshop Report, 28-29 January 2008.  
Sudan, Red Sea State PAOGP (2008); Training Planning for the Core Group; Report of the Second Session.  
Sudan, Red Sea State PAOGP (2008); Training of Officials from State Ministries and Localities, September/November 2008, Training Report.  
Sudan Joint Assessment Mission (2005); Cluster Team Reports – Governance and Rule of Law.  
UNDP Sudan (2009); Governance and Rule of Law: Medium-term Policy Focus and Programme Framework, June 2009 – June 2012 (North Sudan).  
UNDP Sudan (2009); PAOGP, Progress report 2008 – April 2009.  
UNDP Sudan (2008); PAOGP, SP Progress Report, January – December 2008.  
UNDP Sudan (2007); Outcomes and Targets: Bridging Programme.  
UNDP Sudan (2007); Strategic Framework for the Bridging Programme, 2007 – 2008.  
UNDP Sudan (2007); PAOGP, SP Progress Report, January – December 2007.  
UNDP Sudan; (PAOGP), Terms of Reference for Planning Information Officers.



**Annex B**

**List of Individuals Interviewed**

Abdalla, A.; Deputy Director of Planning, Red Sea State; Sudan.  
Abdul, K.; Planning and Information Officer; Swakin Locality.  
Abuzaid, A.; Core Group; Ministry of Local Government, Red Sea State.  
Ahmad, H.; Planning Information Officer, Sinkat Locality.  
Alhamed, M.; Planning Information officer, Haiya Locality.  
Ali, A. A.; Planning and Information Officer; Swakin Locality.  
Ali, H.; Budget Group; Ministry of Finance, Red Sea State.  
Bakheitonor, E.; Planning Information Officer, Haiya Locality.  
Dr. Bamkar, T.M.; Core Group; Development Department, Red Sea State.  
Dr. Fathl; Asst. Prof.; Department of Economics, Red Sea University  
Elamin, J.; Budget Group; Ministry of Finance, Red Sea State.  
Elshafie, M.; Senior Programme Associate; Governance and Rule of Law Unit;  
UNDP Sudan.  
Elawad, S.; Executive Director; Association for Small Enterprise Development.  
Hamid, A.; Senior Programme Officer, Development; DANIDA.  
Hashim, N.; Budget Group: Ministry of Finance, Red Sea State.  
Hassan, R.; Executive Director, Sinkat Locality.  
Hussein, A.; Planning Officer, Red Sea State; Sudan.  
Ibrahim, M.; Project Officer, Crisis Prevention and Recovery; UNDP Sudan.  
Ibrahim, A.; Director of Planning, Red Sea State; Sudan.  
Mohamed, E.M.; Project Manager, PAOGP, Red Sea State; UNDP Sudan.  
Mohammed, T.; Budget Group; Ministry of Finance, Red Sea State.  
Muwanga, R.; Public Expenditure Management Adviser, PAOGP, Red Sea State;  
UNDP Sudan.  
Nasir, N.; Planning Officer, Red Sea State; Sudan.  
Osheak, M.; Planning and Information Officer; Swakin Locality.  
Osman, B.; Budget Group; Ministry of Finance, Red Sea State.  
Osman, E.; Executive Director, Society for Women Community Development, Port  
Sudan.  
Salih, R.; Project Coordinator; Society for Women Community Development, Port  
Sudan.  
Saleh, Y. O.; Planning and Information Officer; Swakin Locality.  
Schmitt, H.; Strategic Partnerships Adviser; UNDP Sudan.  
Serumaga, A.; Head, Governance and Rule of Law Unit; UNDP Sudan.  
Sharif Salil, M.; General Manager, Ministry of Economic Affairs, Red Sea State.  
Tahir, I.; Commissioner, Haiya Locality.  
Yacoub, Z.; Local development Adviser, PAOGP; UNDP.  
Mohammed, M.; Director of Planning, Swakin Locality; Red Sea State, Sudan.

**Interview Guide (key questions)**

*UNDP and Key partners*

1. What are the key results that have been achieved to date?
2. To what extent do these results contribute to (a) national goals, and (b) UNDP Outcomes?
3. How effective was the project design? To what extent does the project address the challenges in Sudan?
4. How effective is the Project governance, management and coordination mechanisms? And the M&E and reporting?
5. What do you see as the future of the project, going forward?

*Project staff and technical Advisers*

1. How effective is the project design – are the Outputs and activities in the results framework fully indicative of your work activities?
2. Were all project activities implemented as per project plan?
3. To what extent did the activities produce the intended Outputs?
4. Are the Output indicators appropriate; and do they sufficiently measure project results (both positive and negative)?
5. How was project M&E done? Was it effective? How could it be improved?
6. What specific challenges did you encounter over the life of the project? How were these challenges addressed?
7. What lessons have been learned? Is there anything you would do differently, knowing what you know now?
8. How effective was project management and coordination? How can this be improved?
9. To what extent were you involved in the civil society component of the project? How do you see any linkages being established between the two components?
10. Overall, what do you consider to be the major achievements of the project? What do you see as the future of the project, going forward?

*Local Authorities (State and localities)*

1. What specific assistance did you get from the project – please outline the specific activity areas in detail/
2. What challenges were encountered during the course of these activities – how were these challenges addressed; and what else could have been done differently?
3. What are the specific results that you have achieved to date with project assistance/
4. Have the stated project outputs been achieved (probe specific indicators individually)?
5. How were gender and civil/community participation addressed in the project?
6. How do you see the coordination and management of the project being improved?

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7. Could you describe in detail how you did (if at all) M&E to assess your results? Did you do this jointly with the project staff?
8. Is the policy and legislative environment at central and local level conducive to the achievement of project results?
9. How has the project impacted on your work and effectiveness as a local authority (a) at individual level: and (b) at local authority level?
10. What lessons have been learned in the process – what do you see as the future of the project going forward?

**Financial Summary for the Years 2007 and 2008**

	<b>2007</b>		<b>2008</b>	
	Allocation US\$	Expenditure US\$	Allocation US\$	Expenditure US\$
<b>Output 1:</b> Improved capacity of state in its overall role of participatory policy-making, coordination and regulation, and in managing pro-poor development policies.	64,000	60,000	38,000	19,000
<b>Output 2:</b> Strengthened capacity of localities for poverty reduction and good governance	115,000	43,000	46,000	2,000
<b>Output 3:</b> Improved the capacity of civil society organisations and private sector to play a pivotal role in poverty reduction, participatory development and peace building	116,000	78,000	--	---
Management and other	747,000	734,000	390,000	120,000
<b>Total</b> (less civil society component)	<b>926,000</b>	<b>837,000</b>	<b>474,000</b>	<b>141,000</b>

**ANNEX E**

**Summary of Key Factors Contributing to Output/Activity Ratings**

Output	Activities	Clarity	Relevance	Mid-Term Progress
<b>Output 1:</b> Improved capacity of state in performing its overall role of participatory policy-making, regulation and coordination and in managing pro-poor development policies.		<b>Medium – 2.</b> The indicators for measuring this Output are not clear. However, the Output is very clear with regards to what areas of capacity building to focus.	<b>High – 3.</b> The Output is very relevant to the overall project long-term objective.	<b>Medium – 2.</b> Limited progress, with only 3 localities completing their development plans by MTR. Some much needed reforms were not implemented after being agreed upon.
	Finalise State strategic plan	<b>High – 3.</b> This process was clearly articulated with workshops on establishing the link between Sector plans and locality plans.	<b>Medium – 2.</b> This activity was relevant to the planning process but is contrary to the bottom-up model that the project seeks to establish.	<b>Not assessed – 0.</b> This was overtaken by events when the Federal government introduced the State Strategic 5-year plan.
	Formulation of Locality strategic plans	<b>High – 3.</b> This was clearly articulated with intermediate steps on problem analysis and training on planning techniques included.	<b>High – 3.</b> Activity has direct linkage to the Output.	<b>Low – 1.</b> By MTR, three locality plans had been completed.
	Establishment and Training of Core Group	<b>Medium – 2.</b> Initial requirement for Core Group was under-estimated, leading to creation of Budget group later. Role of Core Group after split of MoF into two Ministries may need to be reassessed.	<b>Medium – 2.</b> The establishment of a Core Group may have been served its purpose to launch the project, but a supervisory Budget Unit may now be more appropriate for implementation and oversight of the budget process.	<b>Medium – 2.</b> Training was initially delayed due to late hiring of experts. Now expanded with a Budget group, the two groups have different capacities.

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Output	Activities	Clarity	Relevance	Mid-Term Progress
	Review of budget process	<b>High – 3.</b> Very clear and included specific intermediary steps such as study visits to Ministries and localities; budget workshop attended by state authorities, Legislative Council members and civil society.	<b>High – 3.</b> Critical step for introducing a new budgeting approach; highly relevant.	<b>Low – 1.</b> Reforms were endorsed by MoF but many were not yet implemented. Much work may have been required; as the activity had a budget of \$26,000 and expenditure of only \$2,000.
	Introduce GFS classification	<b>High – 3.</b> The requirement was clearly articulated and relevant guidance sought from federal MoF.	<b>High – 3.</b> Very relevant for alignment of state budget with federal budget	<b>High – 3.</b> Successfully completed.
	Prepare budget manual	<b>High – 3.</b> Clearly articulated, including on its use, by who and how it will be updated.	<b>High – 3.</b> Very relevant as authority and reference for budget procedures.	<b>High – 3.</b> Successfully completed.
	Implement public expenditure reforms	<b>High – 3.</b> A strategy paper on Integrated Computerised Financial Management system (IFMS) outlining the issues – legal, institutional, policy and standards – was developed. The strategy clearly outlines steps, management structures, risks and other elements for successful implementation of IFMS.	<b>Medium – 2.</b> This was not part of the programme, indicating perhaps a major omission in the conceptual design.	<b>Low – 1.</b> The reforms were not yet implemented, However, the strategy paper became the basis for agreeing the reforms with state authorities in MoF.

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Output	Activities	Clarity	Relevance	Mid-Term Progress
<b>Output 2:</b> Strengthened capacity of localities for poverty reduction and good governance.		<b>Medium – 2.</b> The emphasis on capacity for poverty reduction is somewhat misleading. The indicators for the Output are therefore misaligned.	<b>High – 3.</b> Highly relevant to the long term objective and to UNDP mandate and strengths.	<b>Low – 1.</b> Many activities not even started due to delays in hiring of key project staff.
	Establish and train PIUs in all localities.	<b>High – 3.</b> The process was clearly articulated and executed. Planning Officers were recruited in the localities that they would operate. Their roles were clearly defined. However, the specific plans of how data collected would be stored, processed and managed was not fully developed.	<b>High – 3.</b> The establishment of functional Planning Units is a precondition for building planning capacity.	<b>High – 3.</b> PIUs were established and trained in all localities. Training did not include a gender component. Exchange visits were introduced so that the PIU officers participate in development of their own locality plan and two others. A manual on project cycle management was prepared and disseminated to all PIUs.
	Prepare Locality action plans	<b>High – 3.</b> The process was clearly articulated including definition of the process and necessary training packages that would be required.	<b>High – 3.</b> This is a pre-requisite for the delivery of the project long-term objective.	<b>Medium – 2.</b> By MTR 3 localities (Sinkat, Tokar and Agig) had completed their plans.
	Design and implement MIS for localities	<b>Low – 1.</b> The project document does not provide clear details on the specific roles of MIS, other than its link to the PIUs. A detailed needs assessment may have pointed towards creation of a database and linkages with the UNDP CPR Unit established.	<b>High – 3.</b> The MIS system is highly relevant given the potential amount of data to be collected by the PIUs. There is also scope for linking this with other UNDP Units such as Poverty and CPR.	<b>Low – 1.</b> Not started due to delays in hiring relevant project staff.
	Establish local development fund; identify and implement projects	<b>High – 3.</b> Chronological steps for rolling this out are clear.	<b>High – 3.</b> Provides the linkages with projects and private sector.	<b>Low – 1.</b> Not started due to delays in hiring relevant project staff.

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