# REPUBLIC OF GUINEA

# Final Evaluation Of The Local Development Programme In Guinea (PDLG)

## Submitted To:

## United Nations

## Capital Development Fund

## Final

## EXECUTIVE SUMMARY

## 23 JULY 2007


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## LIST OF ACRONYMS

| | |
|---|---|
| ADF: | African Development Fund |
| AFD: | Agence française de développement (French Development Agency) |
| ALB: | Annual Local Budget |
| BPW: | Buildings and public works |
| CECI: | Centre Canadien d'Étude et de Coopération Internationale (Canadian Centre for Studies and International Co-operation) |
| CENAFOD: | Centre National pour la Formation et le Développement (the National Centre for Training and Development) |
| CLD: | Contribution to Local Development |
| DDC: | District Development Committee |
| EET: | Economically Effective Territory |
| EU: | European Union |
| EUPD: | Entraide Universitaire Pour le Développement |
| GPC: | General Population Census |
| IFA: | Indicative Financial Allocation |
| IFAD: | Investment Fund for Agricultural Development |
| IGA: | Income generating activities |
| IRIF: | Inter-RDC Investment Fund |
| LC: | Local Council |
| LDC: | Local Development Committee |
| LDF: | Local Development Fund |
| LDP: | Local Development Plan |
| LED: | Local Economic Development |
| LFC: | Local Financing Committee |
| LIF: | Local Investment Fund |
| LIP: | Local Investment Plan |
| LPP: | Local Planning Process |
| MDG: | Millennium Development Goals |
| MIS: | Ministry of the Interior and Security |
| MIS: | Management Information System |
| MLDT: | Minimum Local Development Tax |
| MPAD: | Ministry for Provincial Administration and Decentralization |
| NDD: | National Department for Decentralization |
| NRM: | Natural resource management |
| PA: | Project Agreement |
| PDC: | Prefecture Development Council |
| PDLG: | Local Development Program in Guinea |
| RDC: | Rural Development Council |
| SAFIC: | Système d'analyse financière et institutionnelle des collectivités locales (System of financial and institutional analysis of local authorities) |
| SERACCO: | Service Régional d'Appui aux Collectivités et de Coordination des ONG (Regional department providing support to local authorities and coordinating the NGOs) |
| SGCD: | Secretary-general responsible for Decentralized Local Authorities |
| TD: | Tender documents |
| TFP: | Technical and financial partners |
| TSU: | Technical Support Unit |
| TTF: | Trust Fund Thematic Governance |
| UNCDF: | United Nations Capital Development Fund |
| UNDP: | United Nations Development Program |
| UNIDO: | United Nations Industrial Development Organization |
| UNOPS: | United Nations Operations Services |
| VCSP: | Village Community Support Program |
| VIF: | Village Investment Fund |

# 1. PROJECT SUMMARY

| | | |
|---|---|---|
| Country: | Republic of Guinea | |
| Programme Number: | GUI/99/C01 (UNCDF) GUI/2000/001 (UNDP) | |
| Programme Title: | Local Development Program for Central and Upper Guinea (PDLG) | |
| Executing Agency: | Ministry for Provincial Administration and Decentralization (MPAD) | |
| Implementing Agencies: | UNOPS, UNCDF, the United Nations Volunteer Program | |
| Programme approval date: | 15 May 2000 | |
| Programme Start Date: | January 2001 | |
| Anticipated Duration: | Five Years | |
| Original budget forecast: | Total: | 7 761 335 USD |
| *From:* | *UNCDF* | *6 350 550 USD* |
| *From:* | *UNDP* | *1 410 785 USD* |
| Parallel Government contributions | 199 454 USD | |
| *Approved Contribution as at 31 August 2006:* | | |
| *From* | *UNCDF:* | *2 725 000 USD* |
| *From* | *UNDP:* | *1 610 000 USD* |
| Mid-term evaluation date: | June 2003 | |
| Project amendment*1*: | December 2004 | |

[1] Tripartite meeting accepting the document proposed by the Regional Technical Adviser of the UNCDF, entitled "Strategy to continue the PDLG indefinitely ", which identifies the final 23 Rural Development Communities in the Prefectures of Kouroussa and Siguiri in Upper Guinea.

# 2. EVALUATION OBJECTIVES

## 2.1 Objectives of the final evaluation

In the Terms of Reference given to the consultants, the final evaluation mission of the PDLG was essentially required to meet the following objectives:

- Evaluate the level of achievement and the sustainability of the results that were set at the beginning of the project;
- Assess the level of approval and the satisfaction expressed by the beneficiaries of the PDLG;
- Demonstrate the effectiveness and the efficiency of the strategies and methods used to deliver the program;
- Assess the strategic positioning of the UNCDF and the possibility of replicating the benefits of the program elsewhere;
- Make recommendations for the continued support of the UNCDF in the decentralization and local development process.

## 2.2 Programme Cycle

Although originally scheduled for the end of 2006[2], the final evaluation of the PDLG was carried out in April and May 2007, during the programme's interim management phase that was expected to last until June 2007. Programme activities officially ended on December 31st 2006; the Technical Support Unit (TSU) was, however, able to finalise the various dossiers and the remainder of the budget during the first half of 2007, including the last Local Development Fund (LDF) withdrawals and any physical implementation that was incomplete.

This evaluation is published ahead of PNUD/UNCDF's second cycle support for decentralisation and local development in Guinea, for which an initial strategic planning concept was prepared in June 2006. Another PNUD/UNCDF planning mission is scheduled for June 2007.

[2] The mission was postponed for various reasons, including the industrial action in Guinea that occurred in January/February 2007.

# 3. INSTITUTIONAL AND POLITICAL CONTEXT

## 3.1 Background

The mission was conducted in a difficult socio-political climate. Since the end of 2006, Guinea has been going through a period of great instability marked by strikes, coercive action and the formation of a new government last March. This situation intensified during the last week of the mission (May 3rd to May 11th) with the actions of certain elements of the armed forces (mutiny and looting) which seriously affected people living in Conakry as well as those in provincial towns and which contributed towards the continuing climate of instability and political uncertainty.

At an institutional level, a number of recent events which affected or impacted the decentralisation landscape and local development structures are recorded:

- Local elections held in 2005, in the urban districts as well as in the Rural Development Councils (RDC). These elections established new terms of office in practically all the RDCs in the program's areas of operation.
- Following the formation of the new government, the transformation of the Ministry for Provincial Administration and Decentralization (MPAD) into the Ministry of the Interior and Security (MIS). Given that the final structure and purpose of the MIS was still not known when the mission was conducting its evaluation, it is difficult to assess the impact of this on the decentralization and devolution process.
- The adoption in 2006 of the Local Authorities Act which more clearly defines the institutional architecture of decentralization and which describes the jurisdiction and resources of the local authorities. This Act is not yet really applied in practice.
- The launch announced for the beginning of 2008 of the 2nd phase of the Village Community Support Programme (VCSP) with a budget of more than 50 million US$. This new phase of the VCSP will eventually include all the RDCs and urban districts in Guinea.
- The launch in 2007 of the Regional Development Programme for Guinea Forestière financed by the European Union to the tune of 12 million Euros.

The mission believes that, in spite of the difficulties being experienced in the country, the government and the technical and financial partners are committed to working towards a policy of decentralisation (as demonstrated in the holding of local elections in 2005) and the promotion and support of local development. Action, however, must be taken quickly to demonstrate this commitment: the active implementation of the provisions of the Local Authorities Act, particularly those relating to the effective transfer of a portion of state revenues to local authorities, the easing of supervision over the local authorities and strengthening the national decentralisation bodies (NDA).

## 3.2 Programme Summary

The Local Development Programme in Central and Upper Guinea (PDLG) is built around two fundamental objectives and five (5) outcomes or results in the context of the programme itself[3].

This programme was implemented in Upper Guinea (23 LDCs in the prefectures of Kouroussa and Siguiri) following a decision taken during the tripartite review in 2004 not to extend the programme to Central Guinea, primarily for financial reasons. This meeting was also the occasion to adopt the rewording of the programme as outlined in the "Proposed strategy to continue the PDLG indefinitely". This strategy made it possible to overcome the shortcomings and difficulties experienced thus far (especially in terms of mobilising resources and financing infrastructure) by defining a new method of programme delivery based on local support to be provided to the RDCs and the devolved authorities through two offices set up in Kouroussa and Siguiri and the deployment of eight (8) technical secretaries in each of the two prefectures.

We then had a programme that was delivered in two phases or episodes (2002-2004 and 2005-2006) which produced markedly different results. The first phase failed to produce any significant results in terms of mobilising RDC revenues and financing socio-economic infrastructure or developing local economic potential. The period 2005-2006, however, produced far more convincing results, illustrated in the body of this report, with regard to local government, the mobilisation of resources and the provision of socio-economic facilities and infrastructure. Given the results achieved, we are to some extent at the end of part one of phase two of the PDLG.

As planned in the programme document, the aim of the PDLG was also to influence national policy on decentralisation and to create partnerships with other development players, both locally and at national level. As will be seen elsewhere in the report, this goal was only partially achieved.

## 3.3 3.3 Programme Status

The PDLG is in its final implementation phase since activities were officially concluded on December 31st 2006. Overall, the objectives and expected outcomes were achieved. Moreover, it is the opinion of the mission that, by and large, the budgetary control of the PDLG was in line with the budget review carried out in 2004 as the result of budget cuts in the UNCDF.

[3] See the project document prepared in 2001.

# 4. WORK AND PURPOSE OF THE EVALUATION

## 4.1 Analysis of the results achieved and their sustainability

The following pages contain an analysis and the conclusions of the mission on the level of achievement and the sustainability of the results of the PDLG over the past five years. This analysis looks at the four major outcomes (results) identified in the framework plan.

Before analysing each of the four outcomes, the mission formulated a general comment on the performance of the PDLG compared with the immediate objective (end of programme result) identified in the initial framework plan. This was expressed as follows:

***"Promoting sustainable and participative economic and social development, managed by decentralised local structures (RDCs)".***

As a general conclusion, the mission feels that the overall results achieved within the framework of the PDLG contribute in part to achieving this objective. The RDCs supported by the programme were able to develop a culture of participative local government which allowed practical action to be taken towards promoting sustainable economic and social development. The conclusions, however, are far less positive when it comes to the objectives of poverty alleviation, one of the central concerns of the UNCDF approach.

The mission is forced to conclude, and this is borne out in the analyses, that despite a financial contribution in excess of 2,6 million US$ over the last five years, the impact on poverty levels remains low. In reality, this investment went mainly to building infrastructure and facilities of a social nature (schools and health posts) which, apart from buying local services in the building industry sector, do not contribute directly to wealth creation and thus to reducing the level of economic poverty of the local population. Admittedly, building markets and supporting associations will have contributed, or will contribute, towards local development but, as the report shows, this support was aimed more at alleviating the onerous work of women rather than creating true wealth for the community.

Therefore, the mission questions the approach developed in the PDLG which placed particular emphasis on the building of infrastructure and facilities rather than on implementing a real strategy for economic development and the promotion of local entrepreneurship.

**Finding 1: Capacity building to mobilize local resources and manage the local funding process**

Encouraged by a number of factors (the SAFIC exercise, increased Contribution to Local Development [CDL]), the main results relate to the significant increase in "own income" recorded by the RDCs in the PDLG zone. This income has risen steadily since 2002, despite remaining stagnant in 2005.

This fiscal enthusiasm not only reflects the new tax-gathering capability of the elected RDC officials but is an indication of the positive perception of the relationship between paying tax and the provision of facilities that benefit the community. This situation bodes well for the emergence of a sense of good tax citizenship. Nevertheless, this new-found enthusiasm hides limited and contrasting performances between one prefecture and the other (between 2002 and 2005):

- In Siguiri: tax collection rose on average from 67% to 85%,
- In Kouroussa: the average collection rate went from 50,6% to 59,8%

Overall, the average collection rate in the project area remained around 82 %. Current strategies to increase income in the RDCs are not really directed towards improving performance but rather towards developing new tax sources by creating commercial infrastructure (markets, bus stations, stock yards, etc.).

In conclusion, it can be said that there is increased efficiency on the part of local players in mobilising resources and a greater tendency on the part of citizens to pay their taxes. However, continued progress could be thwarted by:

(i) the levelling off of contributions;

(ii) fiscal pressure, given the increase in the number of markets4 but with no local economic boom;

(iii) persistent "biased" risk;

(iv) a policy of revising downwards the RDCs' share of the Local Development Fund (LDF) which goes against the process of transferring responsibility.

In the chapter dealing with the local financing mechanism, the mission notes that, thanks to the LDF, significant financial resources were injected into the PDLG zone which received a total of 4,5M$. These resources were raised in various ways:

(i) the Local Investment Fund (LIF) that finances up to 70% of the RDCs internal investments, absorbed 75% of the funding;

(ii) the inter-RDC Investment Fund (IRIF) garnered 18% of the LDFs resources, whereas

(iii) the Village Investment Fund (VIF) intended for Income generating activities (IGAs) could take only 7% of the committed funds. In any event, the total take of the allocated budgets amounts to 100% for the UNDP and 88% for the UNCDF. The geographic distribution by prefecture seems to indicate that Kouroussa was only able to use 44% compared to Siguiri's 56%.

The main problem area appears to be the late take up of funds by the VIF (75 to 80% between 2005 and 2006) and also by the IRIF which, for the period 2002 and 2004, made virtually no withdrawals. Nevertheless, with its various areas of focus, the IRIF posted a very good take up rate (1,6 billion FG in 2 years).

The mid-term review of the terms of access to the LDF (exemption from VIF financing, share dropped from 25% to 15% in 2004) was held in a political and economic climate marked by the crisis in the cotton sector[5] and the introduction of various procedures by the Village Community

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[4] Strong accent on markets (22 built in 2 years): a quick source of finance but unsustainable if there is no economic expansion as a result.

[5] This crisis which led to the collapse of the cotton industry between 2001 and 2006 resulted in a significant loss of revenue from the income generated in the project zone (estimated at 7 M FG).

Support Programme (VCSP) partners (e.g.: the 20% share as required by the WB). This change in the access rules, however, helped to raise the level of support provided by the partners.

In addition, the method of forecasting the distribution of LDF funds proved to be particularly complex and unsuited to the financing needs and conditions of the RDCs. The recommendations of the mid-term evaluation were able to rectify this. However, this mechanism did serve to:

(i) leverage local investment capacity in terms of infrastructure projects;

(ii) produce a multiplier effect in terms of the growth centre initiatives;

(iii) drive local entrepreneurship (in Siguiri 75% of the funds distributed through PDLG contracts were picked up by 70% of the contractors in the prefecture).

Undeniably, the Growth Centre initiative introduces a new space for economic projects and planning, but the viability of this important PDLG innovation should be underpinned by a clear view of tax resources and local economic development.

The downward correction of the RDCs' share in the financing however, justified by the circumstances described above, goes against:

(i) the process of handing over responsibility to the RDCs and their gradual autonomy;

(ii) emulating fiscal results;

(iii) pragmatism in the choice of Local Investment Plan (LIP) actions;

(iv) the ability to plan based on priorities that are contrary to a persisting aid mentality.

**Finding 2: Introducing and institutionalizing a participative process of planning and local government**

The RDCs were able to show that they had incorporated the principles of participative planning in their management policies. The Local Development Plans (LDP) were implemented in the 23 RDCs in 2002 when the PDLG was launched, and were updated in 2006. These exercises were all conducted using the methodology of active public participation by way of diagnostic workshops. The interviews conducted by the mission in the various RDCs confirmed that the needs expressed by the community as a whole had been taken into account in drafting the LDP. But a number of important gaps were noted in the LDP delivery process (technical quality of the documents, delays, etc.) which impacted its effectiveness and efficiency.

All these factors lead one to believe that the Local Councils, in partnership with civil society through the LDCs and the District Development Committees (DDC), now employ a management style based on planning and prioritising development action, as opposed to one that depends on ad hoc measures or favouritism. The mission did however note that women and young people are still largely marginalised in this process, given that they are not really involved in the operational management of the RDC and continue to be the victims of cumbersome sociological and political procedures.

Although one can now talk of a culture of participative planning, the mission feels that several factors could weaken the process. These factors revolve around the technical nature of the process of preparing and developing the various planning tools (LDP, LIP, ACB) which are still poorly understood by the RDCs. The high rate of illiteracy amongst locally elected officials, the lack of human resources within the RDCs and the relative complexity of some of the tools are all factors that can weaken the progress that has been made and bring about the return to ways leading to favouritism and arbitrary action. Consequently, the mission feels that mechanisms to strengthen capacity ought to be established within the RDCs in order to prevent the technical aspect of the process from becoming a de-motivating factor for them.

The integration of this participative planning method, strongly supported by the PDLG, has allowed a culture of good local governance to emerge in the RDCs. This has manifested itself in various ways:

- The establishment and normal functioning of the deliberating body, the Local Council. The mission noted that LC meetings were held at regular intervals and that an agenda and Minutes were prepared.
- There is political pluralism within the LCs. Not only are opposition parties strongly represented in all the RDCs but both political lines (opposition and presidential majority) are also present.
- The energy of the LDCs and the District Development Committees (DDC) which act as a counter balance in most of the RDCs, together with strong public participation in community life.
- The emergence, mentioned earlier, of a sense of public-spiritedness amongst taxpayers, underpinned by the relevance of what the PDLG has delivered.
- Maintaining and developing this new civic mindedness is however threatened by a number of social and institutional factors:
    - weak financial and human resources in the RDCs which could cancel out the gains made with participative planning and better tax compliance;
    - the weakening, through bad governance practices, of the structures for dialogue and oversight embodied in the LDCs and the DDCs and the risk that political governance in the RDCs will become troublesome;
    - pressure from community supervision (the sub-prefect) which may replace the RDC when it is shown to be too weak.

On the other hand, the place of women and young people is by no means a given in this emerging new culture of governance. Although they would like to be full participants in public life, illustrated by the number and strength of the groups or associations that have been formed, women represent just 2% of councillors on the RDCs in both prefectures and so continue to remain absent from the local political scene. This data is disconcerting and bears out the difficulties that women face in order to play a meaningful role, not only in the community but in local political life.

**Finding 3: Improving the delivery of infrastructure and socio-economic services suited to the needs of the people**

With the support of the Local Development Fund (LDF), the RDCs completed 128 infrastructure or service projects of a socio-economic nature between 2002 and 2006, at a total cost of 8 billion FG. These investments however were targeted in different ways over the two phases of the programme

(2002-2004 and 2005-2006). Phase one (2002-2004) saw the RDCs putting the accent on schools and health facilities: 35 schools out of a total of 51; 21 health posts out of a total of 26. During phase two, investment was directed mainly at commercial infrastructure: 21 markets constructed out of a total of 22; 1 bus station and 1 stock yard when previously there were none.

Although the total number of projects was slightly higher during phase one of the PDLG, more money was invested during phase two, up from 2,9 billion FG to 5,4 billion FG. This is explained by the type of investment, but two other significant factors are involved: the RDCs share was reduced from 25 to 15% and the impact of the "growth centre" approach.

The growth centre approach also favoured several RDCs since it enabled them to build infrastructure and not have to bear the entire cost of the project; the markets or bus stations for example. This engendered a spirit of solidarity, which in turn produced a mechanism to share financial resources that would make it easier to raise the funds to finance larger commercial projects. This approach, however, does present a potential pitfall if it is not seen through to the end because an RDC which until now has not benefited could be disadvantaged in the long run. This situation would be all the more difficult to manage if the principle of sharing the income generated by the infrastructure is not yet agreed between the RDCs.

Admittedly, the commercial infrastructure that has been built seems appropriate and will surely contribute to raising local tax revenue, not counting the new job opportunities that may be created. But given the large number of markets and stalls, not to mention the similarity of what is on offer, there could be a risk of creating a "*souk"* culture[6]. Dispersing the projects or even overlapping them could work against economies of scale if a development policy in a relevant economic area is not in place to optimise the facilities

As far as user satisfaction is concerned, the projects financed under the LDF have on the whole proved worthwhile. Those benefiting recognise that the infrastructure that has been built is in line with the priorities identified in the LDP that was based on the needs expressed in 2002. Moreover, the infrastructure made it possible to achieve significant coverage in terms of education and health. Consequently,

- there is a significant increase in the percentage of children in full-time education in those RDCs, especially at secondary school level which means that pupils, particularly the girls, do not have to be sent to school in the main centers;
- there is also better health coverage in the beneficiary RDCs.

As far as functionality is concerned, apart from some new commercial facilities still being completed, most of what has been built appears functional. Some RDCs have even taken steps to help run the health posts for example (putting in staff) when the State services failed to respond to their appeal.

[6] This crisis which led to the collapse of the cotton industry between 2001 and 2006 resulted in a significant loss of revenue from the income generated in the project zone (estimated at 7 MFG).

**Finding 4: Local economic potential is poorly developed and economic partnerships need strengthening**

The support initiative for Income Generating Activities (IGA) has provided assistance to 85 groups out of the 125 groups initially identified in the two prefectures. These groups or associations are generally made up of about 30 people, 63% of whom are women. Their activities focus on market gardening (40%), cereal crops (22%), grain warehouses especially in Siguiri and, to a lesser extent, refforestation and, more recently, work with technical and financial partners (TFP). Activities with very low value added are intended for everyday domestic consumption, except for a few soap making plants. Groups in the zone are generally:

(i) not formalised since they have no official approval and no bank accounts;

(ii) poorly equipped technically and with little ability to raise finance;

(iii) made up mainly of women but who, compared to the men, are largely illiterate and lack technical skills. Through the RDCs, the PDLG has assisted the groups by providing administrative support (obtaining approval, preparing funding proposals) and financial resources, in the form of grants.

Actions to support the groups were initiated in phase 2 of the project, beginning in 2005. This delay meant that little finance was raised for the groups; they accounted for just 7% of the funds withdrawn from the LDF (559 M). Over the first 3 years of the PDLG, only 25% of the Village Investment Fund (VIF) was spent.

In the building and public works sector, the LDF put out tenders for more than 8 MFG. These contracts enabled local contractors to be involved in construction work: 75% of the value of the contracts awarded in Siguiri went to 70% of the local companies registered in the prefecture; only 8% of contracts were awarded to contractors outside of the project area. With the help of the project, these contractors gradually learned how to prepare tender documents. In addition, these contracts had a knock-on effect on the local labour force and local secondary inputs.

Thanks to a partnership with the Support Programme, the Technical and Financial Partners (TFP) scheme was introduced as a social response to the onerous work done by women, but their level of efficiency is still low (breakdowns, supply difficulties, or inability to repair in good time).

In the area of local economic development (LED), it must be said that the PDLG has not yet come up with a real action plan. Action that will turn community-based income generating activities (IGA) into real small or micro enterprises (SMEs) that could support and strengthen the local economy has not yet been undertaken. Neither have the sectors or potentially lucrative markets been identified that would underpin such entrepreneurial initiatives (apart from the ad hoc studies compiled by ADRA and SAFIC).

Any support for income generating activities has taken a purely community approach, with a strong social component:

(i) initial assistance to women's groups to obtain VIF finance in the form of annuities;

(ii) finance for community-based IGAs which excludes local private promoters/developers.

Building the economic skills of local stakeholders:

(i) training in entrepreneurship;

(ii) providing information on the technical and technological possibilities of enhancing the value of local resources;

(iii) creating permanent access to land ownership for women members;

(iv) transforming women's groups (survival or subsistence level IGAs) into dynamic micro enterprises able to conquer new markets has had limited success.

Where natural resource management (NRM) is concerned, safeguarding and carefully managing these resources, as well as enhancing their value, has yet to be defined and implemented in an integrated fashion. Environmental pollution by mining companies for instance, or the free rein to cut wood given to local carpenters by RDC officials, or the difficulties women experience to access energy sources (modern domestic fuel and power) are not yet covered in any government policy paper.

Local economic development (LED) projects in the PDLG are not yet clearly visible. They were started late and are still being implemented. Neither do they yet provide an idea of the sustainability of what the PDLG has achieved. The LED strategy of the PDLG has not yet proved its effectiveness on the ground.

## 4.2 External and internal factors

The mission makes a number of comments on the external factors that might have had an impact on the project. Firstly, with regard to the policy of decentralisation and devolution, the PDLG seems to have operated in a static environment with no significant evolution during the period the project was implemented. Indeed, despite the local elections held in 2005, Guinea has show no real desire to breathe new life into the decentralisation and devolution process these past few years. Some progress has been recorded, such as the Local Authorities Act adopted in 2006, but to date the main provisions of this Act are not yet in force. Moreover, recent developments of an institutional nature which saw the Ministry for Administration and Decentralisation become the Ministry of the Interior and Security seem to signal a return to the traditional role of the State as a centralised structure.

The strategy of the PDLG in terms of support for local development lies within the government's strategy for poverty alleviation in Guinea. So the objective of the PDLG to support sustainable improvement in the lives and livelihoods of the people in Upper Guinea through participative economic and social development, managed by decentralised local structures, still finds its place and remains relevant.

With regard to the internal factors that have impacted the definition and management of the programme, the mission notes first of all that the "gender" approach did not allow the stated objectives to be achieved. Despite adjustments along the way (the Trust Fund Thematic Governance approach), the PDLG was not able to make significant progress in advancing the participation of women in public life. More targeted efforts must be brought to bear to ensure more convincing progress in this direction, with the support of the UNDP and the UNCDF.

In addition, the establishment of the PDLG as an institution proved to be unsuitable. Only one meeting of the Steering Committee was held during the entire duration of the programme. Although this situation can be put down to a number of economic factors, it nevertheless highlights the difficulty of including state structures in running and monitoring the programme and consequently in growing and capitalising on the gains.

On the other hand, the mission acknowledged as a positive feature the way in which the programme was delivered and the decision to continue the programme indefinitely after 2005. This community-support approach has proved successful in terms of governance and local development. It would certainly be worth copying this strategy in any future PDLG type programme.

In conclusion, the mission recognised that the PDLG approach played an important part in supporting local political and institutional structures which allowed a culture of good governance to develop. On the other hand, this approach did not go high enough up the chain of command to reach the national decentralisation figures. The PDLG did not know how to properly disseminate the best practices that it had developed in running the programme.

## 4.3 Strategic positioning of the UNCDF and partnerships to be developed

The mission has a number of comments to make regarding the strategic positioning of the UNCDF within the framework of the PDLG and also in respect of the partnerships to be developed.

- Through the PDLG, the UNCDF has proved its distinct ability in terms of:
    - bringing into play the local participative planning tools required;
    - delivering infrastructure and services;
    - operational mechanisms for the decentralized financing of public infrastructure.
- The promotion of growth centers appealed to the public. This speeded up the construction of facilities on an inter-RDC basis and had a striking effect on the RDCs involved.
- Undoubtedly, the PDLG experiment conducted by the UNCDF is a benchmark today for decentralization in Guinea. The best practices developed should, however, be circulated more consistently to the other partners.

At a strategic level, partnerships were started with a number of partners: the Village Community Support Programme, the World Bank, the EU, various NGOs (CECI/EUPD, ADRA, CENAFOD), the TTF / UNDP and companies in the project zone.

Partnership initiatives, however, were not always carried through. Nevertheless, all the decentralisation partners see the UNCDF, through the PDLG, as the lead player and pioneer with its ability to innovate and the tools it can bring to bear.

In any event, the PDLG experience will have served to highlight the quality of the UNCDF's methodology and tools in the area of local government. These innovations, well documented by the UNCDF, are increasingly being incorporated into the programmes and projects being prepared or implemented by the decentralisation partners. However, the experience of the Growth Centre initiative and the LED has not yet been put to use in the projects and programmes of the other decentralisation partners. The UNCDF could certainly do better to assert its role as driver in this regard.

# 5. LESSONS

The principal lessons learned in implementing the PDLG are listed according to the major themes that were analysed.

**Mobilizing resources**

- The willingness of citizens to contribute towards building up local finances supposes that a clear link between their contributions and the provision of facilities has been established and that those facilities have been identified and planned with the participation of the community.
- In this sense, the SAFIC process seems not only a tool to identify underlying potential but also a way to foster public participation and empower elected officials.

**The Local Development Fund mechanism**

- The LED mechanism proved an effective way to stimulate local investment capacity, managed in a participative and democratic manner by the local players. However, the link between public financing of infrastructure by the Local Investment Fund and the financing of private operations (income generating activities) through the Village Investment Fund, and these in the form of grants, seemed neither effective nor viable.
- Efforts to give autonomy and responsibility to the local councils in matters of investments impacts both control and management of the planning process, it also affects the gradual assumption of responsibility for their finance requirements. As a result, the level of support for projects should decline as the financial performance of the RDCs improves.
- The sustainability of the financing mechanisms will in the long term depend on the rate of growth of the local economy. In other words, it will depend on the capacity to exploit local economic potential.

**The need for true local government**

- The efforts made by the PDLG have highlighted the importance of setting up and supporting participative bodies that can really challenge the established authority, playing an oversight role to ensure healthy and sustainable local government.
- The PDLG also demonstrated that developing a civic-minded culture where people pay their taxes is the result of a joint effort by all concerned and that creating a culture of compliance and accountability is the only way to ensure public confidence in elected officials.
- Building capacity to drive local economic growth by identifying and promoting sectors and niche markets and developing growth potential that will incorporate village groups, building contractors and artisans, as well as skilled and unskilled labor, not only through
    - commercial facilities, but above all by
    - providing integrated services to local operators.

- Local economic governance supposes:
    - a good grasp of economic and commercial data to be used as an instrument for decision-making and the informed drafting of local policies (as the SAFIC system provides);
    - the promotion of activities that deliver regular and sustainable income;
    - an attractive business environment, in an area that is dynamic and offers marketing and supply channels, coupled with a technical and technological support system.

# 6. RECOMMENDATIONS

The mission's recommendations deal with the main themes identified. The discussion and implementation of these recommendations must be the result of a concerted effort on all sides. For this reason, the official state partners such as the Ministry of the Interior and Security (MIS) and the various sectoral ministries (education, health, economy and finance) must act as project owner in formulating the various recommendations put forward. The UNCDF and the UNDP as well as the other technical and financial partners could be called upon to support the government's efforts in implementing the recommendations, without however replacing the government's authority in this regard. For instance, they could contribute to the various technical studies required to formulate practical new policies in the area of local government and local economic development. In this respect, it matters that the most important recommendations regarding political and economic governance become part of official decentralisation texts (Local Authorities Act).

**Mobilising tax revenues**

Strengthening the internal tax collection process should attempt to:

- Build on the progress made in collecting tax by strengthening the internal capacity of the RDC and the DDC (well maintained tax rolls, better tax collection methods (DDC / Council secretariat) and continuous public awareness campaigns.
- Properly identify non-resident nationals and formalise relations with them by introducing a plan aimed at increasing their voluntary contributions.
- Launch more decentralised co-operation initiatives with major local and international business interests, in terms of the provisions of the new Local Authorities Act.
- Be realistic in adjusting and balancing the budget between available income and expenditure.
- Widen the tax base by strengthening local productive capacity: the markets that are built should primarily serve to showcase and sell local products.

**Local development financing mechanism**

- Optimum consolidation of the Growth Centers in order to create a true Economically Effective Region (EER) and to ensure better linkage between the RDC and the rural towns, based on an effective strategy for local economic development.
- Ensure sustainability by achieving more financial autonomy at the local level.
- Explore the possibilities of raising loans to build infrastructure of a commercial nature. Investigate and take advantage of the possibility of raising additional loans to cover the financing of income generating facilities.
- Provide LED grants from the RDCs that decrease over time, based on criteria related to:
    - demographics
    - the realistic forecast of the updated Local Development Plan
    - the ability to raise finance

  - local capacity to take up funding with viable projects

**Participative planning and local government**

Within the framework of a national approach (harmonising the activities of the partners):

- Plan and rapidly install mechanisms aimed at making the RDCs autonomous (staff recruitment, budget support, do-it-yourself approach).
- Strengthen civil society involvement by continuing and institutionalizing the LDCs.
- Work with the political parties to promote the involvement of women and young people in local government institutions.
- Within the framework of a local approach:
- Support the LDCs (training, community support).
- Maintain community technical support to the RDCs

**Developing local economic potential**

- By means of a private – public dialogue, define the priority sectors and conditions for optimizing the local value chain;
- Encourage co-operation between local entrepreneurs, suppliers and contractors (co-contracting) and promote private – public dialogue at local level.
- Rally and improve the skills of young local workmen so that they can be involved in the construction work, or even be promoted to a project management group.
- Support the networking initiatives of local business groups and their promotion to the ranks of small and micro enterprises (SMEs) by facilitating their access to inputs and to lucrative commercial outlets.
- Record initiatives to secure project finance and support the promotion of micro finance products suited to the needs of local SMEs.
- Support local promoters of small service providers to accompany private initiatives and the public / private sector partnership.

**Developing partnerships**

- Continue the Growth Centre experiment and the LED to the end. Learn from the experience and capitalize on it.
- Create strategic partnerships with the decentralization programs and with the projects and structures responsible for promoting the SMEs.
- Renew relations with the technical and financial partners (TFP) within the framework of a new TFP-UNDP-PREP/UNOPS pilot project, so that the units already set up can be reactivated and new ones established.

- Mobilize the SFD partners so that the entrepreneurs and developers can be put in touch with the IMF and a lasting proposal found for financial products that are tailored to local conditions.
- Broaden the opportunities offered by the presence of the mining companies (environmental, social and economic).
- Develop an inter RDC economic partnership.

**Short-term recommendations**

- Consolidate and continue to develop the growth centre initiative.
- Continue to support local stakeholders by maintaining the community support structure established in the RDCs.
- Stimulate and encourage the financial and non-financial services market to become more accessible to companies.
- Promote the local private sector.
- In order to achieve true local economic governance and generate added value, local stakeholders need to be equipped with new skills in terms of marketing and negotiating with the private sector locally and elsewhere.